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Ethnic wealth inequality in England: Surprising shifts from 1858 to today

*What is the historical relationship between wealth and ethnic background in the UK? Until now, there has been little empirical work in this area. But by matching surnames to likely ethnic groups, **Neil Cummins** uncovers five surprising facts about the evolution of ethnic wealth inequalities over time.*

In the past decade, the study of inequalities of wealth and income, on a global scale with an emphasis on history, has become hugely influential and ignited much academic and public discourse. This recent wave was initiated by Thomas Piketty's 2014 book, *Capital in the Twenty-First Century*, and has since been complemented by contributions from **Branko Milanovic**, **Walter Scheidel** and **Guido Alfani**, amongst many others.

Despite this insatiable interest for explaining inequalities, the relationship of ethnic background to economic outcomes has been relatively ignored by the literature. This is because there is very little systematically collected data that exist which allow us to document ethnic wealth inequalities or describe their development over time.

In my recent paper, *Ethnic wealth inequality in England and Wales, 1858–2018*, I attempt to rectify this. Using the names of individuals from official records of births and deaths, as well as probate data, over the past two centuries, I map a likely ethnicity to each name using a clustering technique. Thus surnames such as “Kelly” and “Murphy” are bound together, as are names like “Becker” and “Kohl” or names like “Smith” and “Taylor”. We can then pick out the emergent differentiation and so reveal the ethnic character of the population. This is of course an imperfect method, however I show that it correlates very highly with other methods of assigning ethnicity, including self-identification. Through the full exploitation of historical data in this way, we are able to capture a previously invisible axis of variation.

Using this unique approach, I document five new facts.

I first document the ethnic composition of England and Wales from 1838 to 2007. Complete birth and death registers show that non-British ethnicities are a stable 3% of all births from 1838 to 1950. After 1950, this proportion steadily rises to 25% by 2007.

Second, I document the history of wealth inequality by ethnicity. Surprisingly, perhaps, from 1858 to 1980, non-British ethnicities on average held wealth between two and five times greater than that of the English. This is reflected both in the proportion with significant wealth (to merit probate) and in average wealth. However, post-1980, this wealth differential disappears, and wealth is equalised between the English and those with non-British ethnicities. This overall equality masks significant variation between different non-British ethnicities. For instance, the Polish, Pakistani, Black Caribbean, Indian Hindi and Bangladeshi have significantly lower wealth than the English. The German, Dutch, Norwegian and those with names of Jewish origin, meanwhile, are significantly richer than the English. Note that this modern ethnic wealth gradient emerged only after 1980.

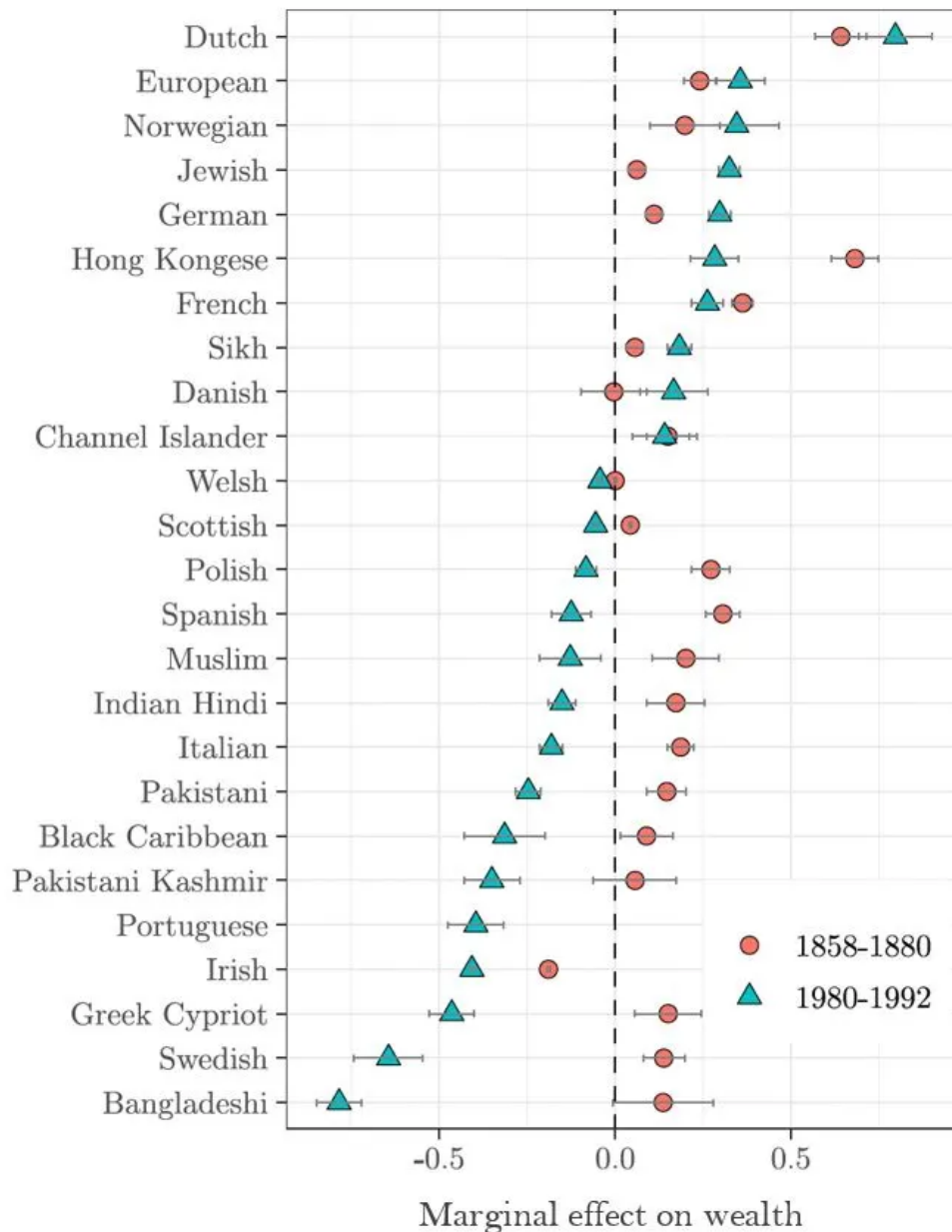


Post-1980, the Polish, Pakistani, Black Caribbean, Indian Hindi and Bangladeshi ethnic groups are significantly poorer than the English, while the German, Dutch, Norwegian and those with names of Jewish origin are significantly richer



Figure 1 summarises the results when it comes to average wealth. For each ethnicity, it shows whether being a member of that group would typically be associated with a positive or negative impact on wealth. The Dutch are found to be the richest ethnic group and the Bangladeshi are the poorest. For many groups, such as the Polish, Pakistani and Bangladeshi groups, the large positive effects of ethnicity on wealth recorded for the period 1858–80 reverse entirely by 1980–92 (although others, such as the German, Jewish and Sikh groups, experience the opposite trajectory). Only the Irish are found to be significantly poorer than the English over both of these periods.

Figure 1: The correlation of ethnicity and real wealth: 1858–1880 compared with 1980–1992

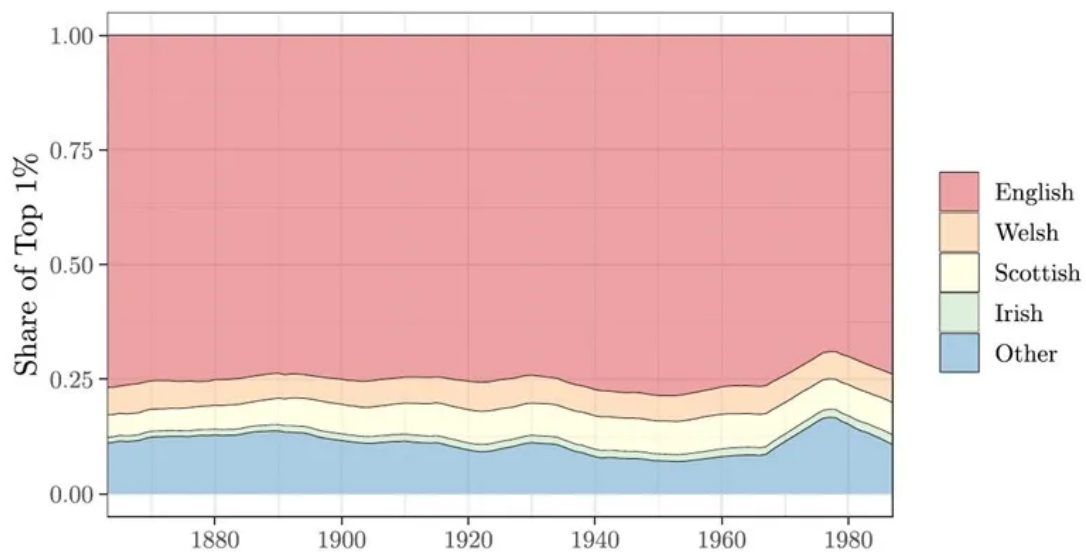


See [Cummins \(2024\)](#) for more details.

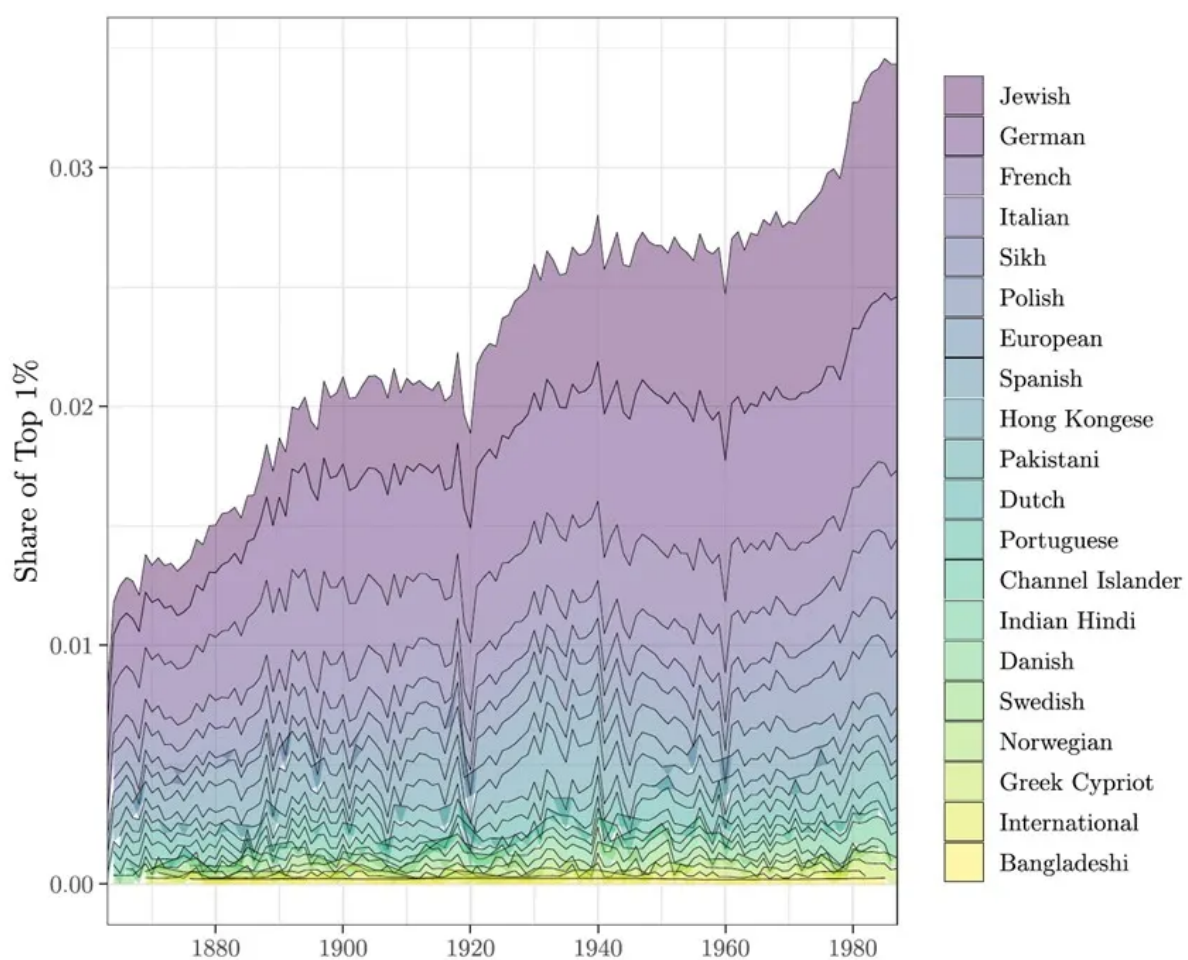
Third, I show that the most ethnically egalitarian component of the English wealth structure is in fact membership in the top 1% of wealth holders. Here, most other ethnicities have either an equal or a greater representation in the top 1% than the English over the period 1980-1992.

Figure 2a reports the ethnic composition of the top 1% richest English wealth holders, by year of death, from 1858 to 1992. The overall pattern of ethnic representation in the top 1% of wealth has been one of stability, with a marked rise in the representation of non-British ethnicities from around 1970 to 1980, before a subsequent decline over the period 1980–92. Examining Figure 2b, we can see that some ethnicities have increased their representation in the top 1% significantly, such as the German and Jewish communities.

Figure 2: The ethnic composition of the top 1%



(a) British, Irish and Other



(b) Other Ethnicities

Note: Figure 2(b) does not report the "Unknown" ethnic group of surnames, and this is why Figure 2(a) shows a decline in the "Other" group from 1980 to 1992, whilst the known ethnic groups shown in figure 2(b) rise over the same period. See Cummins (2024) for more details.

Fourth, I show that some ethnic groups always have lower-than-average wealth. For example, the largest non-British ethnic group, the Irish, have consistently lower wealth and lower representation in the top 1% throughout the entire period, as shown in Figures 1 and 2a. Or the Bangladeshi group, after reporting higher average wealth over the period 1858–1913, have lower average wealth from 1914 all the way up to 1992.

Finally, I ask: how much of wealth inequality overall is between individuals, and how much is between ethnic groups? Despite the large differences in the levels of average wealth between ethnic groups, the vast majority of the overall variation in wealth – 97.5% – is between individuals. This surprising finding is discussed more in the paper but relates to the overwhelming degree of variation of wealth between individuals – such that knowing someone’s ethnic background can only explain a tiny proportion of this.

What is driving these inequities?

The potential roles of migrant selection from the sending countries, human capital and culture in the assimilation of ethnicities into English society could all be at play, as could systematic discrimination. Whilst the current analysis can say nothing definitive on these mechanisms, the patterns presented here give us an empirical basis to discuss – and explore further – the causes of ethnic-based inequities in life opportunities and outcomes. Studies focusing on the specific experiences of one ethnicity can shed light on these factors, as I do for the Irish in a related study with Cormac Ó Gráda (forthcoming).

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*Image credits: From “**Great-Grand-Father’s Tale of the Revolution—A Portrait of Reverend Zachariah Greene**” (1852) by William Sidney Mount, reproduced courtesy of Met Museum. The painting shows a family of Dutch descent in the mid 1800s, albeit in New York, not England.*

About the author



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Neil Cummins is a Professor of Economic History at the London School of Economics and Political Science. His research orbits around life, love and death, using Historical Big Data to answer fundamental questions about economics, demography and history. His research papers are available at neilcummins.com.

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