

# RESEARCHING THE KILLER FACT THAT HIGHLIGHTED GLOBAL ECONOMIC INEQUALITY

## WHAT IS THIS CASE STUDY ABOUT?

This case study of research in practice describes how in 2014 Oxfam staff researched and developed a powerful killer fact – that the 85 richest people owned as much wealth as the poorest 3.5 billion people – and how this triggered international media coverage, political commentary, and record-level website hits.

Killer facts are memorable, headline-grabbing statistics that bring campaign reports and briefings to life. The right killer fact can have more impact than the whole of a well-researched report. However, their success hinges on getting the background research right. There are different kinds of killer fact: this one works by contrasting the great wealth of the few with the poverty of the poorest people in the world. The statistics of inequality are reduced to a simple but powerful juxtaposition that is both easy to understand and shocking in its implications. It is a very good example of the practice described in Oxfam's research guideline, *Creating Killer Facts and Graphics*.



A publicity image from Oxfam's influential inequality campaign in 2014

## WHY WAS RESEARCH NEEDED?

Oxfam had identified inequality as a barrier to poverty reduction and social justice and wanted to raise this issue as a global concern. To do this, in 2013, Oxfam staff embarked on research to understand the extent and trends of economic inequality around the world, and the role played by political institutions and elites in fostering this. At the same time, the 2014 World Economic Forum meeting in Davos was identified as an important opportunity to present this research and advocate for change. The Forum works with leaders from business, politics, academia and other sectors of society to shape global, regional and industrial agendas. Oxfam's research and advocacy were presented in the Oxfam report *Working for the Few*, which called for commitments for those gathered at Davos to counter rising inequality and included a number of killer facts to support this argument. An unprecedented amount of attention was focused on Oxfam's intervention, much of which was generated by the key killer fact that encapsulated extreme inequality. *Working for the Few* drew attention to the negative impacts of government and political institutions that serve the interests of economic elites above those of ordinary people. The report's summary featured six killer facts that point to the growing concentration of economic resources. These emerged from wider research on the causes of inequality, including case studies, descriptions of laws designed to benefit the wealthy, and success stories of actions to reverse inequality.

### Data sources

*Working for the Few* authors Ricardo Fuentes-Nieva and Nick Galasso searched for high-quality and up-to-date data on income and wealth when writing the report. Using four different databases to study the problem and identify trends, they found that all of the data pointed to the same results: since 1980 or thereabouts, the global concentration of income and wealth had been increasing and was at remarkably high levels. All of the statistics in the Davos paper needed to be credibly sourced to support their claims and leave critics with little ground for scepticism. Ricardo and Nick used the Credit Suisse *Global Wealth Report 2013* and *Global Wealth Databook 2013* and spent several weeks studying the methodology and understanding the assumptions in this data. For example, the data used in *Global Wealth Report 2013* is based on adults only; it doesn't include youths or children. If children were considered in the research to have individual wealth, the inequality would likely be starker, because fertility rates are higher in poorer households.

### Calculations

Once the main content for *Working for the Few* was finished, the report's authors looked for killer facts to add punch to their research findings. They did this by revisiting the sources that they had already used, including the two Credit Suisse reports. Ricardo explains: 'There was one sentence that caught my eye: the bottom half of the population own less than 1% of global wealth.' There was no data file available, so to find an exact figure Ricardo looked at the tables and figures in the statistical annex. There he found the share of wealth by decile, and by adding the bottom five deciles, he got a figure of 0.71%. This figure was multiplied by the total global wealth, which was estimated at \$241 trillion. Using this calculation, it was found that the poorest half of the world's population share a wealth of around \$1.7 trillion.

To estimate how many of the world's wealthiest people possess the same amount, Ricardo consulted the Forbes list of billionaires and added up the richest individuals' wealth. Forbes is an

American business magazine that compiles and publishes annual rankings of the world's wealthiest people. Data from the Forbes list is also used in the Credit Suisse reports to ensure these outliers are included in the total wealth distribution. Ricardo explained: 'By the time I got to number 85 in the league table of wealthiest people, I had reached 1.7 trillion dollars' – the same amount as the total wealth of the lowest five deciles. Ricardo and Nick also checked their calculations and findings with experts working in the field.

## RESEARCH FINDINGS

Ricardo explains that 'this killer fact – 85 people own as much as half of the world – has created a massive interest in our work, but the analysis we produced in the paper goes well beyond it'. The killer fact went viral and made headlines worldwide. It has been estimated that *Working for the Few* and the key killer fact that emerged from the research achieved an unprecedented level of international reach and political influence, for an Oxfam news story. It informed much of the political debate in the 2014 World Economic Forum in Davos and communicated in one sentence how people are divided by economic inequality. This fed into the secondary messages in the report, which showed how extreme income inequality is tied up in a cycle of unequal political power. The rigorous data analysis for both the targeted killer fact and the report increased the clarity and the urgency of the message on inequality.

## LESSONS LEARNED

- Be prepared for scrutiny and criticism. Data sources used for killer facts need to be very reliable and authors need to be able to defend their sources and analysis as soon as they are published. Getting expert advice not only on the quality of the database but also the methodology for creating a killer fact can be very valuable in this process. There should also be appropriate disclaimers about assumptions, biases and data quality issues.
- It is very difficult to actively search for a new killer fact without manipulating or distorting data. One of the most effective ways to produce a killer fact that will withstand close statistical scrutiny is to keep an eye out for new databases which present data in a different way and see what kind of evidence jumps out. This was the case with the Credit Suisse database, which was a new release and presented wealth distribution in a way that other databases did not.
- Where possible keep the killer fact in the context of the wider research. The *Working for the Few* report summary and press release reported the killer fact with the wider report findings, rather than as a substitute for the research.
- Making contact and getting buy-in from the database source prior to publishing the fact can be useful for defending the validity of the research, as well as informing follow-up work.
- Update the killer fact when new data becomes available: don't let it become a 'zombie fact' that refuses to die when it is outdated. Two months after the *Working for the Few* report was released, Ricardo updated his 2014 [blog post](#) about it with the statement: 'According to Forbes magazine, using the 2014 Billionaires List, the number has now dropped to 67 individuals = 3.5 billion poorest. This killer fact just got deadlier.' These updates help to keep the fact relevant and maintain the credibility of both the source data and authoring organization.

More recently, the killer fact has been updated again: 'In 2015, just 62 individuals had the same wealth as 3.6 billion people – the bottom half of humanity.' These revised statistics in Oxfam's report *An Economy for the 1%* continue to inform Oxfam's *Even it Up* campaign against extreme inequality. But that's another story.

## FURTHER READING

This case study is based in part on Ricardo Fuentes-Nieva's 2014 blog post, *Anatomy of a killer fact: the world's 85 richest people own as much as the poorest 3.5 billion*. Deborah Hardoon's post *Fortunes for the fortunate – all 62 of them* discusses the updated figures.

## LINKS

**Creating Killer Facts and Graphics:** <http://policy-practice.oxfam.org.uk/publications/creating-killer-facts-and-graphics-253013>

**Working for the Few: Political capture and economic inequality:** <http://policy-practice.oxfam.org.uk/publications/working-for-the-few-political-capture-and-economic-inequality-311312>

**Global Wealth Report 2013:** <https://publications.credit-suisse.com/tasks/render/file/?fileID=BCDB1364-A105-0560-1332EC9100FF5C83>

**Global Wealth Databook 2013:** <https://publications.credit-suisse.com/tasks/render/file/?fileID=1949208D-E59A-F2D9-6D0361266E44A2F8>

**An Economy for the 1%:** <http://policy-practice.oxfam.org.uk/publications/an-economy-for-the-1-how-privilege-and-power-in-the-economy-drive-extreme-inequ-592643>

**Even it Up:** <http://www.oxfam.org.uk/inside-oxfam/even-it-up>

**Anatomy of a Killer Fact:** <http://oxfamblogs.org/fp2p/anatomy-of-a-killer-fact-the-worlds-85-richest-people-own-as-much-as-poorest-3-5-billion/>

**Fortunes for the Fortunate:** <http://policy-practice.oxfam.org.uk/blog/2016/01/fortunes-for-the-fortunate>

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