

# MEDIA RELEASE

## Vinnies welcomes ACOSS UNSW Poverty and Inequality Project

2 September 2020

The St Vincent de Paul Society's National Council welcomes the release today of the third 2020 publication from the five-year Poverty and Inequality Partnership between the Australian Council of Social Service (ACOSS) and the University of NSW.

It summarises the extent and effects of income and wealth inequality pre COVID-19 and provides a lens through which to assess the impacts of COVID-19 as the pandemic continues and governments and businesses respond.

The multi-disciplinary approach to the Partnership has enabled the exploration of the intersection of poverty and inequality with other dimensions of disadvantage – including housing, health and justice.

St Vincent de Paul Society's National Council is proud to be one of 12 ACOSS member and philanthropic partners providing financial and other support towards this important work.

National Council CEO, Toby oConnor said the report's worrying findings should be on everyone's radar, not just policy writers and decision makers.

'The report has simplified complex data, and the commentary about levels of income inequality makes it readily accessible to everyday people with an interest in these important issues,' Mr oConnor said.

### KEY FINDINGS

- The highest 20% of households has six times the income of the lowest 20%
- Average household wealth has now surpassed \$1m, but it is very unequally distributed with the highest 20% having more than 90 times the lowest 20%
- In the last 20 years, income inequality has grown during periods of income growth and flattened during periods of income stagnation
- From 2003 to 2017, the average wealth of the highest 20% grew almost twice as fast as that of the middle 20% and over 10 times faster than the lowest 20%
- The longer-term impact of COVID-19 and mass unemployment on income and wealth inequality will depend very much on how governments respond

The supplementary report: *The impact of COVID-19 on income inequality* shows that the COVID-19 pandemic has already had a profound effect on employment and earnings in Australia, reducing paid working hours by 10% and employment by 6% between March and May 2020. It notes these income losses have impacted women and young people disproportionately.

COVID-19 will likely further exacerbate income inequality due to the spike in unemployment, with the biggest job losses occurring in lower paid industries. Unless economic recovery strategies focus on job replacements in these areas, including women and young people, and provide an adequate income floor through social security, income inequality is likely to become more severe.

*The St Vincent de Paul Society in Australia consists of 60,000 members and volunteers who operate on the ground through over 1,000 conferences located in individual parishes across the country.*