

GLOBAL WEALTH DISPARITY

why and how we should turn the tides

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Wealth inequality is a growing trend.

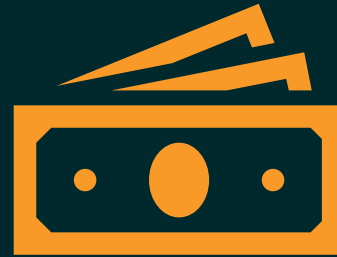
Why this matters



Support
People



Support
Community



Boost
Economy



Avoid
Civil Unrest

RECOMMENDATION

Wealth inequality is not an issue which affects only one group – it must be combatted by all sectors of the world community.

ACTIONS BY Corporations & the Wealthy

- *Impact Investing*
- *Give back to the community*
- *Invest the education of employees*
- *Lobby for regulating stock buy-backs*

ACTIONS BY National Governments

- *Minimum wage indexed to inflation*
- *Affordable housing*
- *Support programs, like volunteer initiatives*
- *Prioritize education programs*
- *Introduce N.E.S.T. pension plans*
- *Rethink government spending*

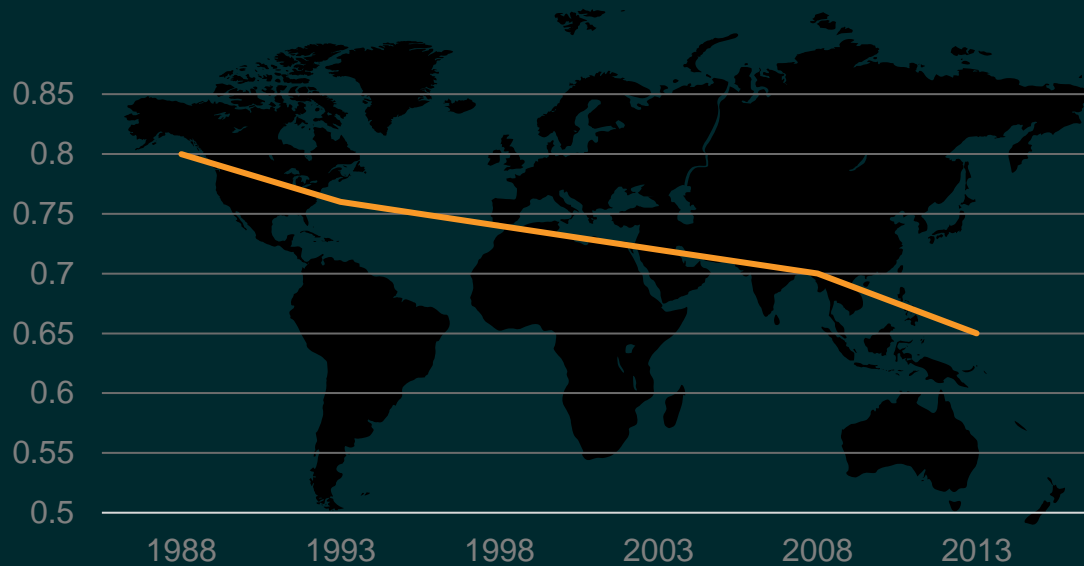
ACTIONS BY International Community

- *Data collection and analysis providing factual input to tackle wealth inequality*
- *Fight tax havens*
- *Share intellectual wealth*
- *Global solidarity*

ANALYSIS

Inequalities *between* countries vs *within* countries

World Gini Coefficient (inequality indicator)



Inequality between countries has improved but still considerable.

Within countries



71%

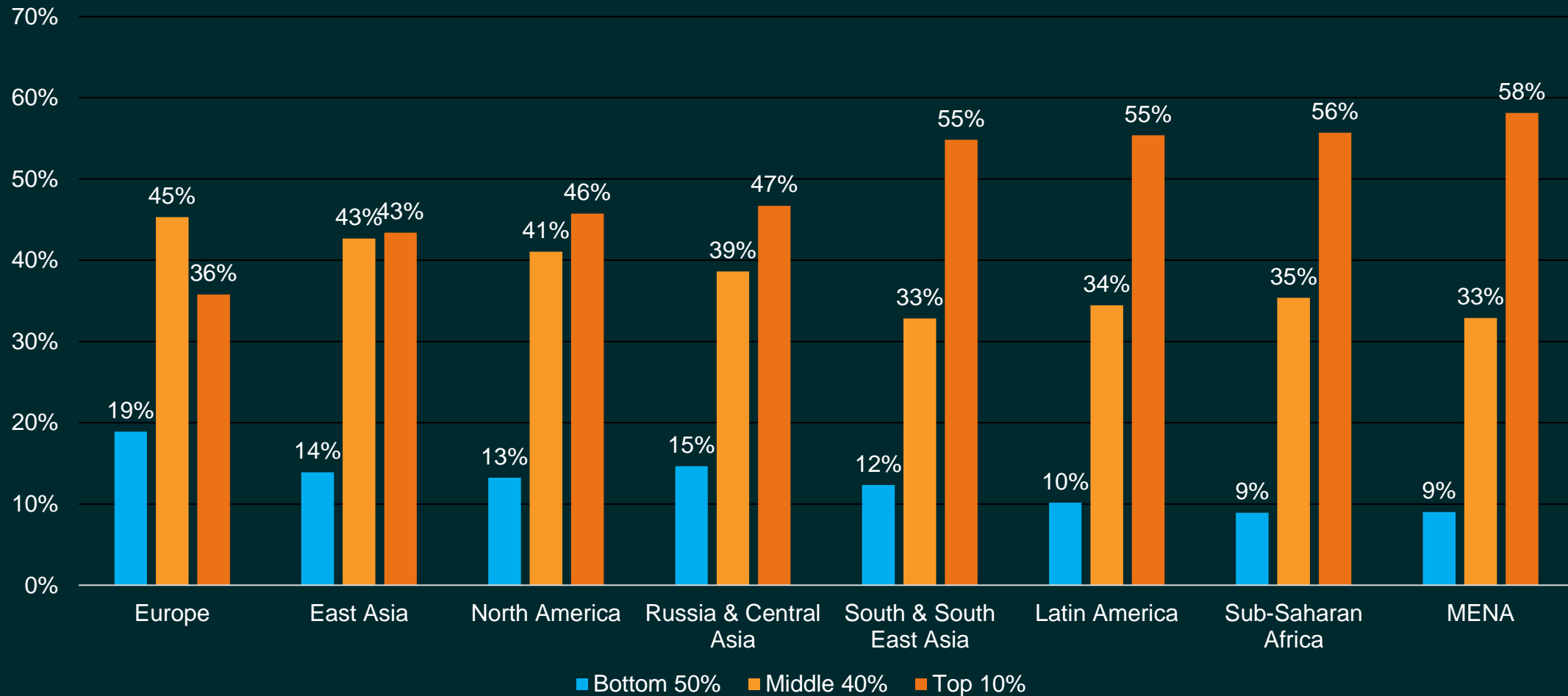
of the world's population lives in countries where inequalities have grown

Inequality within countries must be addressed more urgently.



Different places have different levels of disparity

Income Share Across the World (2021)



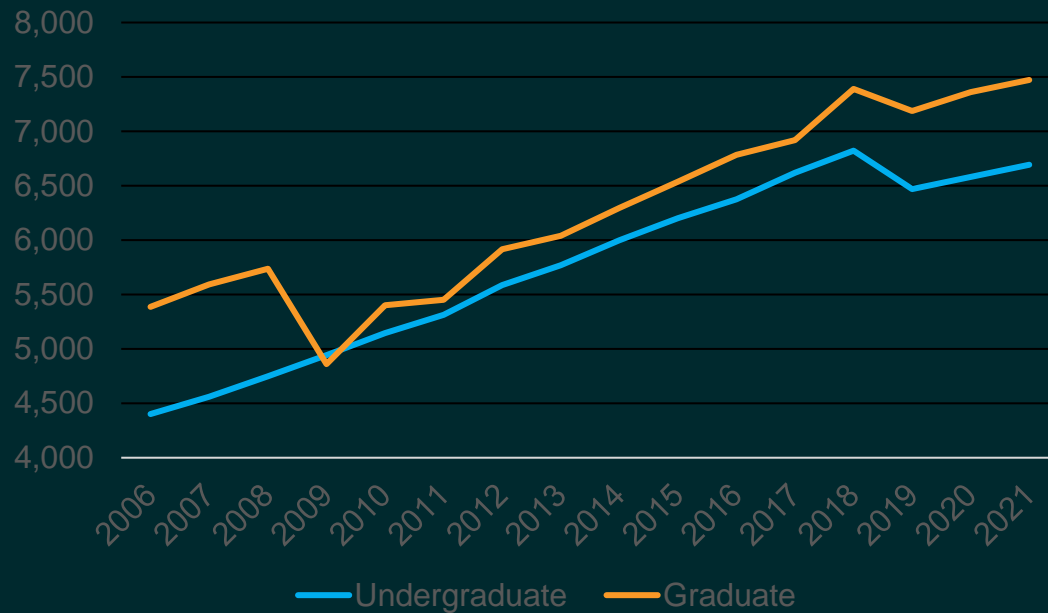
The most vulnerable are the worst affected



Economic initiatives must empower individuals to withstand pre-existing vulnerabilities.

Increasing cost of higher education lowers its accessibility

Evolution of university tuitions in Canada



2.7%
CAGR

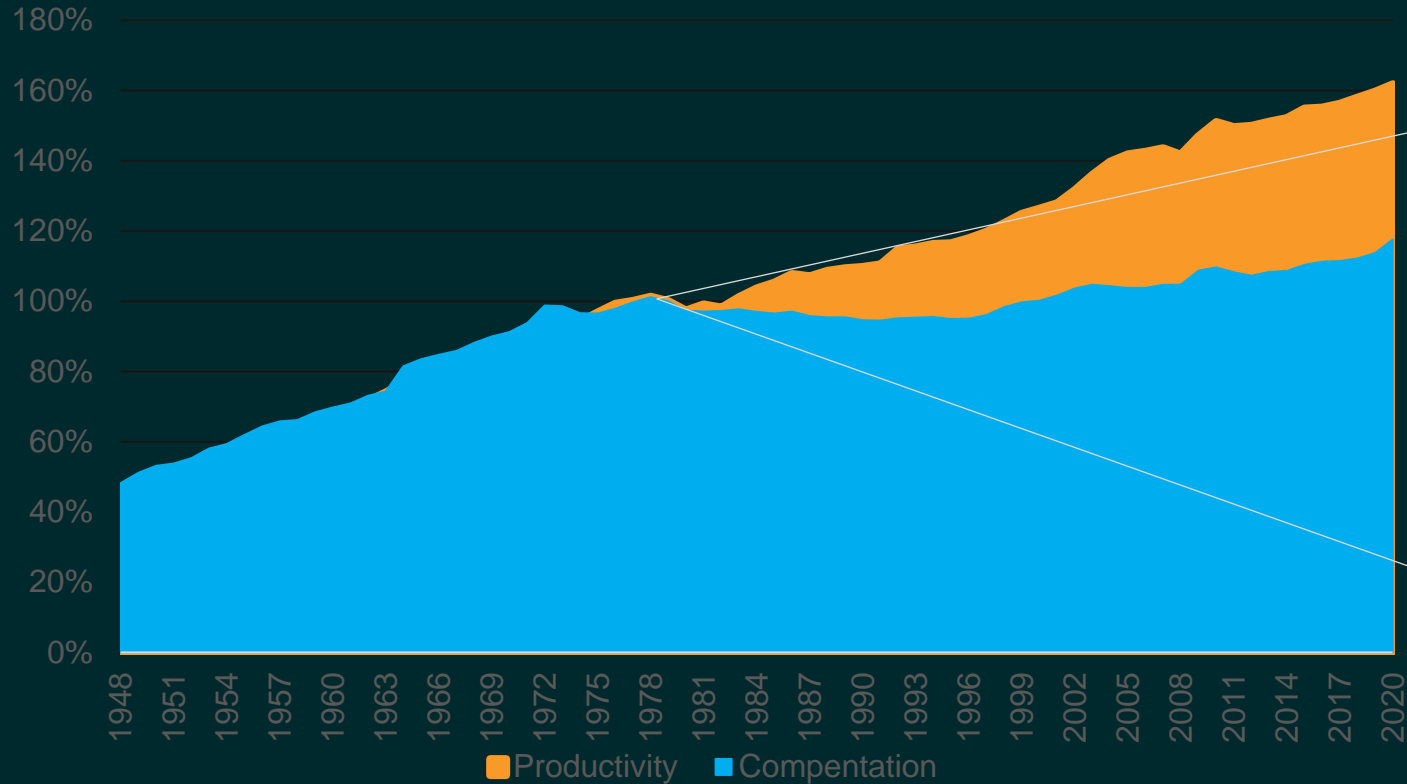
2.1%
CAGR

\$
+53%
Income with a
Bachelor
degree

\$
+18%
Income with
other higher
education

A less skilled labor force face lower economic growth which subtracts from the overall welfare of society.

Average middle-class salary has not grown proportionally

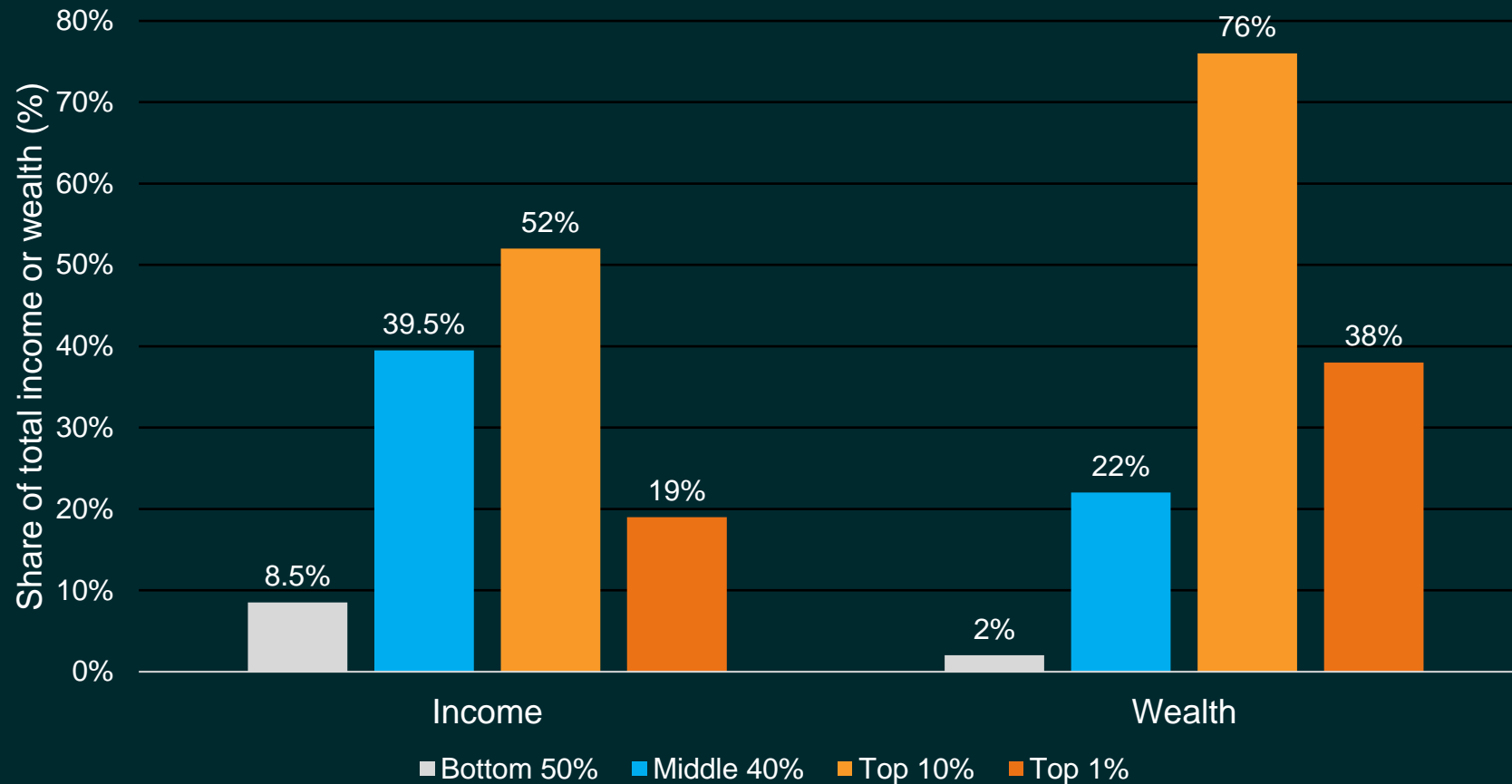


Beginning of a dangerous divergence

Minimum wage and average middle-class salaries must be raised and indexed with inflation.

Income inequality \neq Wealth inequality

Global Income and Wealth Inequality 2021



Income Inequality

Wealth Inequality

Wealth Concentration

Money Velocity

Tax Revenue Collected

The rich don't spend → they save

\$340B

Tax subsidies for housing,
education, retirement and
savings

\$95B



Top 1%

\$90B



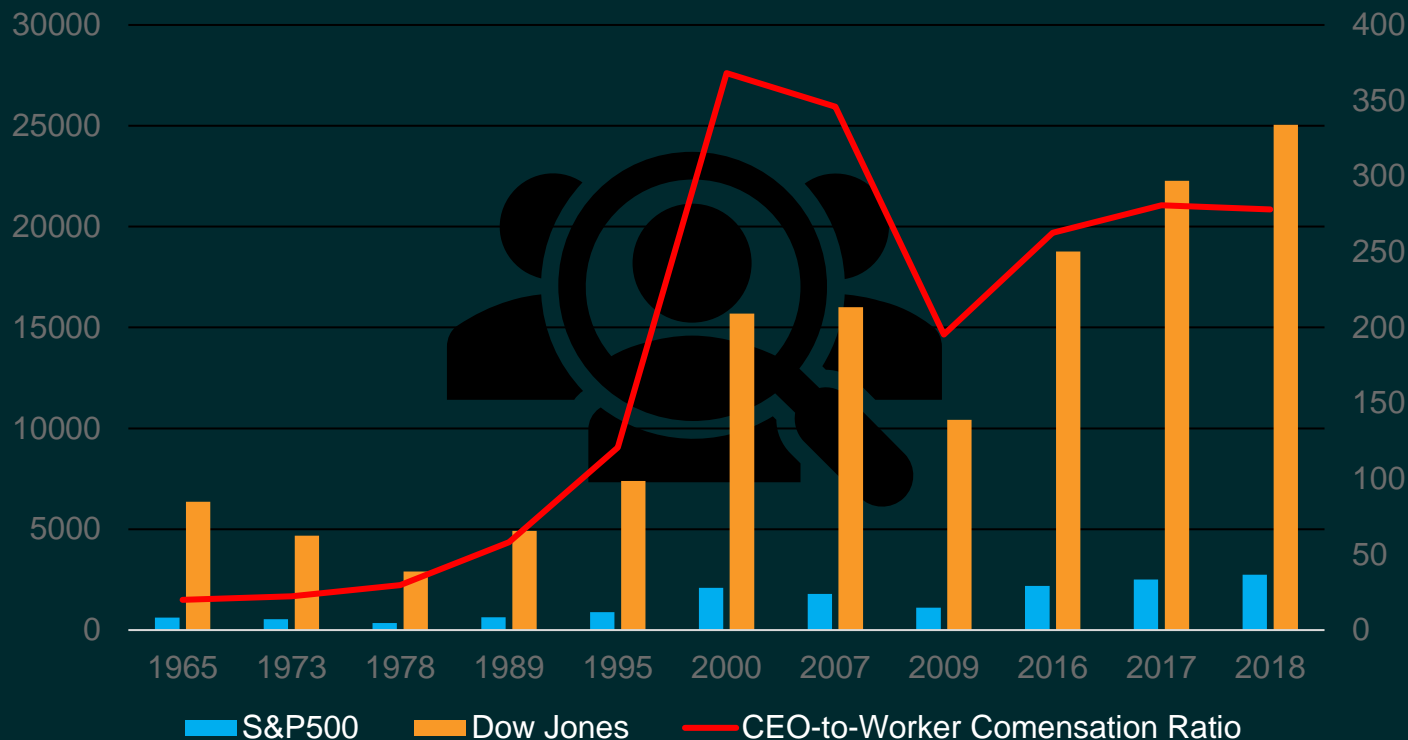
Bottom 80%

The issue isn't how much
people are being taxed, but
how those taxes are being
spent

For example, spending channeled through
US tax code overwhelmingly benefits the
wealthiest Americans

Stock buy-backs privilege short-term benefits

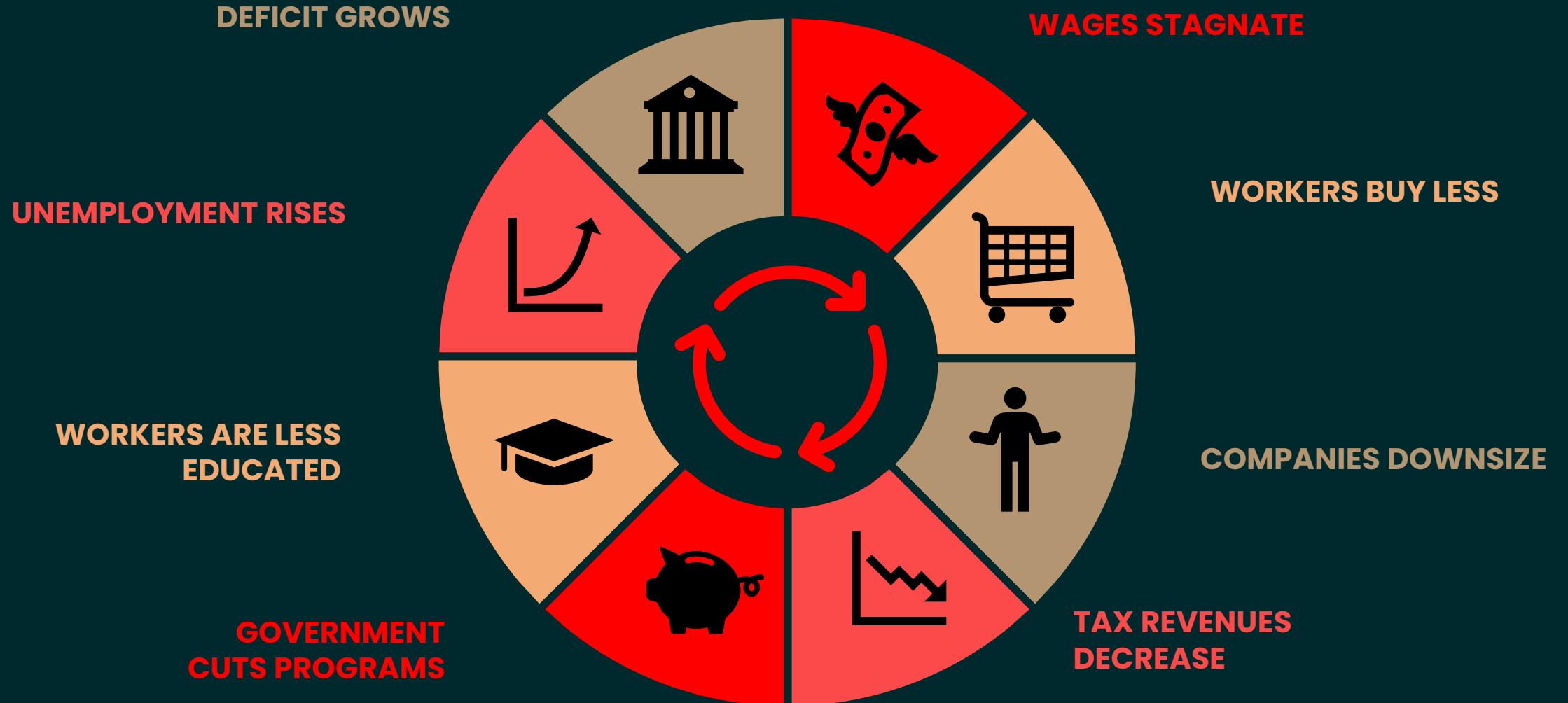
Stock Market vs CEO-to-Worker Compensation



Stock buy-back increase share cost triggering large bonuses for executives.

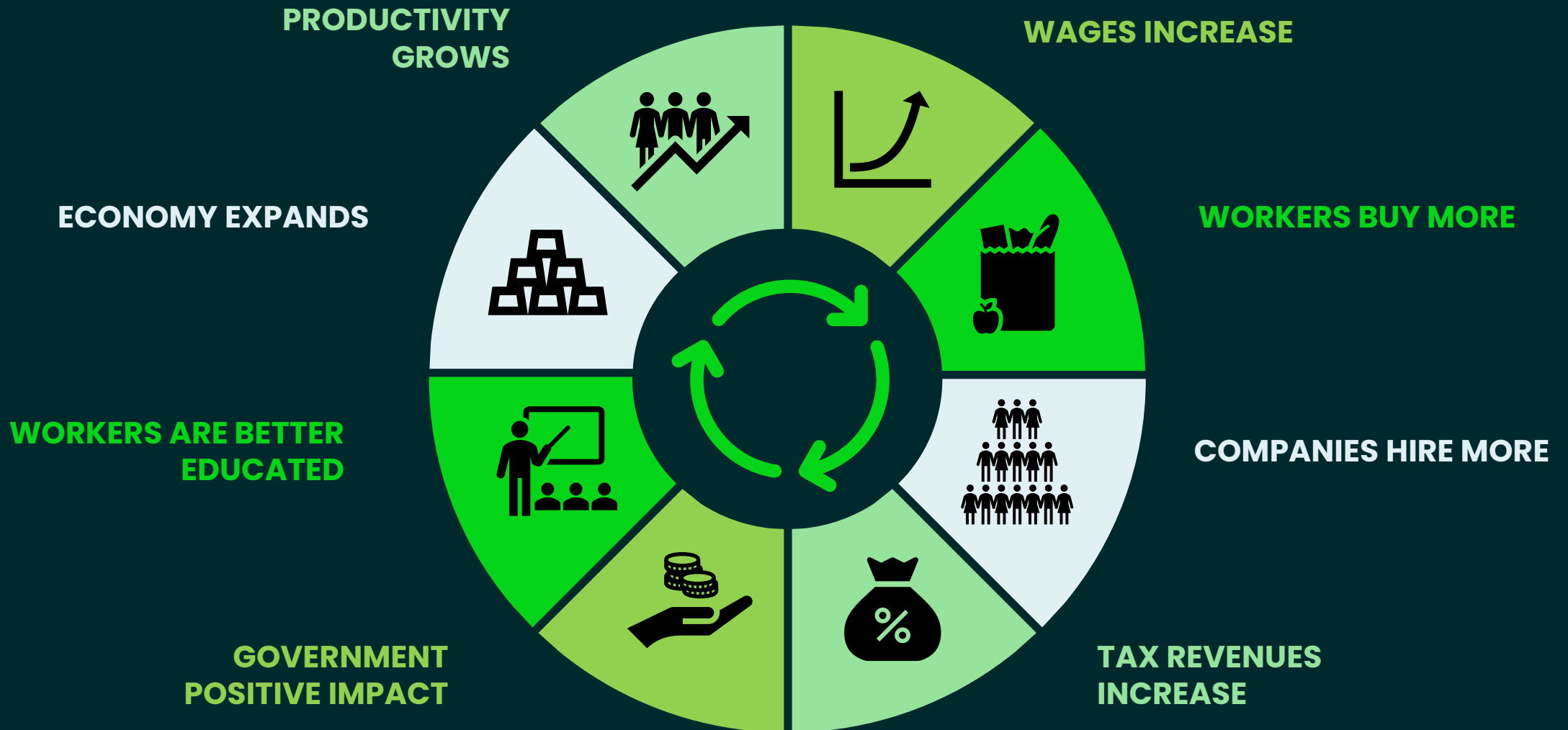
Regulating buy backs will force companies to invest internally on their technology and employees.

Vicious economic cycle accelerates inequality



RECOMMENDATION

Virtuous economic cycle accelerates equality



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- *Affordable housing*
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- *Rethink government spending*

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Virtuous economic cycle accelerates equality

PRODUCTIVITY GROWS

- *Regulate and limit stock buy-backs*

ECONOMY EXPANDS

- *Impact Investing*

WORKERS ARE BETTER EDUCATED

- *Training and education programs for low- and middle-class people*

GOVERNMENT POSITIVE IMPACT

- *Affordable housing*
- *Support/safety nets for at-risk groups*



WAGES INCREASE

- *Minimum wage indexed to inflation*

WORKERS BUY MORE

- *Money velocity increase*

COMPANIES HIRE MORE

- *Invest in human capital by educating employees*
- *Re-introduce pension plans*

TAX REVENUES INCREASE

- *Use tax revenues wisely*
- *Fight tax havens*

Actions by Corporations & the Wealthy

Buy-Backs induce short-term growth

LIMITED STOCK BUY-BACKS

- *CEOs / leaders can use money previously reserved for these and:*
- *Reinvest it on technology, **people** & productivity*
- *Economic boost: greater & not just for the people in power*



INVEST THIS SAVED \$ INTO:

- *Continued education programs*
- *Technical training*
- *HR processes*
- *Technology*
- *Human Capital*
- *Etc.*



Greater economic stimulus from internal re-investing than from buy-backs

Encouraging the wealthy to **WANT** to give back

Messaging:



Ethical Investing

→ Empower companies which you support



Funds which integrate social impact to financial returns

→ Outperform in emerging markets



Talent is everywhere,
opportunity is not

→ Be an early investor in emerging innovation

Different messaging will attract different types of investors

How does impact investing work?

Capital
Investment



Target
Selection



Measure
Returns

Impact Investors:

- Businesses
- Wealthy individuals
- 2019: USA \$715 billion

Motives:

- Social
- Environmental
- ESG
- Financial

ROI:

- Financial
- Social
- Triple Bottom Line

Catalytic philanthropy provides the ability to generate positive and measurable ESG and financial returns

Actions by National Governments

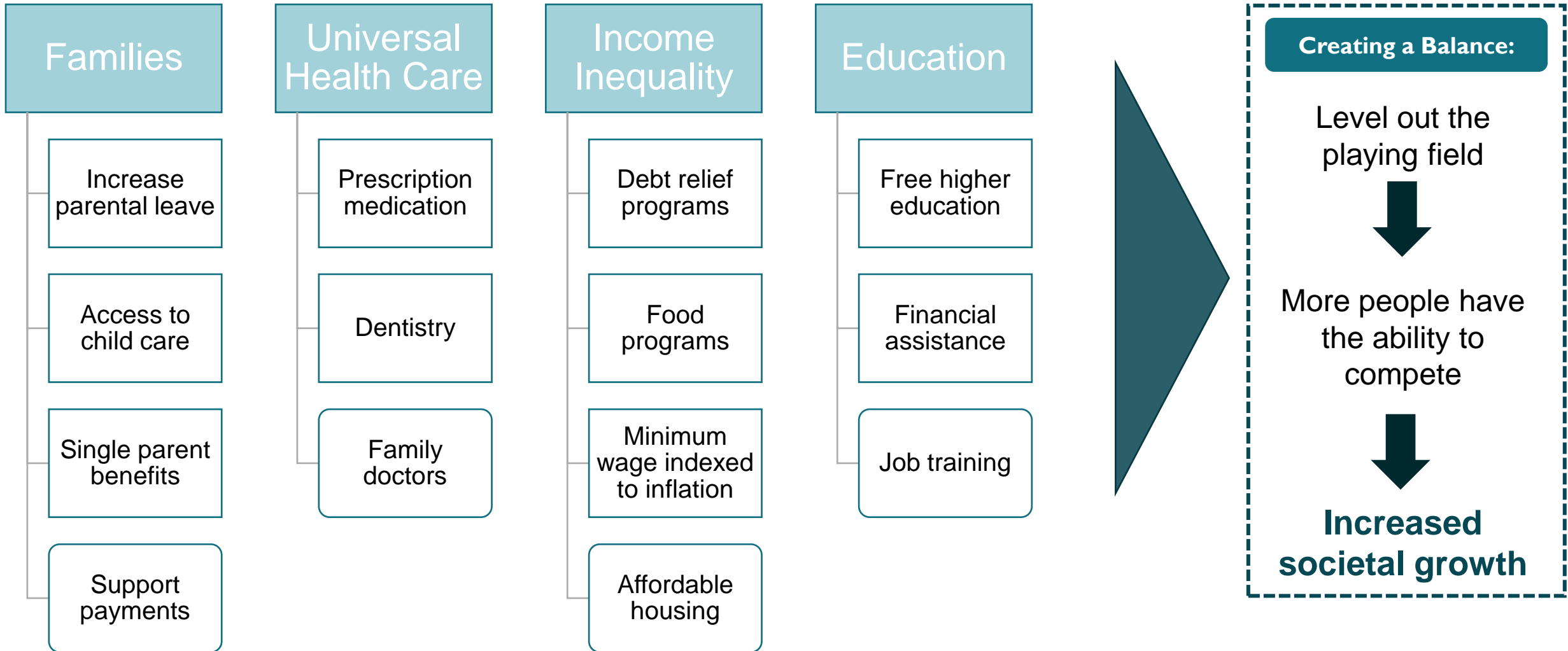
Inequality is a trap → which governments can fight



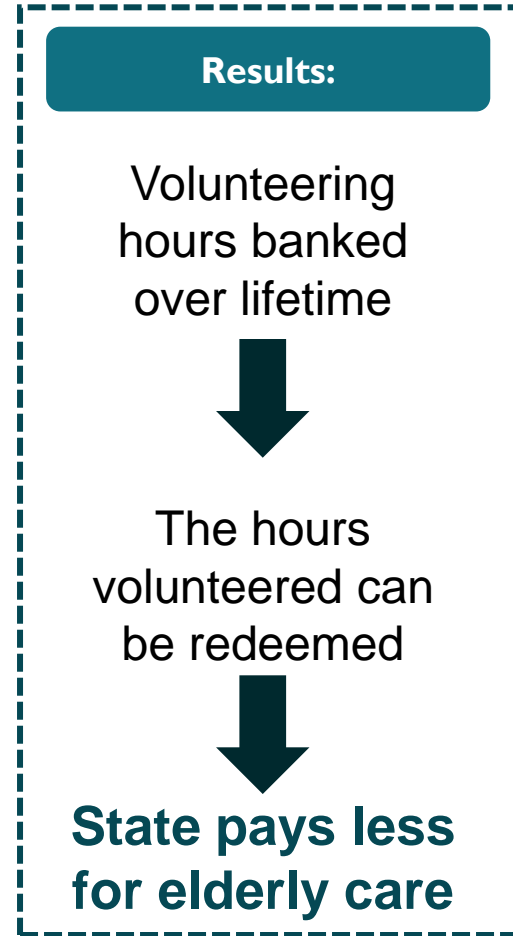
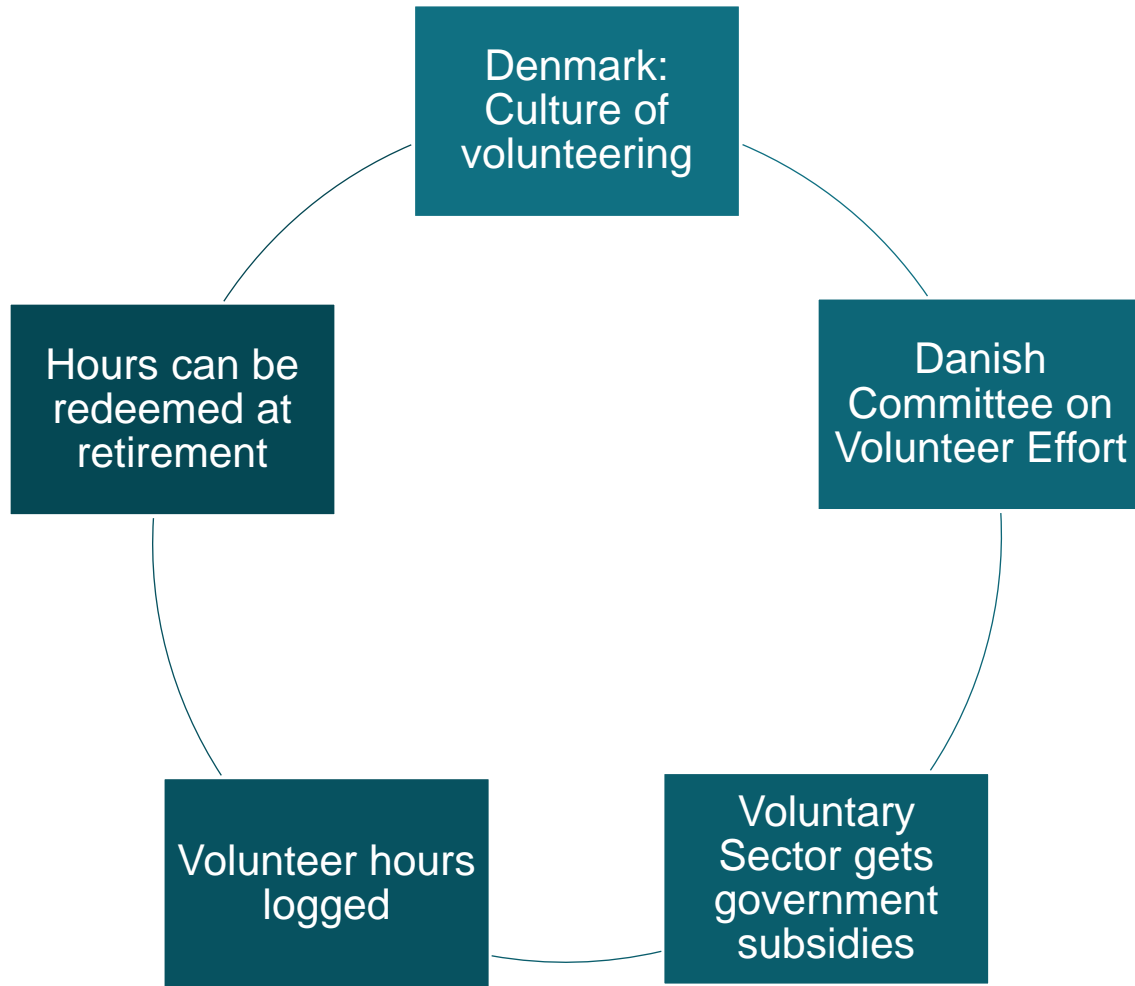
Until basic needs are met, people cannot look beyond survival



Governmental actions to help low-income families



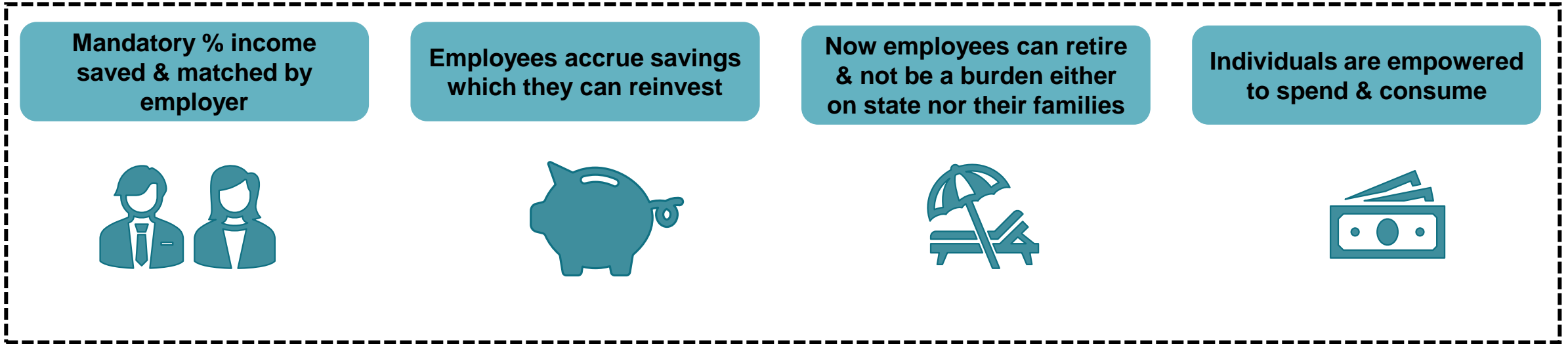
Institute state-supported volunteering programs



This program not only costs little but saves the state a lot in the long term

Institute N.E.S.T. savings program

NATIONAL EMPLOYMENT SAVINGS TRUST



This program leads to a positive economic fallout for the state

Actions by International Community

Support the U.N.'s goals actionable

Encourage development assistance and investment in least developed countries

Ensure equal opportunities and end discrimination

Adopt fiscal and social policies that promote equality

Alignment of the international community with the sustainability development goals

Promote universal social, economic, and political inclusion

Special and differential treatment for developing countries

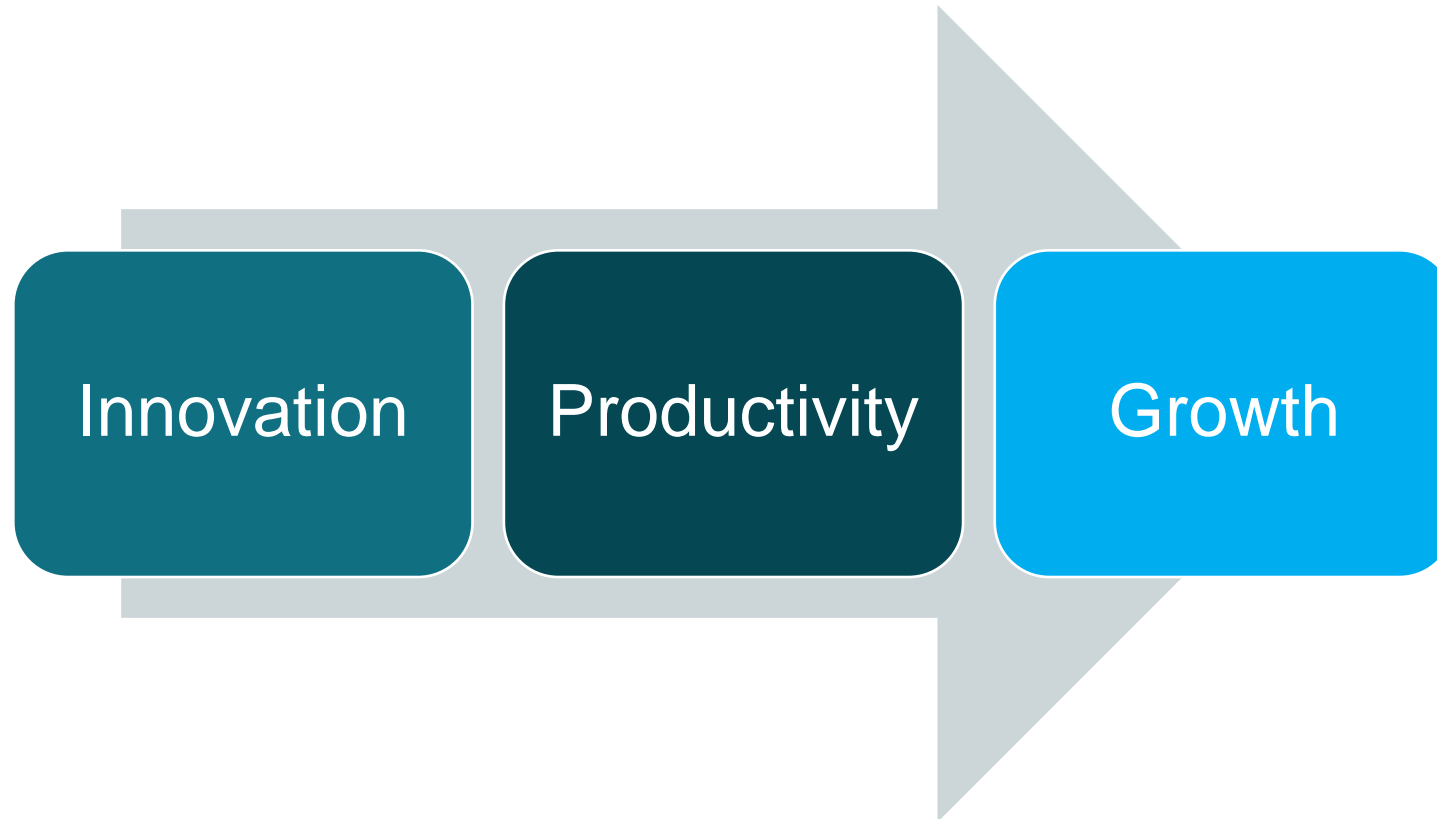
SDG10: Reduced Inequalities

Improved regulation of global financial markets and institutions

Reduced transaction costs for migrant remittances

Inaction in the face of suffering is unacceptable.

Innovation anywhere helps people everywhere



Share the Wealth:
Innovation builds on other innovations, and by sharing knowledge and resources worldwide, we all help each other.

By sharing intellectual wealth, we enable others and diminish the wealth gap

International Community Role

Data Collection

- Continuous data collection and analysis of wealth inequality metrics and flow of money around the world

Transparency

- Set the light on wealthy individuals and corporations that engage in international tax evasions

Collaboration

- Ensure the right partnerships to set solidarity as a pillar for fighting wealth inequality
- The right organizations with the right initiative to fight wealth inequality.

Tax havens take money from communities

OECD and EU are already fighting tax havens but more needs to be done

Estimates place US\$7-10T of Capital Held in Tax Havens

Acting as Guardians

Prosecute the professional promoters of tax evasion schemes

Expose those benefitting from tax havens

Shift Taxation Standards

From taxing where product's value is created to where value is consumed

Limiting tax inversions

Make it an international priority

Lobby with member countries that include trade treaties, but also taxation agreements

International Communities must guard public money by fighting tax havens

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THANK YOU!

Video presentation available on YouTube:
https://www.youtube.com/watch?v=45ECOEx3_NU

