



Scottish Health Equity
Research Unit

Insights, analysis and action on the socio-economic factors
that shape health

Spotlight on Research

Wealth disparities and health inequalities

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Wealth has long been recognised as a key determinant of economic stability and social status, yet its role in shaping health outcomes has received relatively little attention compared to income. While income reflects short-term financial resources, wealth—comprising assets such as property, savings, pensions and investments—offers a more comprehensive picture of long-term financial security.

Wealth inequalities are usually greater than income disparities yet empirical research on the links between wealth and health outcomes has been limited, largely due to the complexities of collecting reliable data on assets and liabilities. Unlike income, which is routinely recorded through employment and taxation records, wealth is often harder to measure, as it includes various forms of ownership, investments, and debts.

Recent studies, particularly those utilising data from countries with wealth taxation, have begun to address this gap. One such study by Gugushvili & Wiborg published earlier this year in *The Lancet* (1) leverages nationwide Norwegian register data to explore the relationship between wealth and mortality. This is the focus of this Research Spotlight.

The study measured wealth at one point in adulthood (age 37-38) and then followed these individuals for many years to see how their wealth status early in life related to their risk of dying before age 62. It found that mortality rates for those with relatively low wealth holdings were substantially higher than those with relatively high wealth holdings. The study was also able to identify siblings and twins in the data, which provided an additional robustness check on unobservable factors that might have lifelong impacts, for example due to genetics or upbringing.

The article is open access and is also accompanied by an accessible comment piece authored by Balogh & Katikireddi (2). A further summary is therefore not required. Instead, this Research Spotlight focuses on the issues raised that feel most pertinent in the Scottish context.

Is the rationale for the paper relevant in Scotland?

In the introduction to the paper Gugushvili & Wiborg state that researchers often focus on income, rather than wealth, when investigating the link between financial resources and health outcomes which is only part of the overall financial resources held by a household. In the accompanying comment piece, Balogh & Katikireddi note that this is “particularly striking given wealth inequalities exceed those of income”.

There are different methods of measuring both income and wealth, depending on what is counted – for example, whether debt is taken into account or whether housing costs are netted off income to capture a more realistic measure of disposable income. Yet regardless of exactly how it is measured, the fact that wealth is more unequally held than income is true across Western democracies (3).

This is definitely true for the UK and Scotland. The most recent data shows that the Gini coefficient - a standard measure of resource inequality[1] in which 0 represents perfect equality and 1 perfect inequality - for household wealth was 0.59 in Great Britain compared to 0.36 across the UK for income over the period 2020 -2022[2].

In Scotland, income inequality as measured by the Gini Coefficient is generally lower than the UK average (0.37 in Scotland compared to 0.39 in the UK in 2022/23 (4)) and wealth inequality is higher than the average for Great Britain (0.64 in Scotland compared to 0.60 in Great Britain in 2018 -2020 (5))[3].

Could this study be replicated using Scottish wealth and mortality administration data?

The short answer is no. Linking a person's wealth to their health status is much harder than for income. Most countries have good administrative income data due to recurrent income tax, but wealth taxes are rare.

Norway, one of the few countries with a recurring wealth tax, allowed researchers access to administrative data (1993–2017) and census records, enabling analysis of wealth and mortality.

Scotland lacks this infrastructure and integration. Currently, even linking income tax records to mortality data is, whilst theoretically possible, extremely difficult to do. Issues include strict laws on how data is shared across the different organisations that hold the data and the limits of IT infrastructures and interoperability. Instead, analysis usually relies on published aggregated small-area income data (Scottish Index of Multiple Deprivation) or correlation analysis of survey averages on income and health outcomes.

SHERU is looking into feasible options for linking data on health and income using both administrative and survey data, but the options for progressing analysis linking wealth and health are more limited. For example, Scotland has limited survey data on wealth holdings[1] and there are no administrative sources that capture the all the country's wealth holdings at any particular time. As we mention in the conclusion, limiting the scope to property holdings may provide greater options.

Even though we can't replicate the study in full in Scotland, we can still consider its findings in the Scottish context, and there are a number of issues raised in the study that are of particular interest for SHERU.

The importance of wealth accumulation in younger adulthood

One of the population groups that SHERU is particularly interested in comprises young adult men. The prevalence of health issues affecting men over the age of 45, have led us to look at their socioeconomic status in the preceding years. Wealth could be an important component to examine.

Gugushvili & Wiborg's study looks at wealth measured at age 37-38, arguing that by the end of the 30s, if individuals have not been able to accumulate any wealth, they are likely to have *"concurring negative life experiences such as being homeless, having fixed-term employment, or experiencing spells of long-term unemployment"*.

This hypothesis is supported by evidence gathered by the Centre for Collaborative Housing Evidence (CaCHE) (6). They summarise that wealth, particularly housing wealth, can act as a safety net against certain vulnerabilities, while a lack of wealth can exacerbate the risks associated with precarious employment situations and economic shocks. The CaCHE review also cited evidence from the Resolution Foundation that sets out how wealth accumulation has become harder for successive generations: no cohorts born since the mid-1960s have generated more wealth on average per adult than their predecessors at the age of 35 (7).

Policy solutions to help people accumulate wealth aren't always straightforward and can be difficult to target accurately.

With regards to property for example, studies on the ‘Help to Buy Scheme’ have consistently found that a substantial amount of those who benefitted from the scheme would have been able to purchase a property regardless, although those on the lowest incomes were most likely to agree that Help to Buy enabled them to enter the market (8)(9). However, there are also fears that the scheme inflated house prices, with a 2022 House of Lords report stating that funding for home ownership schemes do not provide good value for money and would be better spent on increasing housing supply (10).

Looking beyond property wealth the study does analyse financial wealth (e.g. savings) but with few results presented and Balogh & Katikireddi note in the accompanying comment piece that more work is required here to develop more results.

Is it relative, rather than absolute, levels of wealth that matters most?

When developing policy responses, it’s crucial to determine whether outcomes improve beyond specific wealth thresholds or whether it’s the amount of wealth relative to others within the population matters more. This insight helps policymakers decide whether to target a specific segment of the wealth distribution or implement broader policies that benefit all households to drive meaningful change.

Gugushvili & Wiborg argue strongly that it is relative wealth not absolute wealth that is the biggest determinant of mortality:

“not only does the absolute amount of valuable possessions affect health but also that the relative position of individuals in the socioeconomic hierarchy matters for their likelihood of dying. The feelings of inequality and subordination among those at the lower end of the wealth hierarchy can result in the deterioration of physical health through biological mechanisms”.

Gugushvili & Wiborg’s study of relative wealth position offers an additional interesting insight: the gap between those with no wealth and those at the median is a stronger predictor of mortality than the gap between the median and the wealthiest.

However, they do not test whether absolute or relative wealth matters more as a predictor of mortality, and Balogh & Katikireddi note the absence of this as a limitation of the study.

We need to understand more on the causal pathway and whether the relationship holds regardless of property ownership

It would also be useful to understand whether owning a home could itself be a tipping point for better health outcomes, or whether wealth in the absence of owner occupation remains a strong predictor of health outcomes.

The study explains the link between property wealth and health as follows:

“The better-quality housing that wealthier individuals can afford directly contributes to longer lifespans by providing better living standards, such as properly functioning heating and air conditioning systems, avoidance of overcrowded housing, and maintenance of a damp- and mold-free environment. More valued housing is usually located in districts and neighborhoods that are greener, are exposed to less noise, fumes, dust, and pollution from traffic and industry, have better infrastructure and lower levels of crime, and have access to recreational and sports facilities.”

There is therefore an obvious question as to whether it’s the wealth that matters, or the other factors that come with homeownership that better incentivise investment in the quality of the home and the surrounding environment.

The CaCHE evidence review also covers this issue:

“The evidence is mixed in that several studies say that there is an impact from housing to health but at least one careful (UK) study suggests that there are intervening factors (neighbourhood quality, local amenities and economic opportunities vary as well so it is not a pure wealth effect) and there are strong assumptions deployed in the other studies which can be queried.”

This raises the question as to whether policymakers can achieve similar outcomes via other routes such as, for example, improving security of tenancies further, combining improvements in the quality of rental housing with regeneration and economic development policies that improve the quality of neighbourhoods.

s, over longer-periods.

Given the interplay between income and wealth, can the impact of wealth on health be isolated?

Balogh and Katikireddi note the intertwining of wealth and income, arguing that this complex interplay needs to be further understood to enable more robust policy making. Gugushvili & Wiborg do control for income levels in their study, but Balogh and Katikireddi believe more work is required, particularly given the fact that Norway, on which this study is based, has a strong welfare state and relatively low levels of wealth inequality compared to other nations.

Comparative research across different welfare systems would provide a more comprehensive understanding of how wealth influences health in varying socio-economic contexts.

Conclusion

The relationship between wealth and health is an area of growing research interest, yet significant data limitations in Scotland prevent direct replication of studies like that of Gugushvili & Wiborg. However, the study's findings remain relevant in highlighting the importance of wealth accumulation, particularly in early adulthood, and the role of relative, rather than absolute, wealth in shaping health outcomes.

Scotland could and should improve the infrastructure and integration with regards to income data and health, but without a recurring wealth tax or other means of gathering regular data on wealth accumulation, we will still need to engage with international evidence to help shape discussions on wealth disparities and health inequalities to ensure that policy efforts are informed by the best available insights.

The study flags up some interesting questions on the importance of property both as a form of wealth and as an enabler of better living standards. Understanding whether homeownership itself acts as a tipping point or whether broader policy interventions—such as improving private and social rental housing quality—could achieve similar health benefits is something that SHERU could explore further. There is more potential to be able to look at the link between property ownership and health in Scotland using existing sources of data (for example HBAI asks about home ownership) and Land and Building Transaction Tax or a revalued Council Tax could potentially be used to look at gross property wealth. This is something we'll return to as part of our work strand on enhancing the evidence base.

Citation

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Notes

[1] The Gini coefficient ranges from 0 to 1 with 0 representing perfect equality and 1 perfect inequality. It is based on the Lorenz curve, which plots cumulative income distribution against population percentage. The Gini coefficient is calculated as the ratio of the area between the Lorenz curve and the line of perfect equality to the total area under the line of perfect equality.

[2] The Scottish Government has yet to publish updated analysis on wealth for the 2020-2022 period to produce a Gini coefficient for 2020 – 2022. We understand this will be published in the coming months.

[3] Official data on income is available for the whole of the UK but official wealth data is not available for Northern Ireland.

[4] The ONS Wealth and Assets survey excludes households north of the Caledonian Canal and the Scottish islands.

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