

MORE EQUAL THAN OTHERS

How research can help understand
and close the gap in Inequality

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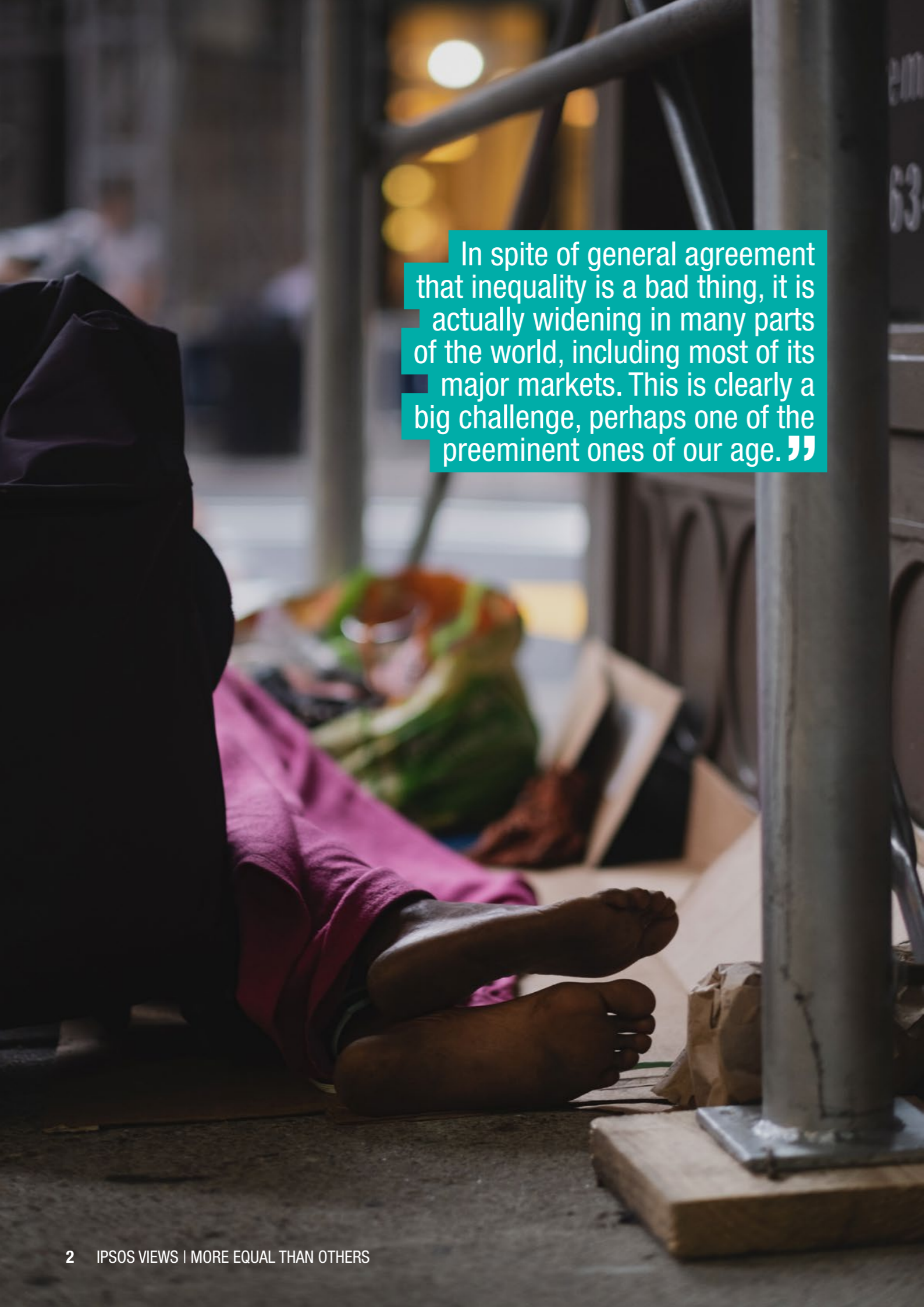
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INEQUALITY: A RECOGNISED PROBLEM THAT CONTINUES TO EXPAND

Inequality, defined here as measured gaps in pay, access, resources, opportunity and treatment for some versus others has a major impact on all involved in a time when transparency and expectations have evolved. As the 21st Century matures, there is already compelling evidence that it will be characterised more by inequality within countries, rather than between them as the 20th Century was. In spite of general agreement that inequality is a bad thing, it is actually widening in many parts of the world, including most of its major markets. This is clearly a big challenge, perhaps one of the preeminent ones of our age.

From racial inequity to issues of gender, sexual orientation, social class, age, religion, neurodiversity, and disability, the idea that people are unequally treated in ways that impact financial outcomes, resources and ultimate success has become a recognised detriment to progress and growth of individuals, countries, and companies.

Proactive efforts to push a clear equality agenda are most critical as we seem to be moving in the opposite direction. For instance, the racial wealth gap has widened again in the United States since the 1980s as capital gains have mainly benefited White households.¹ It has often been demonstrated that closing equality gaps would benefit all. For example, studies show that closing the persistent US racial wealth gap could lead to an increase of four to six percentage points in the U.S. GDP by 2028.²

In April 2023, [over 30% of people around the world identified inequality as one of their primary concerns](#),³ second only to inflation. In addition, [Ipsos data collected in association with the WEF](#)⁴ tells us that people all over the world are unwilling to return to the pre-pandemic dynamic in society. For example, [86% of people worldwide told us they want the world to become more equitable and sustainable](#).⁵ Companies, governments, employers and brands cannot afford to ignore the implications of this reckoning.

As 2020, a turbulent year that exposed extreme levels of inequality throughout the world, turned into 2021, Ipsos asked more than [23,000 people in 28 countries how seriously they viewed different types of inequality](#).⁶ While the pandemic threw a new spotlight on the issue, it exacerbated it at the same time. For example, in the UK, the US, and Canada (countries that are home to wide ranges of ethnic groups drawn from different parts of the world), [ethnic minority groups suffered disproportionately from the direct effects of COVID](#),⁷ and women suffered more from the effects of the lockdowns: 38% of them told us that the pandemic had a negative effect on their income, either through its impact on the job market (31% agree this applies to them) or because of the increase in work at home (25% agree). In addition to that, [ethnic minorities were more likely to be working on jobs that expose them to infections](#)⁸ and [less likely to be vaccinated](#).⁹ A compounding effect of all this is further widening the inequality gap across and between various demographic groups and communities.

Inequality concerns and how they play out in a given country or culture are not straightforward, however, it is clear that [younger people are more likely to frame the issue as identarian](#) (ie., about gender and/or race), with 34% of under 35s globally expressing concern about racial/ethnic inequality compared to just 27% of all those 35 and over, and 35% saying gender inequality was one of the most serious issues, compared to just 27% of older people who said the same.¹⁰

There is a widening difference forming between generations that speaks to the opportunity and value of age and experience. We are witnessing a widening expectations gap between young people and their parents and grandparents. In May 2022, 33% of British Millennials felt that “their generation will have had a worse life than their parents” (vs. 31% to the opposite).

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Meanwhile, [only 37% of younger Americans think there will still be money left in the system by the time they retire.](#)¹¹

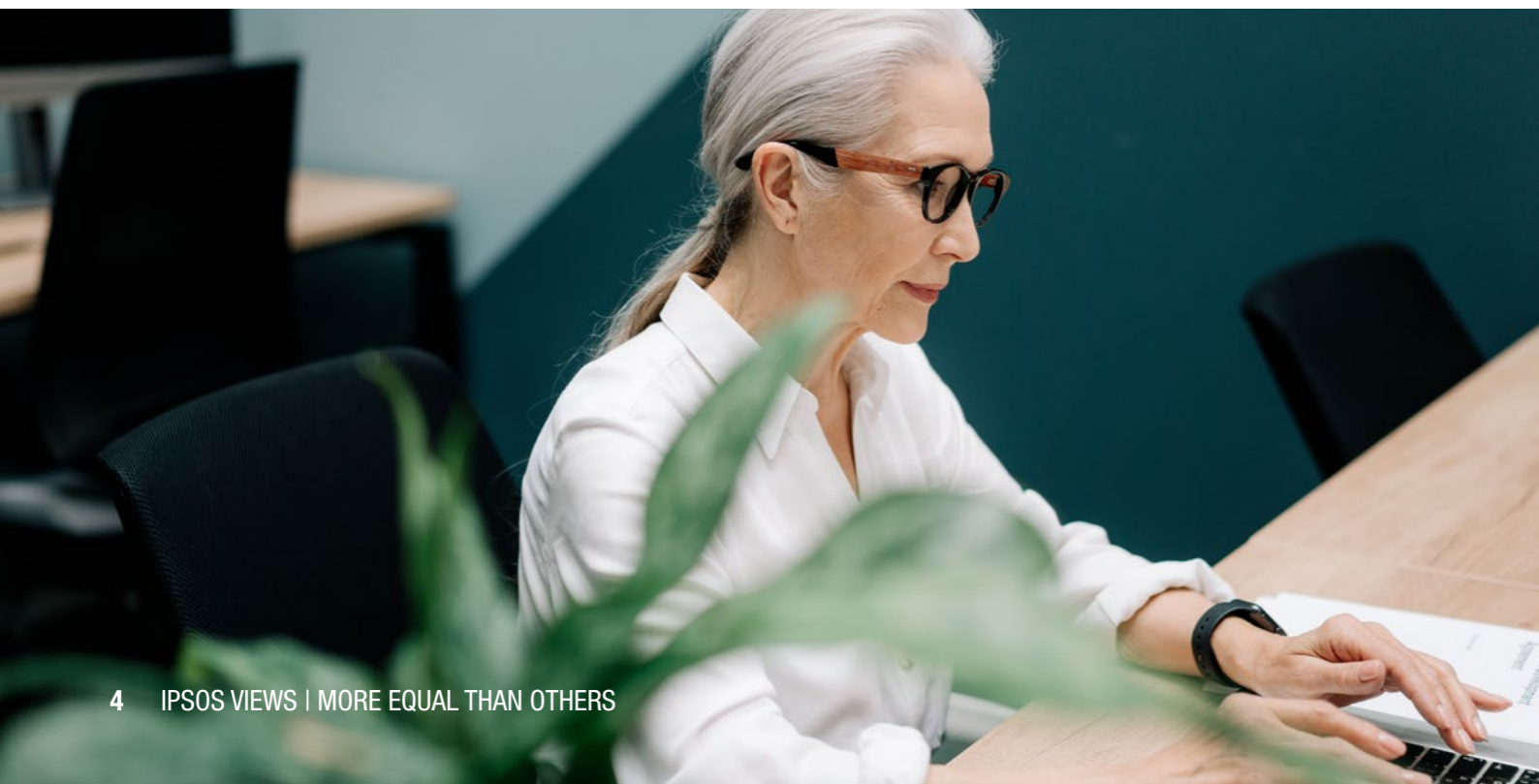
Curiously, the growing generational wealth gap observed in developed countries – with younger people falling significantly behind – appears counter to the public perceptions of generational value. Our [October 2022 study revealed that across 33 different countries](#),¹² more of us believed that the under-50s were considered more valuable (by employers, brands, the media, government, advertisers and the general population) than the over-50s, and women are more likely than men to believe this. When we introduced gender into the question, we also saw that both genders were more likely to say that older men were valued more highly than older women.



HOW IS INEQUALITY BEING PERPETUATED?

Upon examination, bias and inequality usually stems from an untruth or lie that plays out in both conscious and implicit ways. Great lies include: poor people do not work as hard as rich people, people who don't speak the same language as us are not as intelligent, disabled people are less capable than others in jobs and tasks that have nothing to do with their disability, and contributions from women are worth less than men. These biases place an unfairly implied value on the total human being. Today, in the US, [women earn 82 cents for every dollar that men earn](#)¹³ – demonstrating that a lie, even when disproven, can have effects that remain for generations.

While there are longstanding, deeply embedded historical and structural factors that explain how these inequalities came to be, individual agency is key to their persistence, and we must understand how bias becomes hardwired on an individual level in order to start unpacking the problem. Implicit bias is a form of bias that occurs unintentionally, and without conscious awareness. Implicit biases are based on memory associations that have been formed over the years and often determine what is considered to be the norm causing anything different to be valued as less than. These automatic cognitive processes impact our decisions, attitudes, and behaviours and often perpetuate equality gaps ranging from resource access to financial opportunity.

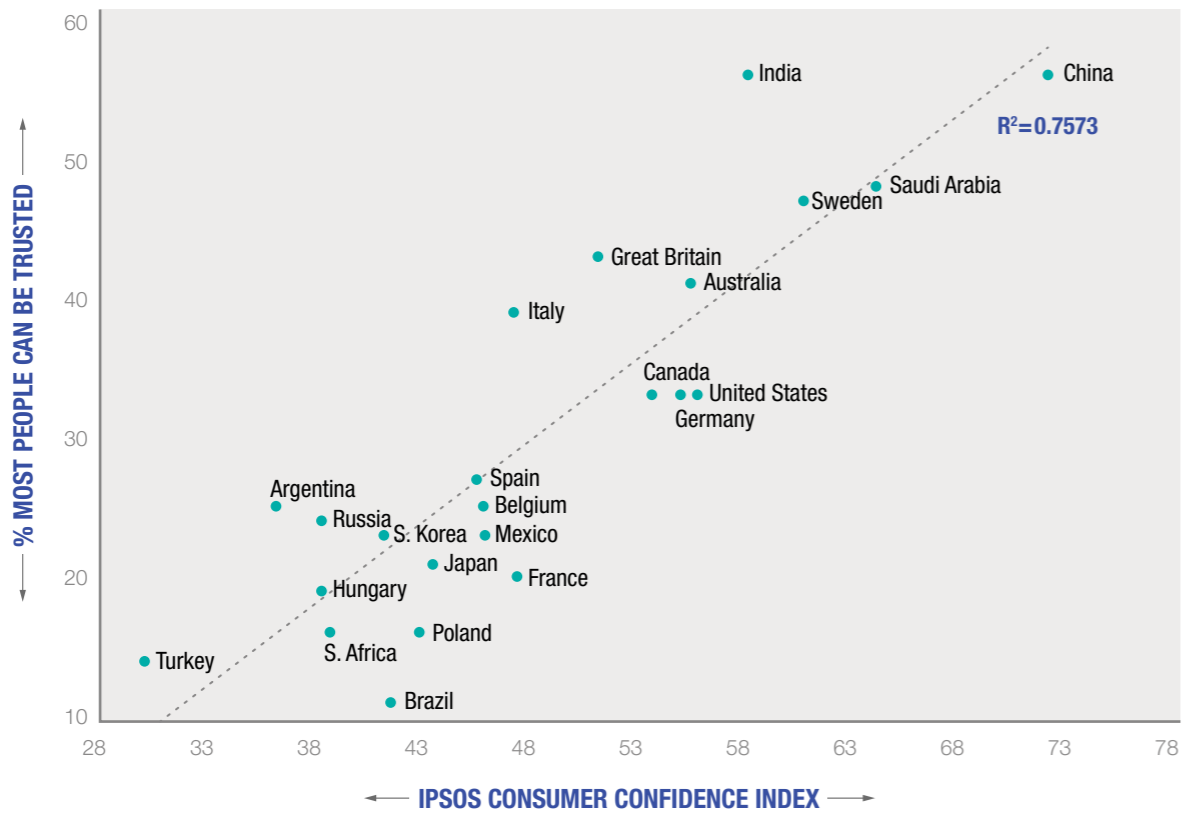


THE IMPACT OF INEQUALITY

Today's climate of fuller transparency exposes inequalities more generally to people who, in the past, may not have been aware of their advantage or disadvantage. Many more of us are forced to confront the impact of obvious discrepancies within our societies and organisations. This will have an effect on the efficiency, motivation and participation of all involved.

Living with inequality impacts our health and well-being. Pickett & Wilkinson's seminal book "The Spirit Level" was published in 2009, in the wake of the last major global economic crisis, and showed how higher levels of inequality within a society led to worse outcomes across a whole range of metrics, as well as eroding trust: and high levels of social trust are strongly correlated with the [economic health of a nation](#).¹⁴ Our [own research](#)¹⁵ has shown a clear relationship between high levels of interpersonal trust and both consumer confidence and happiness.

Figure 1: Correlation between interpersonal trust and consumer confidence



Source: Ipsos Interpersonal Trust Across the World 2022

WHAT THIS MEANS FOR BRANDS

So, there is a clear moral case for addressing inequality, and there is a strong commercial and economic case as well. [A majority of consumers \(59% in the US\)](#)¹⁶ think it is appropriate for a brand or industry to communicate their stance on equality. Companies are increasingly thinking about their broader role, and many argue that business, even more than government, has the opportunity to make meaningful societal change.

Companies can consider things to impact equality outside of their walls. For example, they can partner with organisations aligned with their brand purpose and design activities for employee involvement that are consistent with it. They can support local communities that are doing things to tip the scales of inequality in areas where their offices are situated. Although it is often difficult to assess the clear financial impact of these programs but Brand Trackers can help to keep a pulse on how the marketplace is feeling towards the brand and the actions being taken even the playing field. Integrity, sincerity and authenticity in this case will be key. Our Global Reputation Council is evenly split on whether big business takes boardroom diversity seriously. Brand development, innovation and communication start from a better place in those organisations that do.¹⁷

In an era of growing diversity, rapidly changing attitudes, stalling growth, and the foregrounding of consistent ESG measures, employers and brands need to develop new innovation strategies, fully engage the potential of their workforces, and display positive actions that are consistent with stated company values and brand purpose.

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EQUALITY BEGINS AT HOME

Be aware of how inequalities have manifested within your organisation and be willing to ask the hard questions that may expose unintended disparities:

ROBUST MEASUREMENT.

Uncover discrepancies between traditional and underrepresented employee groups with robust measurement. Be open to an honest analysis of internal data and be curious to apply a nontraditional lens. Analysing differences by gender, ethnicity, sexuality, first language, physical ability and educational background can all expose ways that your organisation may be perpetuating unequal practices.

EQUALITY VS EQUITY IN OPPORTUNITY.

Level distribution and unbalanced advancement opportunities can also signal unconscious bias in how things are judged and evaluated resulting in organisational imbalance. It is key to pursue an evidence-based understanding of the extent to which D&I factors contribute to retention challenges and to promotion and progression barriers within the organisation. Opportunities for coaching and consideration based on required skill (vs education or level) could help insure diverse representation at the decision making table.

INCLUDE EVERYONE IN THE CONVERSATION.

Survey perceptions of culture and experiences focused on D&I (leveraging data science tool Ipsos Baysians Networks (IBN) to determine drivers of retention). Qualitative communities and empathy programs may offer narratives and a lens into the organisational culture and community climate around inclusion and belonging.

MAKE IT A STRATEGIC PRIORITY.

Once this deep exploration has identified structural and behavioural issues and bias, these can be addressed by the organisation through a variety of interventions. Create a strategy to close meaningful gaps and develop KPIs that reflect the organisational commitment. The effectiveness of these interventions can be further quantified to identify how to tailor these to the challenges of the future to maximise its efficiency.

Inequality robs us of the best thinking and diverse approaches to solving problems. The objective is to ensure the opportunity for all to contribute according to their best ability, to feel valued fairly and to be paid accordingly. When the playing field is fair and even, organisations can thrive and move confidently into the future.

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