2017

The Anatomy Of The British Economic "Elite"

M. Savage

K. Hecht

J. Hjellbrekke

See next page for additional authors

Recommended Citation

M. Savage, K. Hecht, J. Hjellbrekke, N. Cunningham, and Daniel Laurison. (2017). "The Anatomy Of The British Economic "Elite"". *New Directions In Elite Studies.* 150-173. DOI: 10.4324/9781315163796-8
https://works.swarthmore.edu/fac-soc-anth/188

8 The anatomy of the British economic "elite"

Mike Savage, Katharina Hecht, Johs. Hjellbrekke, Niall Cunningham and Daniel Laurison

Images of the British elite saturate iconic symbolism of upper classes across the globe. The aristocratic stately home has been safeguarded and showcased by Britain's largest charity, the National Trust, and served up for global audiences by media productions such as *Downton Abbey*. British public schools, and the quadrangles of Oxford and Cambridge, define a particular vision of wealthy aristocratic turned "meritocratic" excellence. However, it is uncertain whether these symbols still effectively grasp the nature of Britain's contemporary elites, given unusually rapid economic and social change from the 1970s. Comprehensive de-industrialization from the 1950s and the subsequent restructuring of the UK as a global financial centre from the 1980s have left a profound legacy. Research by economists has demonstrated that the UK has a distinctive trajectory, having moved from being a relatively egalitarian nation in the 1970s to being one of the most unequal in Europe by the early twenty-first century. Britain's Gini coefficient (the most commonly used metric to measure income inequality) rose starkly during the 1980s, before flattening in the 2000s, but at 0.33 it remains higher than any other major European nation with the possible exception of Spain (Eurofund 2017). Much of the increase in overall inequality is due to developments at the top of the distribution, specifically the increasing share of the top 1 percent of highest earners (Morelli et al. 2015). In the UK, the share of the top 1 percent in total income almost doubled between 1970 and 2012 from 7 percent to 13 percent, having peaked in 2009 when the share was 15 percent (Jenkins 2016; Jenkins and Alvaredo 2016).

It has been argued that while the share of the top 1 percent in terms of income has increased dramatically, the role of traditional wealth holders – notably landowners – has significantly faded. And indeed, Atkinson (2015) demonstrates that ownership of wealth changed dramatically over the past century; it is now much more equally distributed than it was in the Victorian era. Nineteenth-century economists assumed that there were three social classes: workers, capitalists and landlords, who derived income from labour, profits and rents respectively (Atkinson 2015). In contemporary Britain, these distinctions are no longer so clear-cut, because a person may receive income from all three sources; wealth is shared more widely and those with the highest incomes from labour increasingly also have high capital incomes.[1] In addition, "top earners have caught up with, or overtaken those living off capital income" (Atkinson 2015: 107). Research by economists therefore points towards a change away from an aristocratic or capitalist rentier "elite" to a "meritocratic" financialized "elite" of individuals with top incomes, including hedge fund managers, chief executive officers (CEOs) and footballers (see Littler 2013; Atkinson 2015).

Our aim here is to provide a sociological analysis to consider how far the British economic "elite" has moved on from land-owning aristocrats who derived income from rents (and were hence free to spend their time pursuing cultural interests) to a global financial elite who derive income from labour and capital (and can therefore legitimize their advantage in "meritocratic" market terms). Indeed, the argument that a new kind of financial elite has eclipsed the traditional British upper class is commonly made. This argument can take nationalist overtones, as with the social commentator Peter York (2015), quoted and interpreted by the *Daily Mail* as saying:

> "An extraordinary mixture of Russian oligarchs, Middle Easterners, new petrodollar types from Nigeria, Indians, Malaysians and, latterly, Chinese . . . [are] driving up the prices of London property and driving all but the richest, the most adaptable Sloanes [i.e. 1980s-style British upper class] further south and north – and some out of London altogether." He says the next generation of Sloane Rangers is now likely to be working as effective "butlers" for the rich foreigners, selling them houses, yachts or investment opportunities. The trend is being exacerbated by the fact that private education is now being bought up by wealthy foreigners, with students sent from China, Russia and the Middle East pricing the children of British professionals out of top schools.
> (Daily Mail Online *2015*)

York's comment is tinged by a certain nationalistic undertone, but points to a crucial research question: how far has the traditional British economic elite, who historically were the most prosperous groups in the population, the top capital income earners, now been eclipsed by a global financial elite, "parked" in London? To what extent can we still detect amongst today's top earners distinctive British upper-class motifs? We address this question here by asking if the super-rich have distinctive cultural and social attributes, and if they have, how far they might deviate from the traditional and "highbrow" forms which are characteristic of older upper-class formation.

Lurking behind this question is the need to consider whether contemporary elite culture remains exclusive and perpetuates traditional upper-class snobbery. In their study of British elite cultural practices drawn from a small qualitative sample of a highly exclusive managerial elite, Warde and Bennett (2008: 258) argue that these older forms of upper-class exclusion are no longer evident:

> Culture produces affinities within the group without necessarily or intentionally excluding others. Nothing in our evidence suggests that their attachment to a dominant culture is an attempt to exercise social control over subordinate classes. Neither does our managerial elite seem to be engaging in activities which are exclusive to people in their very elevated social stratum. Their pursuits are neither rare nor arcane. They are ones shared, though probably less intensively, by other sections of the middle class. Nor does our evidence indicate the use of culture to mark divisions within the elite.

Our research question therefore poses major issues regarding the extent to which top-end economic inequality translates into wider forms of social and cultural closure.

This issue is challenging to address. Despite this huge symbolic freight of British elites, they are notoriously hard to research, especially when we probe their symbolic and cultural aspects. This partly reflects the historical culture of secrecy which the British upper class has long exhibited (Vincent 1998; Savage 2010). Whilst famous for their ostentatious aristocratic display, the British upper class has been historically closed to outsiders. In a similar vein, contemporary financial elites are also notoriously elusive, especially at the extreme top end of the wealth and income distribution. A telling example is the degree to which the super-prime London property market is dominated by faceless companies which anonymize and protect wealthy buyers (see generally Dorling 2014). And this is on top of the usual challenge that researching elites is hard simply because they are by definition rare, and therefore unlikely to be found in significant numbers in nationally representative surveys.

Our chapter provides the most comprehensive account of these high earners and their partners, drawing on the unusual resources of the Great British Class Survey (GBCS), which has the largest sample of the very rich of any British data source (Savage and Devine 2015). Our aim is to explore the cultural and social features of the British rich to examine what kinds of elites they are. We assess whether the super-rich are primarily the cultural descendants of the traditional British upper classes, or whether they are a distinctively new formation. We thus describe the contours of the highest-earning households in the UK, and the extent to which they differ from the rest of the population, from the next-richest, and among themselves to assess how different they are from the "merely" very well-off.

We firstly explain the problems with data which beset studies of the British super-rich, before turning in Section 2 to scoping out the relevance of the GBCS for studying the wealthy, by contrasting it with the largest nationally representative sample survey, "Understanding Society" (USoc). Although the GBCS is not a representative survey and therefore cannot be used to describe the profiles of high-income earners, we show that by comparing responses between the very high-income earners and the rest, revealing differences can be detected. Having shown that the GBCS offers the most effective platform for the wider social and cultural analysis of high-income earners that we currently possess, Section 3 shows the geographical distribution of the very wealthy to underscore their highly particular predilection for West London. The fourth section uses a multiple correspondence analysis (MCA) to examine a cleavage between more "established" and "emerging" elements within the super-high-income earners.

1 Researching the British elite

There continue to be striking data problems which make researching the British elite very hard. Unlike the situation in Scandinavian nations, there are no registration data to draw upon. Although numerous nations have allowed administrative data (especially derived from tax records) to be used to analyse micro-patterns of mobility and inequality (e.g. Mitnik and Grusky 2015 and Chetty et al. 2014a, 2014b on the US), only aggregate data has been made available in the UK. The great tradition of social surveys in the UK has tended to focus on the "bottom end," and have rarely extended towards elites. Nationally representative sample surveys are not large enough to include significant numbers of the very rich, and in any event such surveys have been shown to systematically underrepresent this group (Piketty 2014; Jenkins 2016; Anand and Segal 2015). Partly because of the high degree of granularity of UK postcodes, geo-demographic analyses can be conducted at a small-scale level, and have been heralded by Burrows and Webber (2016) as offering unusual potential for analysing super-rich neighbourhoods. However, the categories deployed are necessarily those derived from market research classifications, and the data is largely consumption based. Furthermore, after the early interest in elite case studies conducted in the 1950s (e.g. Kelsall 2013 on the civil service; Morgan 1969 on bishops, Otley 1970, 1973 on army officers), the tradition of elite occupational case studies has largely died away. Indeed, even analyses of corporate interlocks, which John Scott pioneered in the UK from the 1970s (e.g. Scott 1997), has largely fallen into abeyance. It is not for nothing that Savage and Williams (2008) noted that the elites were "remembered by capitalism, forgotten by social science" – though this is an unusually British phenomenon given the rising significance of elite analysis in other nations as demonstrated by the chapters in this book.

In this chapter we redress this neglect by drawing on the remarkable resources of the Great British Class Survey (GBCS) to offer an unprecedented glimpse of those with very high household incomes in the UK. The GBCS was a web survey hosted by BBC's Lab UK between January 2011 and June 2013, during which period it gathered 325,172 responses. The GBCS, alongside the smaller nationally representative survey which was conducted at the same time, has been extensively used by a team principally at LSE, Manchester and York to develop a new approach to social class in the UK (Savage et al. 2013, 2015b). The GBCS itself remains a controversial source. It is highly skewed towards the well-educated and well-off (alongside unknown biases probably equating to its BBC affiliation), and therefore cannot be used to infer nationally representative patterns. For some critics (e.g. Mills 2014), this undermines any scientific value that the GBCS might have. Savage (2015b) have insisted on the pragmatic value of the GBCS – for certain purposes the very large size of the sample allows unusual and original granular analyses to be conducted which are not possible using other surveys, and if care is paid to recognizing these sampling biases, then meaningful inferences can still be drawn. In fact, the general sample bias towards the upper and middle classes make it a data source of unusual potential for researching elite formation (see in general, Savage 2015b).

Let us excavate this point further. For whilst there is a general skew in the GBCS towards the well-educated and better off, there are also some highly specific micro-skews. Wakeling and Savage (2015) thus compared the proportion of GBCS respondents who graduated from different universities with the actual size of university student bodies to detect if there were micro-biases at work (favouring graduates of particular universities, for instance), over and above a general skew towards large numbers of graduates. Here, they found a strong "elite bias" effect – that the most elite universities, notably Oxford and Cambridge, had more responses than would be expected given their share of the UK student body, and that this effect was fairly consistent: as the prestige of universities fell, so did their GBCS response rates. This is a reasonably reassuring indication that the GBCS sample skews are consistently biased towards elites.

There is a related issue as to whether specific occupations are more overrepresented than others, even within the ranks of the generally privileged occupations. Appendix 1 looks at the proportion of specific occupations within NS-SEC1 (National Statistics Socio-Economic Classification, Class 1) within the GBCS, compared to the nationally representative Labour Force Survey (LFS). Forty-seven occupations fall within the range of 0.5 to 2.0 (i.e. the GBCS proportion is between half and double that of the LFS proportion, which we can treat as reasonably nationally representative). There are some striking outliers, with CEOs being the most remarkable. These form 9 percent of the entire GBCS NS-SEC1, compared to 1 percent for the LFS, entailing a nine-fold overrepresentation within the GBCS. Scientists and "experts" are also overrepresented in the GBCS, whilst public-sector managers are strikingly underrepresented.

Do these micro-skews matter for the interpretation of the data? Clearly, it makes it difficult to infer the kinds of occupations, or graduates of specific universities, who might make up the high earners, as the proportions indicated may be due to the over- or underrepresentation of specific occupations within the GBCS. However, this sample skew is less likely to be an issue when the focus is on the relationship between high earners in general and the less well paid, as relativities between different groups appear to be robust and have been replicated in national sample surveys. The findings of Friedman et al. (2015) and Laurison and Friedman (2016) on the "class ceiling" demonstrate this. Taking advantage of the unusually large sample size of GBCS respondents in NS-SEC1, Friedman et al. were able to show that those respondents from working-class backgrounds tended to be less well paid than those from more privileged social origins – and hence there was a "class ceiling" even within specific elite occupations. When Laurison and Friedman replicated the research design on the nationally representative Labour Force Survey they found very similar results.

It is in this spirit that analyses of the GBCS have proceeded to tease out telling "elite effects."[2] Wakeling and Savage show that Oxford University conveys the most economic advantages over its other "elite" rivals, and a smaller "Golden Triangle" group of universities convey advantages over and above those of their "Russell Group" peers (Wakeling and Savage 2015). Similarly, Cunningham and Savage (2015, 2017) have used GBCS data to map the geography of privileged social groups demonstrating a very striking micro-geography within London and the South East. Savage (2015b) pull together these findings to argue that the contemporary British elite, with the highest volumes of cultural, social, and economic capital, is very different from the traditional upper-class model: rather than being an inheritor of the gentlemanly professional class or ladylike manners, it is the product of powerful global corporate and financial interests based in London and the South East of England. This chapter is however the first to focus specifically on the highest-income earners and their partners/adult family members within the GBCS.

2 Scoping out households with top incomes: comparing the Great British Class Survey high earners with "Understanding Society"

The question asked in the GBCS, from which we derive our sample, is "What is the annual income of your entire household after taxes?" In this chapter we select the most economically advantaged group in the survey – those who report a household income after tax and deductions of £200,000 a year or more.[3] No fewer than 8,044 GBCS respondents fall into this £200k+ group. On inspection, we can see that a significant minority of these respondents are students or school pupils, who are presumably reporting their parental household income. For such households there is a particular danger that the reporting of household income could be mistaken. In addition we only have limited information on the social composition of their parents, making it difficult to use this information analytically compared to other respondents. We therefore omit those aged under 22 who reported being in households earning over £200k as it is likely that they are also reporting, possibly erroneously, parental income. We also omit non–UK-based participants. This leaves 4,521 cases with household income after taxes of £200k+ available for analysis.

The three highest-income brackets of the GBCS (i.e. £100–149k, 150–199k and £200k plus) approximately represent the top 1 percent in household income in the UK (or the two highest depending on household composition).[4] We can get some bearings by comparing this with the top 1 percent of households in a survey of the United States, a nation with even higher inequality, and where this group takes a larger share of the national income (Keister 2014). We also examine patterns in the largest general British representative panel sample survey, "Understanding Society" (USoc), which has a sample size of 40,000 (31,821 after accounting for sampling weights) (University of Essex, Institute for Social and Economic Research and National Centre for Social Research. 2014, Knies 2014). In the analysis below we compare those with top household incomes in the GBCS and USoc with "others," where household income falls below £45k. As GBCS data are non-equivalizable, we cannot place this level of household income after taxes on the distribution of household incomes; we can only approximate that it corresponds approximately to the bottom 75 percent of the non-equivalized household income distribution.[5]

Table 8.1 reports the demographic characteristics of those with highest household incomes within the GBCS and "others." In line with the US data from the Survey of Consumer Finances (SCF) (Keister 2014), respondents with highest household income after taxes are older on average than all other income groups (though only slightly), and they are predominantly male (67.1 percent).

Compared with the socio-demographic characteristics of the top 1 percent in the US in the representative Survey of Consumer Finances (SCF) (Keister 2014), the GBCS respondents with household incomes larger than £200k (Table 8.1) are younger, with an average age of 42 and more likely to be female (33 percent). Keister finds that the top 1 percent in terms of income in the US are 98 percent male with an average age of 55. The reason why GBCS respondents are more likely to be female is that the data refers to household income and does not distinguish between main earners and other members of the household. Atkinson et al. (2016) show that in 2012 there are only 18 percent women in the top 1 percent in the UK. These findings point towards the importance of studies which "gender" the elites (Glucksberg this volume) and account for gendered differences in elite households.

In addition, GBCS respondents with top household incomes are also slightly less likely to be white than all other individuals and slightly more likely to be Asian/Asian British and Middle Eastern/Middle Eastern British compared to "all others" (in contrast to Keister who finds that the top 1 percent in the nationally representative SCF are 91 percent white compared to 69 percent of the bottom 90 percent of the distribution). They are also more likely to be married, living with their partner, and having degree-level education compared with all others (Table 8.2). Other key differences between individuals living in the highest-income households (£200k+) and all other individuals is that the former are more than twice as likely to work in a traditional professional occupation, and five times as likely to be in a senior managerial position. In addition to working in more advantaged professions themselves, GBCS respondents with highest household

Table 8.1 GBCS respondents with high household income, the highest value property or high savings

Socio-demographic characteristics	*Household income after taxes*				
	£200k+	*£150–199k*	*£100–149k*	*£45–99.9k*	*All others*
Male	67.1	60.3	61.4	53.4	48.4
Age	42.0	41.7	41.3	40.0	39.5
Ethnicity					
White – British, Irish, other	88.8	90.1	90.6	91.9	92.3
Asian/Asian British	3.0	3.4	2.9	2.1	1.3
Rather not say	2.6	1.7	1.6	1.8	2.3
Other ethnic group	1.4	1.0	1.1	1.1	1.1
Chinese/Chinese British	1.0	1.0	1.0	0.8	0.6
Mixed race – other	1.0	0.8	0.7	0.6	0.7
Mixed race – White a. Asian/Asian British	0.6	0.5	0.7	0.5	0.5
Middle Eastern/Middle	0.6	0.4	0.3	0.3	0.3
Black/Black British	0.5	0.7	0.8	0.7	0.7
Mixed race – White a. Black/Black British	0.4	0.3	0.3	0.3	0.3
Married/living with partner	81.6	81.4	80.8	81.1	56.9
Having children	64.0	60.1	58.3	52.7	43.8
Education					
Degree-level education	86.9	86.2	84.6	78.7	66.5
Postgraduate degree	46.4	45.1	43.3	38.1	27.0
Undergraduate degree	40.6	41.1	41.2	40.6	39.5
Occupation					
Senior managerial	45.4	43.1	36.7	22.0	8.9
Traditional professional	32.6	30.1	28.2	21.8	13.3
Family background (occupation)					
Senior managerial	38.9	34.1	30.7	21.7	14.9
Traditional professional	26.3	24.7	23.2	18.8	13.9
GBCS elite class* **	100.0	99.9	91.7	27.7	8.9
Value of property >500k	76.1	56.2	38.2	11.1	2.2
Value of savings >200k**	68.8	40.2	27.1	10.2	4.3
% of GBCS sample	1.9	1.8	5.8	39.5	51.0
Approximate % of the UK income distribution	Top 1%			Top 10 – 25%	Other 75 – 90%
Number of individuals*	4,521	4,239	13,413	91,998	119,004

Note: All figures are percentages except age and number of individuals

* Due to missing values there is a difference of 2 between the sample size of individuals who have indicated their household income and those who indicated savings and property value.

** Aside from value of house.

** Others are assigned to either the latent class established middle class, or technical middle class.

Table 8.2 Understanding Society respondents with high household income

Socio-demographic characteristic	*Household income after taxes*				
	£200k+	*£150–199k*	*£100–149k*	*£45–99.9k*	*All others*
Male	51%	53%	50%	52%	47%
Age	53.3	53.9	48.1	46.4	53.1
Ethnicity					
White	94%	95%	89%	91%	93%
Mixed	1%	0%	1%	1%	1%
Asian	4%	5%	7%	5%	3%
Black	1%	0%	2%	2%	2%
Other ethnic group	0%	0%	0%	0%	0%
Married/living with partner	85%	92%	83%	84%	61%
Education					
Degree-level education	63%	58%	57%	43%	21%
University higher degree	28%	31%	31%	20%	8%
First degree or equivalent	35%	27%	26%	23%	13%
Occupation (NS-SEC)					
Large employers and higher management	8%	16%	13%	9%	3%
Higher professional	24%	16%	21%	13%	7%
Lower management and professional	30%	28%	33%	37%	26%
Intermediate	8%	9%	12%	12%	15%
Small employers	20%	22%	14%	10%	11%
Lower supervisory	2%	1%	3%	6%	9%
Semi-routine	5%	5%	5%	10%	19%
Routine	3%	3%	1%	4%	11%
Number of individuals*	130	110	457	7,417	23,708

incomes are almost three times as likely to have a senior managerial background, and twice as likely to have a traditional professional background compared with all others.

However, they are actually more likely to be members of ethnic minorities than the less well-off (the proportions of Asian British, "other ethnic," Chinese British, mixed race and Middle Eastern is slightly higher than GBCS respondents earning under £100k). This offers only very slight evidence for a certain kind of "opening up" amongst very high earners and support for Peter York's diagnosis of the decline of the white British "Sloane Rangers."[6] The very high earners are also not different from other GBCS respondents in terms of their likelihood of having obtained an undergraduate degree. However, they are 72 percent more likely to have obtained a postgraduate degree than others.

The most striking difference between those with the highest household incomes and others is that the former are disproportionately more likely to own large amounts of wealth. Those with the highest household incomes are 34 times more likely to own property valued higher than £500k and 16 times more likely to have savings higher than £200k than are all others. There is a clear association between having high household income and having high savings and/or property value amongst GBCS respondents (Table 8.1). For the US, Keister (2014) estimates from the SCF that the correlation between total household income and total household net worth has been about 0.50 to 0.60 since 2001. This correlation is reasonably high. The categorical GBCS data do not allow the computation of a correlation; however, the data shows that of those respondents with household incomes of at least £200k, 76.1 percent also own a property worth more than £500k, and 67.8 percent have savings larger than £200k. In comparison, those on the lower end of the high-income spectrum (household income between £100–149k) are approximately half as likely to do so (38.2 and 27.1 percent respectively). Hence, there is an economic gradient whereby those GBCS respondents with highest incomes are also much more likely to own high-value properties and have high savings (Table 8.2) compared to those with household incomes one or two brackets below them.

Table 8.1 shows that those with household incomes over £200k are more privileged on a number of dimensions than those who are earning somewhat less, even for those who are also very well paid. They are more likely to come from senior managerial or traditional professional backgrounds, work in senior managerial or professional occupations, and more likely to have high house values and savings.

Let us consider whether these findings are consistent with those indicated by the largest British general-purpose survey, "Understanding Society" (USoc). USoc has 31,821 respondents[7] but only 130 people for the category £200k+. This in itself indicates the strength of the GBCS, and also underscores how small the USoc sample is for granular analysis. This offers further support to the numerous arguments that national sample surveys do not contain a large enough number of elites and cannot be relied upon for research on elites (Piketty 2014; Anand and Segal 2015; Jenkins 2016).

It is actually reassuring that there are similar trends in both datasets, and the economic gradient in *de facto* marital status, degree-level education and occupation is apparent in both the GBCS and USoc data. Respondents to USoc with high household income are less likely to be male than are those from the GBCS or the SCF (Table 8.3). USoc respondents with highest household income are also more likely to be white than GBCS respondents (94 compared to 89 percent), and, like the GBCS respondents, individuals from highest-income households (£100k and higher) in USoc are predominantly white, but slightly more likely to be Asian/Asian British than all other households. We cannot tell if ethnic minority high-income respondents are overrepresented amongst GBCS. There is a greater proportion than for USoc, but since there are only a small number of non-white high earners in USoc we cannot infer any general patterns.

Table 8.3 Cultural and social capital amongst high earners: GBCS

	Household income after taxes				
	£200k +	*£150–199k*	*£100–149k*	*£45–99.9k*	*All others*
Social network: knowing socially					
An aristocrat	37.6	27.2	20.4	11.4	8.2
A finance manager	75.2	69.8	66.5	51.9	33.6
A solicitor	89.1	83.4	79.1	65.4	50.5
A postal worker	6.5	8.8	10.4	16.4	24.0
Cultural capital: do sometimes or often					
Go to the opera	28.8	20.4	16.4	10.4	7.4
Classical music concerts	36.5	31.0	27.6	20.7	16.9
Watch sport live	46.1	41.0	37.8	31.8	23.1
Play sport	63.0	59.5	56.9	48.8	37.5
Go to the theatre/musicals	66.6	60.3	57.2	49.4	39.6
Go to the gym	76.2	72.8	69.8	63.5	52.1
Go to restaurants	97.9	97.5	97.0	94.7	86.7

Note: All figures are percentages.

USoc respondents are generally less highly educated than those in the GBCS (which we fully expect, given the well-known skew of the GBCS towards the well-educated). The association between level of education and household income brackets is even stronger in the USoc data. Sixty-three percent of those individuals with household income of £200k+ have degree-level education; only 21 percent of all others do so.

We can therefore be reassured that the GBCS does not appear to be out of line in terms of the relationship it indicates between the attributes of the highest-income earners and others beneath them, and we will therefore now turn to examine what its data reveals about the wider social and cultural profiles of the very high earners. We start by considering their distinctive geography.

3 Spatial distribution of high-income earners

In Figure 8.1 every household with a GBCS non-student respondent aged 22 or over earning over £200k is marked with a black dot. Figure 8.1 shows, predictably, a strong clustering in London with a weak corridor working through the Midlands and into the North West of England – where Manchester is the second-largest centre – and small pockets in Glasgow, Edinburgh, Cardiff and Newcastle. Whereas the rural areas in the South East of England have considerable numbers of dots, large areas of Wales, Scotland, the South West and North of England are bare indeed.

If we control by looking at the GBCS very high earners as a proportion of the actual population in different areas (Figure 8.2), then the pattern

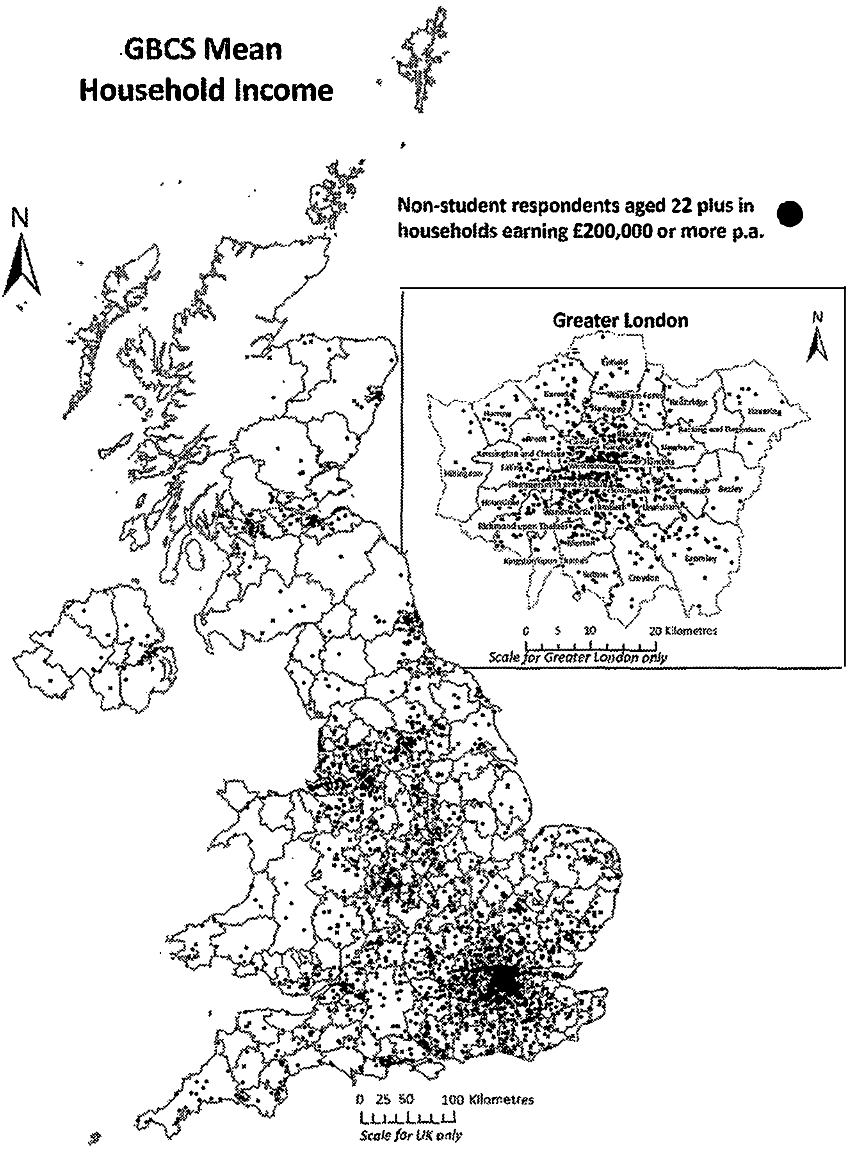

Figure 8.1 GBCS Mean household income for non-student respondents aged 22 plus in households earning £200.000 or more p.a.

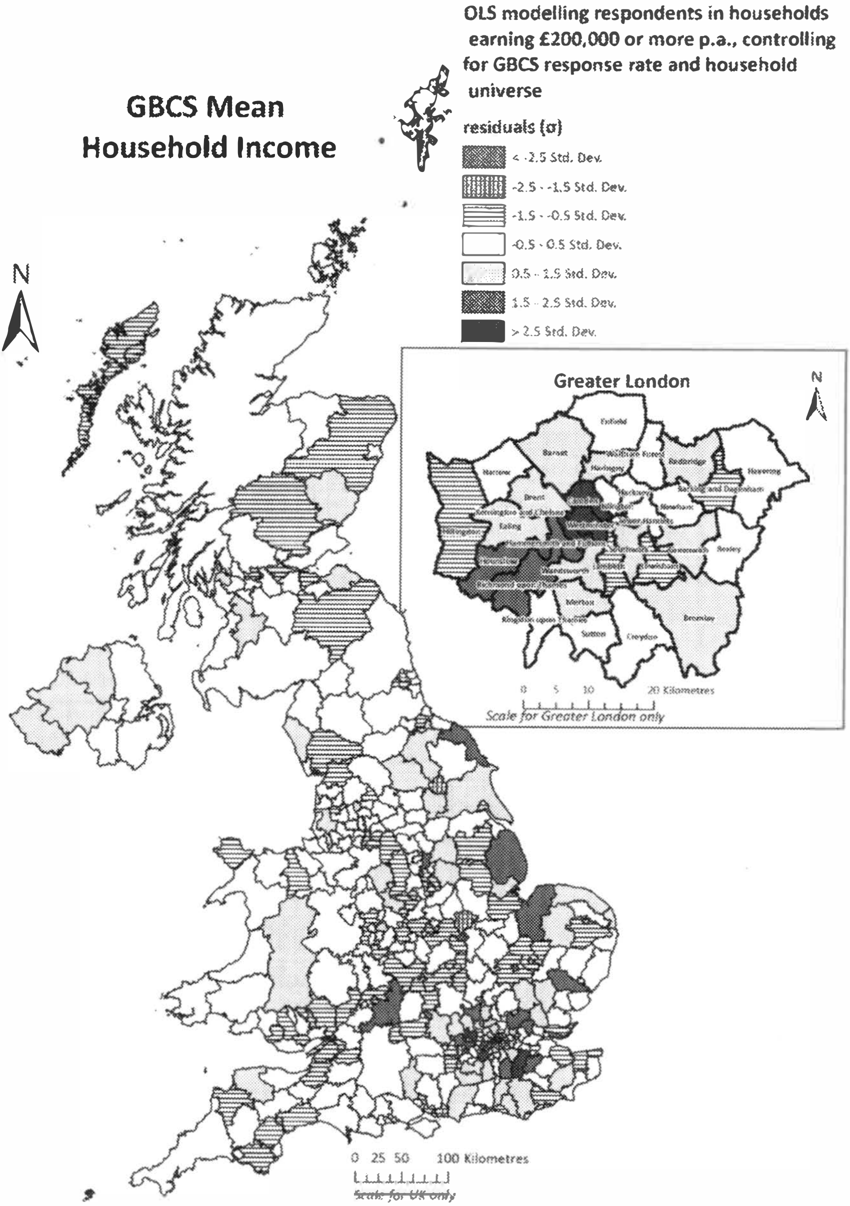

Figure 8.2 GBCS mean household income. OLS modelling respondents in households earning £200,000 or more p.a., controlling for GBCS response rate and household universe.

is somewhat different.[8] The highly unequal geography is even more crisply displayed. There is a very clear "west London corridor" with its epicentre in Camden, Westminste, Kensington and Chelsea, and which then works along the Thames to Windsor (including the boroughs of Hammersmith and Fulham, Wandsworth and Richmond upon Thames). There are a few other areas in the Home Counties and in rural areas with a significant overrepresentation, and a few more scattered areas with a slight positive residual. But the overall geography is stark and clear: there is a very strong overrepresentation of very high-income earners in a very specific part of West London, and nowhere else. It is highly revealing that cities other than London (e.g. Leeds, Sheffield, Manchester) have lower than expected very high-income earners. This very distinctive geographical location of very high earners is consistent with the idea that they may very well be associated with forms of social and cultural exclusion, in that their neighbourhoods are distinctive and that they share a tendency to live close together.

4 The social and cultural profiles of very high earners

Central to our research question is the extent to which very high income is associated with distinctive social and cultural relationships. We have seen above that Warde and Bennett (2008) claim that the British elite is not highly exclusive, and here we will scrutinize whether very high earners differ not only from the wider population, but also from those who are just "very well-off." If so, we might identify them as "a class apart" and qualify the arguments of Warde and Bennett. We can also see if they have the kinds of cultural and social attributes which might mark them as embodying older "highbrow" upper-class culture.

Table 8.3 shows that those with very high household incomes are considerably different from those only moderately well-off along a number of measures of social and cultural capital. There are some areas where these differences are especially pronounced, notably knowing an aristocrat and going to the opera (an activity which Warde and Bennett (2008) also note is distinctively popular amongst the managerial elite they studied). The disparities fall somewhat in other areas (e.g. knowing a finance manager or going to classical music concerts) but are still readily apparent. Having said this, we should note that only 38 percent of those with very high household incomes know an aristocrat and less than a third (29 percent) go to the opera. We might also note that the very high earners are also more predisposed towards going to the gym, watching live sport, and playing sport than other groups: they seem to represent in exaggerated form the general tastes of the well-off in British society.

We can pursue this further by considering in more detail the nature of musical tastes amongst this top group where we can gather more refined data (Table 8.4). This shows again that classical music is very distinctive – it is considerably overrepresented amongst this group, with only half as many

Table 8.4 Ratio of musical tastes of top earners (£200k+) compared to the rest of GBCS (all non-students, N = 266,492)

	Like a lot ratio	*Total like ratio*	*Total dislike ratio*	*Dislike a lot ratio*
Classical	1.65	1.36	0.51	0.50
Jazz	1.34	1.19	0.76	0.76
World	1.13	1.10	1.05	1.12
Pop	1.06	1.05	0.95	1.00
Dance	1.01	1.01	0.98	0.98
Country and western	0.98	0.94	1.12	1.20
Rap	0.92	0.95	1.03	1.06
Reggae	0.86	0.92	1.15	1.25
Rock	0.78	0.88	1.29	1.37
Folk	0.71	0.78	1.28	1.37
Heavy metal	0.57	0.67	1.22	1.31

Table 8.5 Attitudes of the high-income earners (percent)

	Household income after taxes				
	£200k +	*£150–199k*	*£100–149k*	*£45–99.9k*	*All others*
Attitudes					
Upward social mobility got (a little) easier	65.6	64.0	65.6	63.3	58.7
Think they belong to a class	55.4	55.2	55.0	52.3	48.7
Self-identify as belonging to					
Upper class	5.9	1.7	0.9	0.3	0.2
Upper-middle class	53.6	39.4	29.3	11.7	4.7
Middle-middle class	31.4	43.0	48.0	42.8	27.0
Feel can influence decisions . . .					
affecting local area	55.6	55.8	54.5	50.4	41.3
affecting their city/region	37.2	35.0	35.4	32.5	27.5
affecting Britain	28.6	25.4	25.6	22.8	19.3

disliking it as amongst GBCS respondents as a whole. Jazz is also relatively popular amongst those with highest household incomes.

In fact, comparison with the GBCS as a whole indicates that the very high earners are not very different from the wider sample with regard to their feelings about many genres, such as pop, dance and rap music. They stand out only with respect to being keener on classical music and jazz, and disliking rock, folk and heavy metal a good deal more than other groups. In short, there is only partial evidence that the very highly paid have a distinctive set of musical tastes. Although there continues to be some overrepresentation amongst more "highbrow" forms – notably around classical music and the opera – it is doubtful whether this is so strong as to indicate that it is a key formative culture for these groups. This substantiates the arguments of Warde and Bennett (2008).

However, there is one area where the elite are very distinctive, that of class awareness. Table 8.5 reveals that nearly 60 percent of the top £200k earners see themselves as upper or upper-middle class, compared to 40 percent of those earning between £150k and £199k, 30 percent of those earning £100–149k, and just 12 percent of those earning £45–99k. This is a striking gradient (considerably above the other attitudes which are asked about in Table 8.5) and lends support to the arguments of Savage (2015b) that the very rich do have a sense of their superior class position, and hence a form of class identity.

5 Dissecting top earners: a multiple correspondence analysis of high-income earners

Our argument so far indicates those with highest household incomes earners are not especially culturally and socially distinctive, though they have distinctive geographical preferences, and propensities to see themselves as upper-middle class. These latter two issues might be a product of their distinctive economic advantages, rather than specific cultural orientations. We can take this issue further by conducting a multiple correspondence analysis (MCA) of our very high earners and their partners.. This will allow us to detect whether we can discern distinctive "highbrow" partitions within our sample of high-earning households. Do the very high earners fall into distinctive clusters, or are they, by contrast, relatively homogeneous amongst themselves? To what degree can distinct oppositions be found in this group? We therefore construct a space of *lifestyles* amongst the GBCS super-rich sample. Here, we have included 19 questions from the GBCS measuring a wide range of leisure activities as the active set of variables. The MCA revealed three dimensions to retain, which sum to 87.1 percent of the modified inertia:

Axis 4 can be interpreted, but is clearly more of a secondary axis. The cloud of individuals (not shown) is well balanced, but there is a Guttman

Table 8.6 Eigenvalues, modified eigenvalues and modified rates

Axis	*Eigenvalue*	*Percentage*	*Modified eigenvalue*	*Modified inertia rate*	*Cum. modified rate*
Axis 1	0.1497	5.8	0.0101	53.1	53.1
Axis 2	0.1160	4.5	0.0042	22.3	75.4
Axis 3	0.0973	3.8	0.0022	11.7	87.1
Axis 4	0.0837	3.2	0.0011	5.8	92.9
Axis 5	0.0757	2.9	0.0006	3.1	96.0

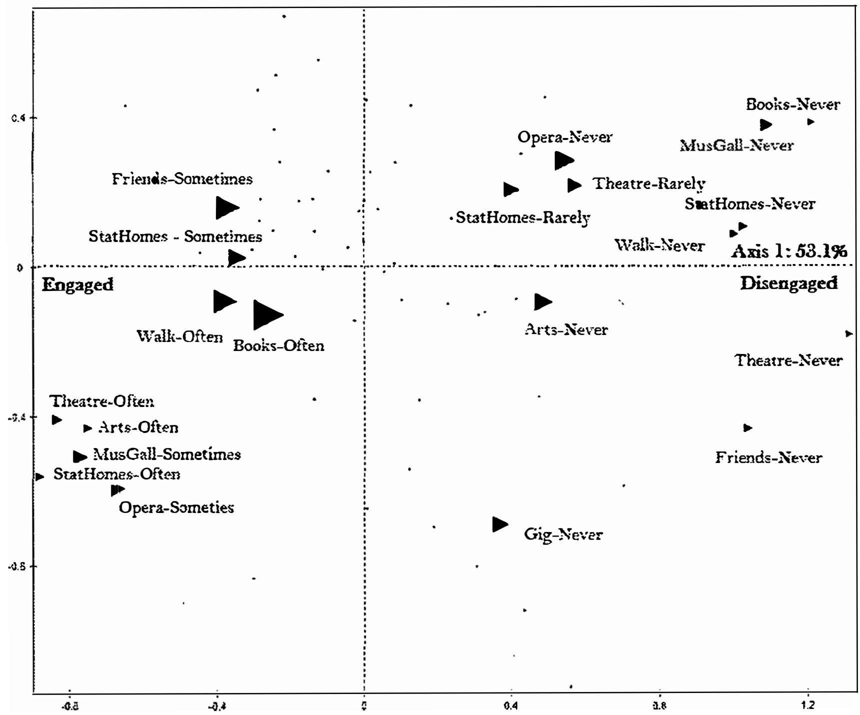

Figure 8.3 Categories with the highest contributions to Axis 1

effect in Axes 1–3. Below, we therefore concentrate on Axes 1 and 2, with lesser attention to Axis 4.

Compared to many other MCA of lifestyles, with 53.1 percent of the modified inertia rate, the first axis is not particularly dominant. There is clearly also more than one main opposition in the data.

Upon closer inspection, Axis 1 stands out as a typical "volume" axis, with those doing few or no activities on the right, and those often doing the listed activities on the left. The activities which are especially discriminating are typically "legitimate" activities like going to the theatre, reading books, visiting stately homes and museums and art galleries, but also seeing friends. These generally distinguish between those who are highly active (exhibiting the voraciousness which Warde and Bennett (2008) see as characteristic of the managerial elite) and those who are less so.

Axis 2 discriminates between respondents who often participate in watching and playing sport, going to the pub, and engaging in social networking. At the bottom are those who never do these activities but often or sometimes go to theatre, arts, museums and galleries and stately homes. This partition is very similar to that which has been detected for the population

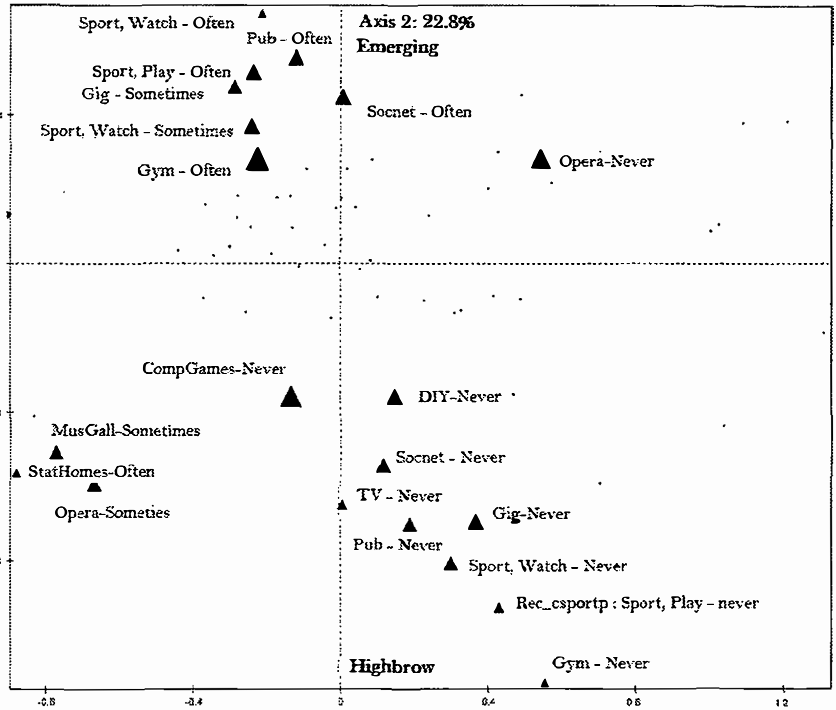

Figure 8.4 Categories with the highest contributions to Axis 2

as a whole (Bennett et al. 2009) and indicates a distinction between "highbrow" (at the bottom) and "emerging" (at the top) cultural capital. This is a finding of some interest in emphasizing that a fraction of very high earners are also indifferent to "highbrow" culture.

Axis 4, the second-order axis (not shown), discriminates between those who often engage in DIY and the arts – but do nothing else – and those who watch and play sports, and go to the gym. Although it is analytically interesting, it summarizes only 5.8 percent of the modified inertia and we drop it from further investigation.

Which factors appear to be associated with these oppositions (Figure 8.5)? As anticipated, age has the predicted effect on Axis 2. The major differentiation between emerging and "highbrow" cultural capital differentiates on the age axis, just as it does for the population as a whole. The younger high earners are not clones of their elders, and share in a wider shift towards less "highbrow" forms of cultural capital.

We can also see that educational attainment has a significant role in separating individuals on the first axis, with arts and humanities graduates considerably more on the engaged side of Axis 1 than engineers, scientists

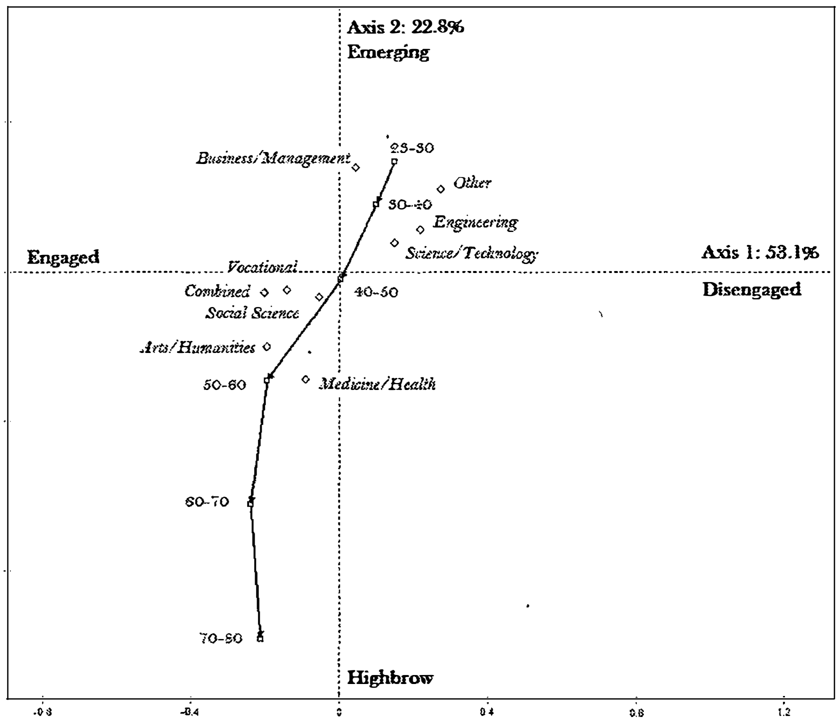

Figure 8.5 Passive modalities on Axis 1 and 2: age, subject of degree

and non-graduates. Returning to our original research questions, there is therefore some scope to suggest that the traditional association of the upper classes with anti-technological orientations only applies to specific partitions within the very wealthy. Our analysis indicates that there appears to be a more "technocratic" wing, which also tends to be younger.

This view is enhanced when we project occupational codes onto these axes (Figure 8.6). The established professions, medicine and law are associated with the engaged and "highbrow" lifestyles, whilst those who work in the corporate sector and in finance tend towards "emerging cultural capital" at the top of the second axis. We see those few representatives of non-salariat occupations located on the disengaged side of Axis 1. In this respect, Axis 2 is also an axis that describes an opposition between positions with high volumes of institutionalized cultural capital and the positions with the very highest volumes of economic capital. Two forms of power – professional power, generally regarded as a *legitimate* form of power based on expert knowledge, and economic power, which is more often contested with respect to legitimacy – are thus also contrasted along the axis.

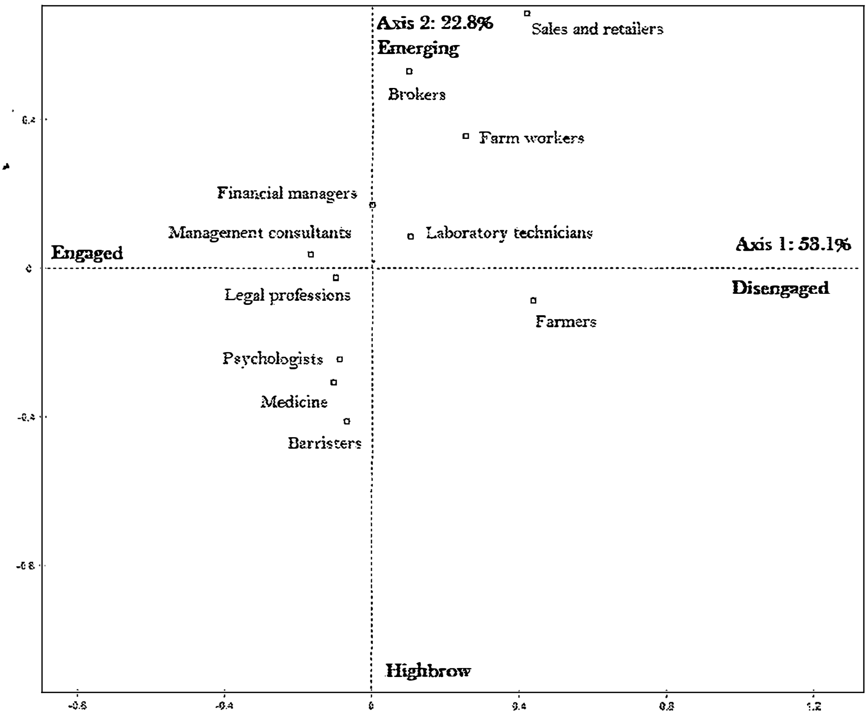

Figure 8.6 Passive modalities on Axis 1 and 2: occupation

We can generalize from this analysis as follows: high-income earners and their partners are not a unitary grouping (e.g. along the lines of a cohesive financial or aristocratic class), and their social and cultural orientations vary significantly between a more established and a more "emerging" kind. Warde and Bennett's characterization of the managerial elite applies to the more established group, but we should also be aware of a younger, more technocratic fraction which is less attracted to traditional "highbrow" cultural forms.

Conclusion

Naturally, we need to be cautious. The micro-skews in the GBCS complicate attempts to draw inferences. Nonetheless, we can address our original questions – especially the extent to which there is an opposition between the old British upper classes and the new, finance-driven elites – on the basis of our elaborated analysis. We do, indeed, find some evidence of this kind of opposition.

Firstly, although there are elements by which the super-high earners and their partners are distinguished from other economic groups culturally and socially, these should not be overestimated. There is little evidence of distinctive cultural patterns which would strongly distinguish the very high earners from a wider group of middle-income households. The former are slightly more likely to be attracted to "highbrow" culture, but this is far from being overwhelming, and a substantial proportion report the same kind of broadly omnivorous tastes which are characteristic of a broader middle-class population. The economic elite are not like the old upper class, marked out by their consumption and cultural preferences as a distinctive, ascribed group, from the middle and lower ranks of society.

Secondly, amongst the high earners, we can detect a partition between what we might call an "established" and "emerging" elite. Those who were educated in the arts and humanities and work in established professions tend towards a culturally engaged "highbrow" set of activities, whilst those who work in finance and were more likely to be educated in science and engineering report more "emerging" cultural interests and are more predisposed to eschew the "highbrow" forms. This distinction also maps onto a differentiation between the older and younger high earners. To this extent, we can detect some distinction between "old" and "new" money, which also maps onto occupational and educational profiles. We might see this as marking a subtle shift from older upper-class idioms towards newer financialized and technocratic elements.

Our overall interpretation, therefore, is that the very high earners and their partners are not a highly distinctive social and cultural group and mainly present in extreme forms the tendencies of the relatively affluent groups. They are, however, economically distinct given their vast amounts of wealth. To this extent, we share Piketty's (2014) suggestion that we should not fixate on the 1 percent as a class apart, but rather see them as the extreme beneficiaries of wider trends towards accumulation which have benefited a larger share of the population. This also supports the contention of Savage (2015b) that in sociological terms "elites" should be construed as a rather wider category than the "one percent." Having made this point, it is the very distinctive geography of this group, highly concentrated on the Thames corridor, that does give a certain very clear profile to extremely high earners and emphasizes how geographical dynamics may play a fundamental role in crystallizing boundaries between social groups.

Notes

1 "Income from capital becomes dominant at the level of the top 0.1 per cent in 2007, as opposed to the top 1 per cent in 1929" (Piketty 2014: 302).

2 It therefore follows that we are not using the term "elite" in the way used by Savage et al. (2013), who identified an "elite" drawn from the latent class analysis of the small nationally representative survey composed of about 7 percent of the population, and defined by having very high amounts of economic capital and high amounts of cultural and social capital. See Savage (2015b) for a fuller discussion.

3 We should note that there is potential error in this question – some respondents might have assumed this to be asking about take-home pay, including pension

and national insurance deductions; others might have responded specifically on their income minus taxation alone. However, this does not make a huge difference: for a single-person household, if all deductions were taken off, this would approximate to an employed salary of £390,000 (assuming an 8 percent pension contribution), but if only taxation was deducted, the salary would still be £350,000 – still placing the respondents easily in the top 0.5 percent of income earners. (The top 0.1 percent earn an average of £919,000.)

4 According to national statistics from HM Revenue & Customs estimated from the Survey of Personal Incomes, the 99th percentile point on the income distribution or the threshold to the top 1 percent for an individual was £100k after tax in the tax year 2011–2012. Similarly, Danny Dorling (2014) estimates with reference to a report by the Institute for Fiscal Studies, that to qualify to be a member of the top 1 percent in the UK, an income of approximately £115k a year from all income sources after income tax is needed in 2011–2012 (or £147k before tax). Dorling (2014) notes that "this estimate is for a childless couple. Should you be single, you can enter the 1 per cent with a little less; should you have children, you'll need a somewhat higher household income."

5 According to the DWP Household Below Average Income (HBAI) statistics, which use equivalized household income from all sources after tax (Jenkins 2016), £45k is the cut-off point for the top decile in household income for 2011/2012 (£46k in 2012/2013 (Department for Work and Pensions 2014)). However, the GBCS data presented here is not equivalized; i.e. it does not account for differences in household composition, meaning differences between the living standards of a single person, a couple or a couple with children. As it is not possible to equivalize GBCS participants' household income it is difficult to place their income on the distribution of household incomes in the population. Hence, we compare GBCS data to the non-equivalized household income of the nationally representative USoc. Annual non-equivalized net household income of £45k represents the income of the top quarter of the household income distribution in USoc. Hence, "all others" refer to approximately the bottom 75 percent of the non-equivalized net household income distribution. Note that these individuals are underrepresented in the GBCS, because they only make up 51 percent of the sample (n = 120k).

6 It is possible that this reflects micro-skews within the GBCS towards very high-paid ethnic minorities being more likely to be respondents than those who are moderately well paid, but this is unlikely. The ethnic bias seems to more generally overrepresent the better off.

7 This figure accounts for the sample design (sampling probabilities).

8 Here we are plotting the number of high-income earner respondents from GBCS against the population baselines in these geographical areas.

References

Alvaredo, F., A. B., Atkinson, and F. Morelli. 2015. "The Challenge of Measuring UK Wealth Inequality in the 2000s." LSE International Inequalities Institute Working Paper, No 4.

Anand, S., and P. Segal. 2015. "The Global Distribution of Income." In Anthony B. Atkinson and François Bourguignon (eds.), *Handbook of Income Distribution*, Vol. II. North Holland: Elsevier.

Atkinson, A. B. 2015. *Inequality: What Can Be Done?* Cambridge, MA: Harvard University Press.

Atkinson, A. B., A. Casarico, and S. Voitchovsky. 2016. "Top incomes and the gender divide." International Inequalities Institute working paper 6, London, LSE.

Bennett, T., M. Savage, E. B. Silva, A. Warde, M. Gayo-Cal, and D. Wright. 2009. *Culture, Class, Distinction.* Abingdon and New York: Routledge.

Chetty, R., N. Hendren, P. Kline, and E. Saez. 2014a. "Where Is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States." *The Quarterly Journal of Economics* 129(4): 1553–623.

Chetty, R., N. Hendren, P. Kline, E. Saez, and N. Turner. 2014b. "Is the United States Still a Land of Opportunity? Recent Trends in Intergenerational Mobility." *The American Economic Review* 104(5): 141–7.

Cunningham, N., and M. Savage. 2015. "The Secret Garden? Elite Metropolitan Geographies in the Contemporary UK." *The Sociological Review* 63(2): 321–48.

Cunningham, N., and M. Savage. 2017. "An Intensifying and Elite City: New Geographies of Social Class and Inequality in Contemporary London." *City* 21(1): 1–22.

Daily Mail Online. 2015. "Death of the Sloane Ranger?" www.dailymail.co.uk/news/article-2959918/New-money-tycoons-reduced-Sloane-Ranger-upper-class-set-role-butlers.html

Department for Work and Pensions. 2014. *Households Below Average Income 1994/5–2012/13.* London: Department for Work and Pensions.

Dorling, D. 2014. *All That Is Solid: How the Great Housing Disaster Defines Our Times, and What We Can Do About It.* London: Allen Lane.

Eurofound. 2017. "EU Income Inequality and the Great Recession." www.eurofound.europa.eu/sv/news/news-articles/eu-income-inequality-and-the-great-recession

Friedman, S., D. Laurison, and A. Miles. 2015. "Breaking the 'Class' Ceiling? Social Mobility Into Britain's Elite Occupations." *The Sociological Review* 63(2): 259–89.

Jenkins, S. 2016. "The Distribution of Income in the UK: A Picture of Advantage and Disadvantage." In H. Dean and L. Platt (eds.), *Social Advantage and Disadvantage.* Oxford: Oxford University Press.

Jenkins, S., and F. Alvaredo. 2016. "Income and Wealth Inequality: What Do We Learn From Multiple Data Sources?" Lecture at *LSE International Inequalities Institute Annual Conference.* www.lse.ac.uk/International-Inequalities/Videos-Podcasts/III-Annual-Conference

Keister, L. A. 2014. "The One Percent." *Annual Review of Sociology* 40: 347–367.

Kelsall, R. K. 2013. *Higher Civil Servants in Britain: From 1870 to the Present Day,* Vol. 4. Abingdon: Routledge.

Knies, G. (ed.). 2014. *Understanding Society – UK Household Longitudinal Study: Wave 1–4, 2009–2013, User Manual.* Colchester: University of Essex.

Laurison, D., and S. Friedman. 2016. "The Class Pay Gap in Higher Professional and Managerial Occupations." *American Sociological Review* 81(4): 668–95.

Littler, J. 2013. "Meritocracy as Plutocracy: The Marketising of 'Equality' Under Neoliberalism." *New Formations* 80: 52–72.

Mills, C. 2014. "The great British class fiasco: A comment on Savage et al." *Sociology,* 48(3): 437–444.

Mitnik, P. A., and G. B. Grusky. 2015. "Economic Mobility in the United States." Pew Charitable Trust Report.

Morgan, D. H. J. 1969. "The Social and Educational Background of Anglican Bishops – Continuities and Changes." *British Journal of Sociology* 20: 295–310.

Otley, C. B. 1970. "The Social Origins of British Army Officers." *The Sociological Review* 18(2): 213–39.

Otley, C. B. 1973. "The Educational Background of British Army Officers." *Sociology* 7(2): 191–209.

Piketty, Thomas. 2014. *Capital in the Twenty-First Century.* Cambridge, MA: Harvard University Press.

Savage, M. 2010. *Identities and Social Change in Britain Since 1940: The Politics of Method.* Oxford: Oxford University Press.

Savage, M. 2015a. "Introduction to Elites. From the 'Problematic of the Proletariat' to a Class Analysis of 'Wealth Elites.'" *The Sociological Review* 63(2): 223–39.

Savage, M. 2015b. *Social Class in the 21st Century.* London: Pelican.

Savage, M., and F. Devine. 2015. "BBC Great British Class Survey, 2011–2013." [data collection]. UK Data Service. SN: 7616, http://doi.org/10.5255/UKDA-SN-7616-1

Savage, M., F. Devine, N. Cunningham, M. Taylor, Y. li, J. Hjelbrekke, B. Le Roux, A. Miles, and S. Friedman. 2013. "A New Model of Social Class? Findings from the BBC's Great British Class Survey Experiment." *Sociology,* 47(2): 219–250.

Savage, M., and K. Williams. 2008. "Elites: Remembered in Capitalism and Forgotten by Social Sciences." *The Sociological Review* 56(1): 1–24.

Scott, J. 1997. *Corporate Business and Capitalist Classes.* Oxford: Oxford University Press.

University of Essex. Institute for Social and Economic Research and National Centre for Social Research. 2014. *Understanding Society: Wave 1–4, 2009–2013* [computer file], 6th edition. Colchester, Essex: UK Data Service [distributor], December. SN: 6614, http://dx.doi.org/10.5255/UKDA-SN-6614-6.

Vincent, D. 1998. *The Culture of Secrecy: Britain, 1832–1998.* Oxford: Clarendon Press.

Wakeling, P., and M. Savage. 2015. "Entry to Elite Positions and the Stratification of Higher Education in Britain." *The Sociological Review* 63(2): 290–320.

Warde, A., and T. Bennett. 2008. "A Culture in Common: The Cultural Consumption of the UK Managerial Elite." *The Sociological Review* 56(1): 240–59.

Webber, R., and R. Burrows. 2016. "Life in an Alpha Territory: Discontinuity and Conflict in an Elite London 'Village.'" *Urban Studies* 53(15): 3139–54.

York, P. 2015. "The Fall of the Sloane Rangers." *Prospect,* February 19. www.prospectmagazine.co.uk/magazine/the-fall-of-the-sloane-rangers-made-in-chelsea