

Welcome to the 1st SHARE Conference

King's College, Cambridge – Friday 14th April 2023





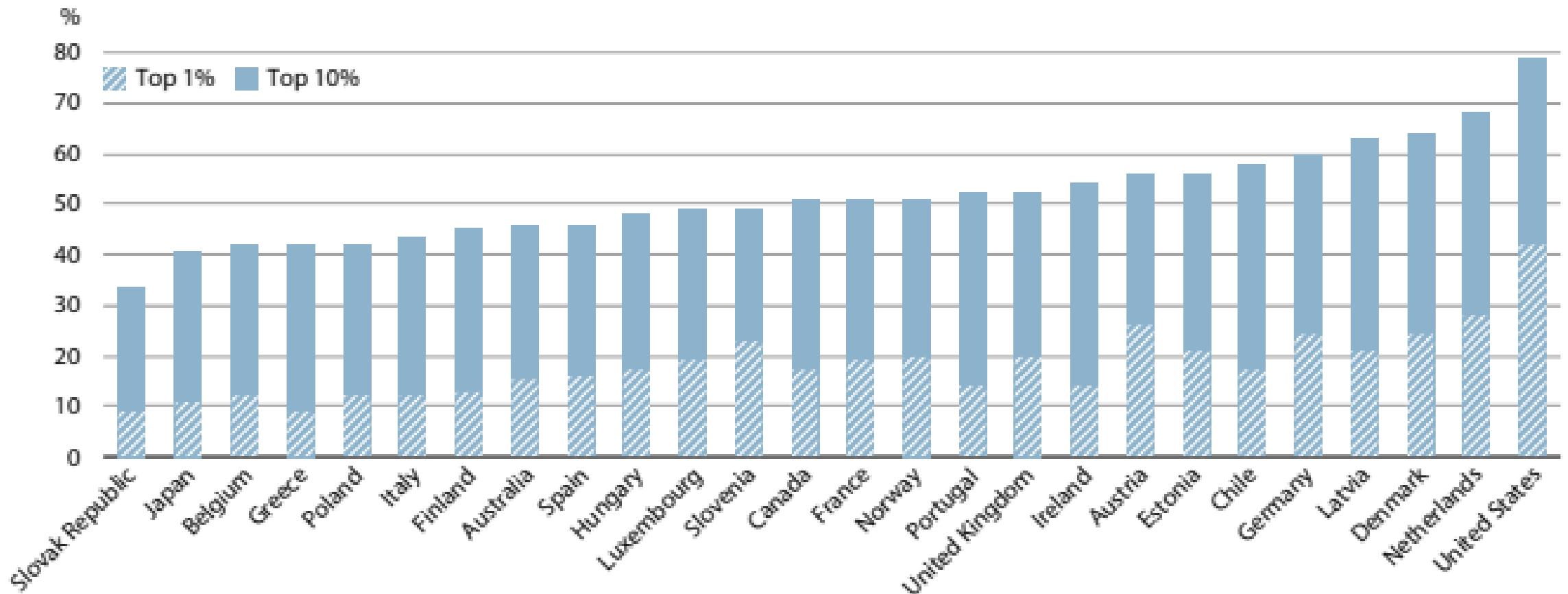
Overview, Underlying Principles & Planning

Gavin Oldham OBE

Polarisation of Wealth - OECD



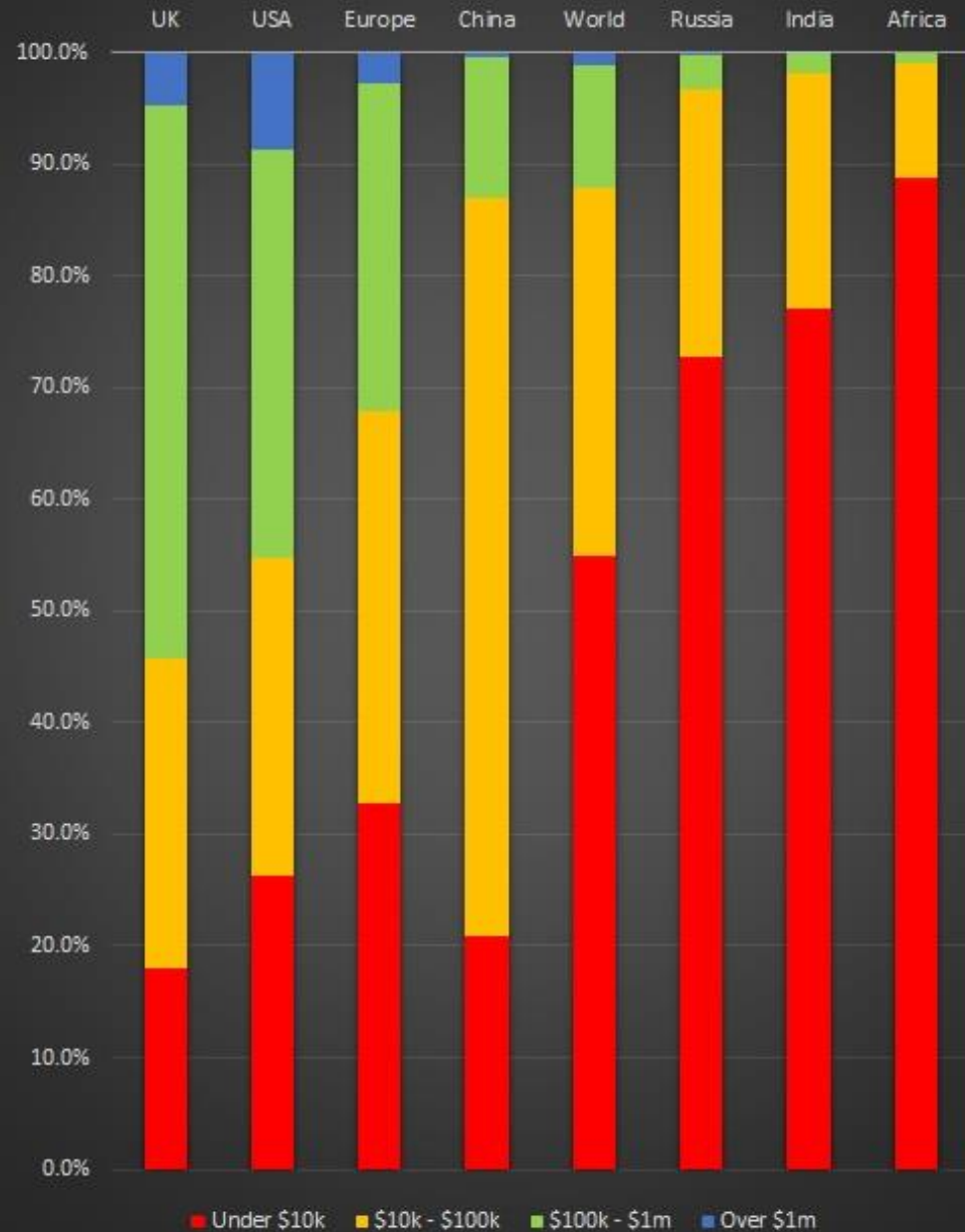
Figure 1. Share of total net household wealth held by the top 1% and top 10% of the wealth distribution



Note: 2015 or latest available year. See [Inheritance Taxation in OECD Countries](#) for additional information on source data.

Source: OECD Wealth Distribution Database, [oe.cd/wealth](https://www.oecd.org/wealth/).

Wealth Distribution by key regions/countries (% of adult population)



Polarisation of Wealth by countries/regions

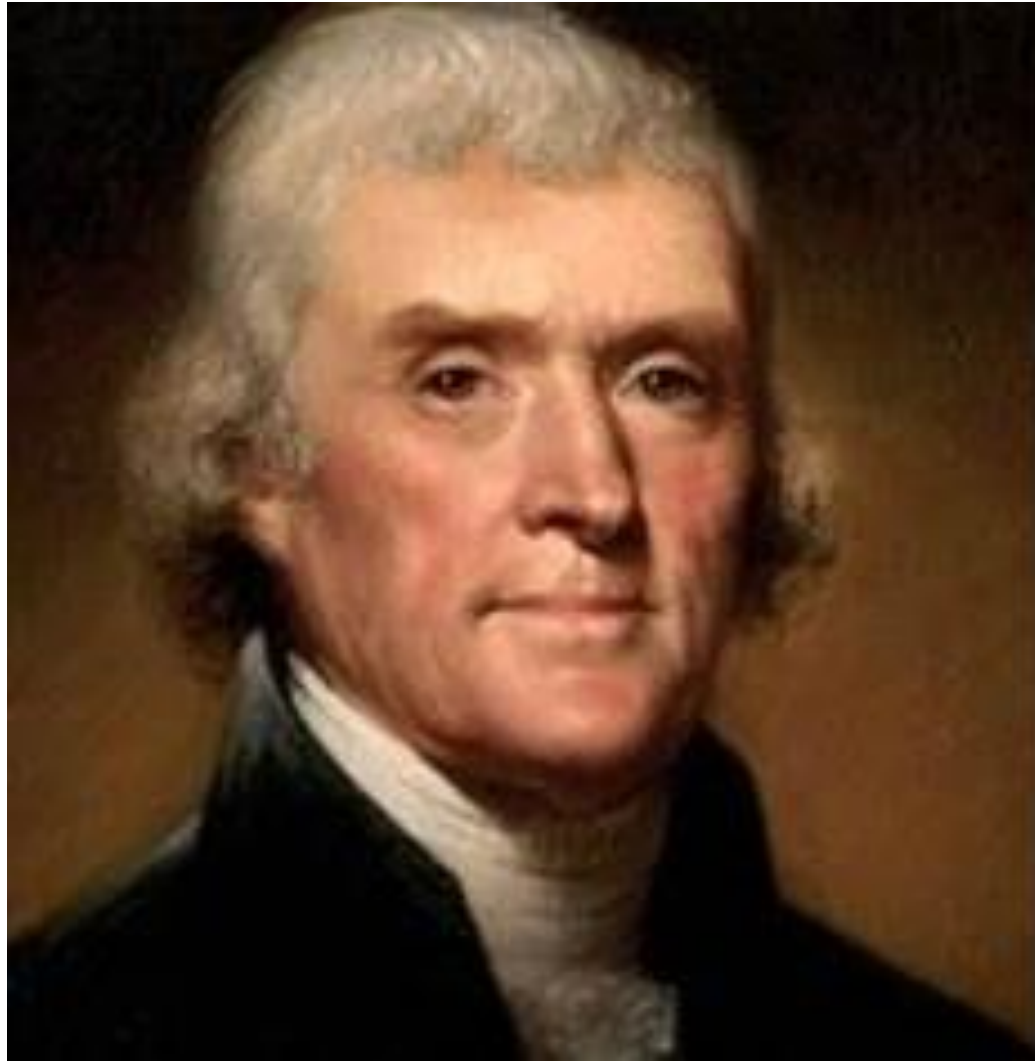
source: *Credit Suisse Global Wealth Databook*

Polarisation of Wealth - demographic injustice by age/ethnicity



- Median age: UK - 40, USA/China - 38, India - 28, Nigeria - 18
- Average white British household - £282k
vs. average African/Bangladeshi household - £24k
- 1/3 of black families are homeowners
vs. 2/3 of white families
- Three A-levels: 1 in 33 black students
vs 1 in 10 white students

The key criteria by which we are guided - and with a long-term, inter-generational context



“We hold these truths to be self-evident:

- that all are created equal;
- that they are endowed by their Creator with certain unalienable rights;
- that among these are life, liberty, and the pursuit of happiness.”

Thomas Jefferson

Key Principles/Features



- Disintermediation
- The human cycle of life & death
- Individual Ownership/Responsibility
- Understanding that sense of ownership
- Long-term, constitutional change

Disintermediation: Reducing the extent to which others take decisions that affect your life as an individual and your ability to control your own destiny. These may be governmental, financial (eg investment), lifestyle or ability to travel freely. Such intermediation may be voluntary or enforced: e.g. a democratic society may still suffer from excess intermediation, however benevolently it may be intended

Barriers



- Egalitarian Capitalism - a contradiction in terms?
- Dilution
- Will Governments accept disintermediation?
- Short-term vs. Long-term priorities

Disintermediation: Reducing the extent to which others take decisions that affect your life as an individual and your ability to control your own destiny. These may be governmental, financial (eg investment), lifestyle or ability to travel freely. Such intermediation may be voluntary or enforced: e.g. a democratic society may still suffer from excess intermediation, however benevolently it may be intended

Propositions



- **Inter-generational Rebalancing**
- **Stock for Data**
- **Targeted Welfare**
- **Financial Awareness/Life Skills**
- **Long-term Governance**
- **Global Convergence**

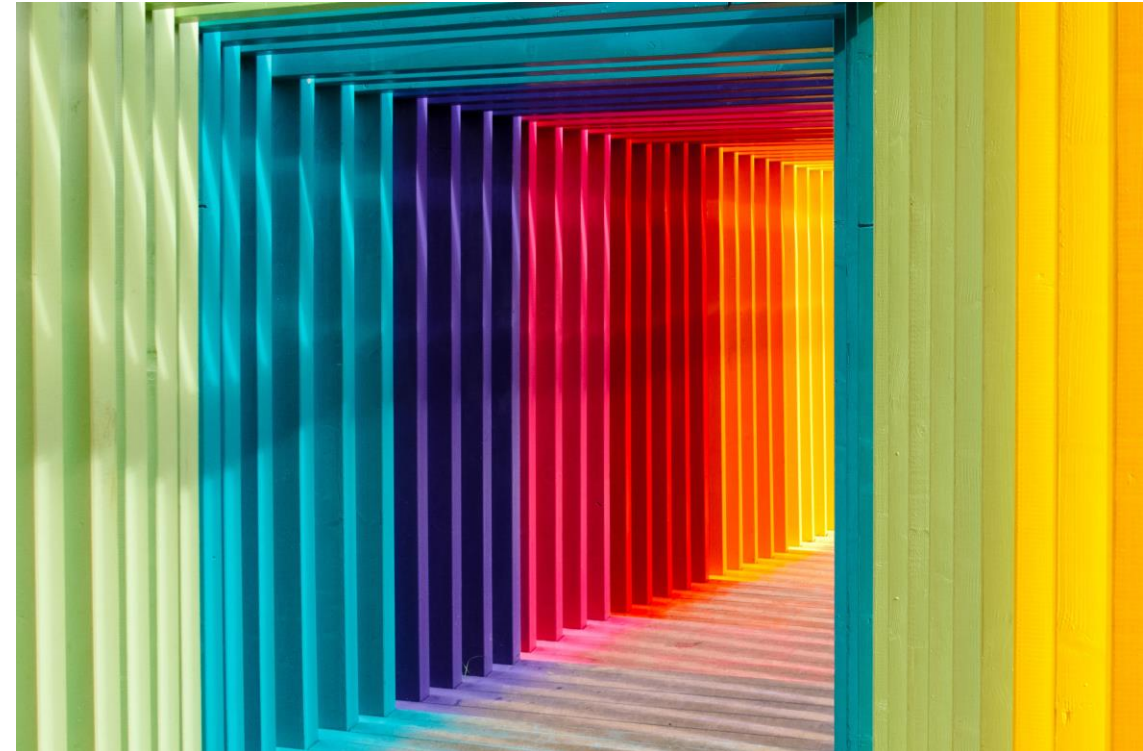


Rome wasn't built in a day

Plan of Action



- Research
- Education
- Advocacy
- Share Alliance
- Implementation - eg inter-generational rebalancing in UK
- Implementation - overseas & global



Team & Speakers



Eric French



Seda Basihos



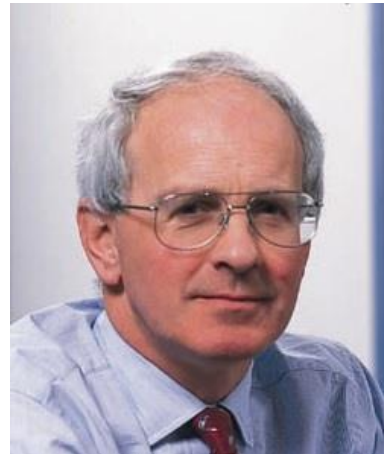
Tina Zhang



Natasha Richmond



David Good



Gavin Oldham



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The Share Foundation

Inter-generational Rebalancing

Natasha Richmond and Tina Zhang

The Share Foundation

- Registered charity, operating since 2005.
- Awarded government contract in 2012 to set up and administer Junior ISAs for LAC.
- Contract widened in 2017 to also cover Child Trust Funds (no-one in position of PR).
- Contract renewed for 4 years from April 2023.
- All costs covered by Government or a philanthropist!

Junior ISAs and Child Trust Funds

- Both are long-term savings accounts set up by the government and were/are available to all children under 18 in the UK.
- CTF scheme closed for new accounts on 2/1/2011 when Junior ISA scheme took over
- Anyone can contribute to an account
- TSF can only manage CTF accounts where LA/HT confirms there is no-one (or no-one suitable) in a position of parental responsibility

Stepladder Plus

Incentivised Financial Education Programme
six steps for which they receive

£1,500 paid into young person's CTF/Junior ISA account

The key purpose of our work is to help care leavers with the resources and life skills they need to achieve their full potential in adult life – we call it 'attitudinal transformation'

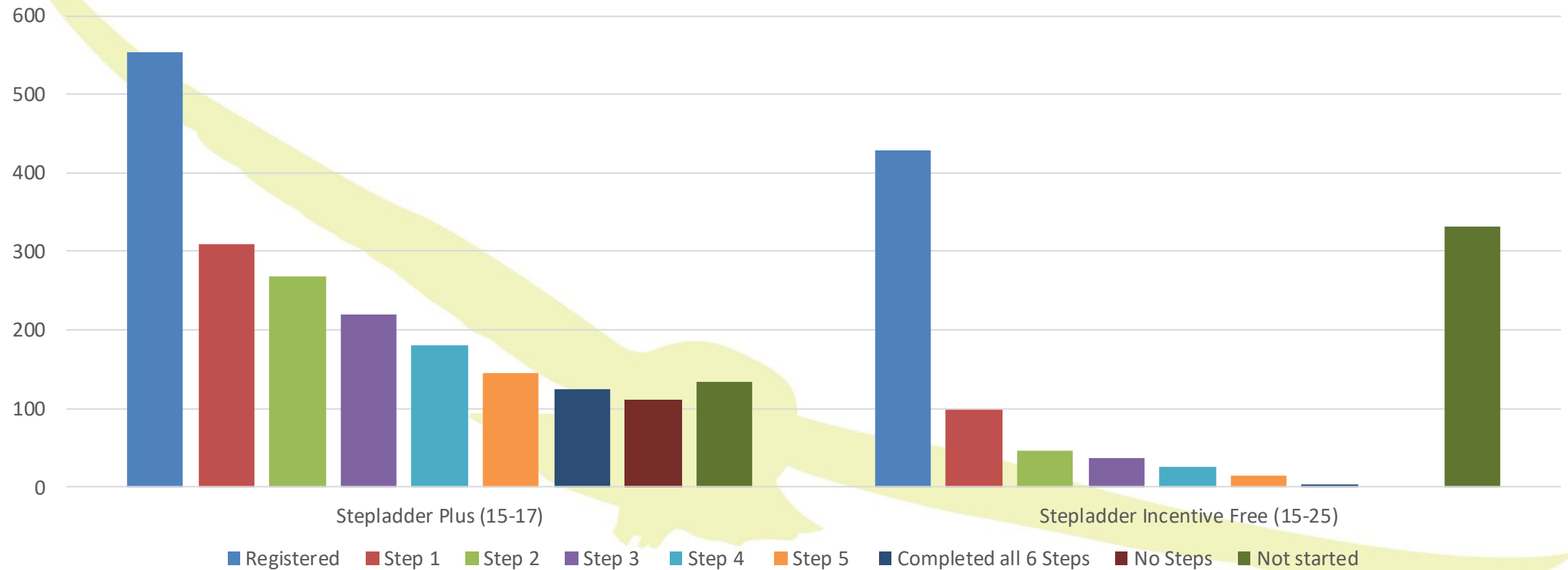
Care Leaver NEET status provides outcomes assessment

Stepladder Programme

- Step 1 - Literacy (£150)
- Step 2 - Numeracy (£150)
- Step 3 - Financial Capability (1) (£200)
- Step 4 - Planning for the Future (£250)
- Step 5 - Financial Capability (2) – *Managing My Money* (£350)
- Step 6 - Securing future education, employment or training (£400)

Stepladder Statistics

Young People who have participated in the programmes



Feedback

The stepladder programme was actually really useful in teaching money skills but doing it whilst fun. The information wasn't basic as well, it was new information that was relevant and not repetitive of the obvious facts and money skills that people. It was a lot better than the adverts that the governments post on how to save money. The biggest reason I did it however, was because of the money you get to put in your child trust fund. This is because it's all good telling someone how to save money, but it's hard to care about that if you barely have any. Therefore, it was useful because it gave a decent amount of money that can actually make a difference to your life and so you could actually use the skills you learn. The podcast was really fun. I did wish I knew about it before so I could tell friends but they've aged out of the process.

Overall , I'm happy with the experience. JS

Future Plans

- Donation from BBA
- Output commissioning from Government/Corporate(s)
- Gathering research from participants on the programme to prove Outcomes Assessment
- Social Investment to ensure the long term future of the programme

Research

- Research question: what is the impact of the program on the likelihood of care leavers becoming NEET?
- Existing literature
 - Kaiser and Menkhoff (2017): educational interventions leads to better financial behaviors and financial literacy.
 - Hilgert et al. (2003), Clark et al. (2013), Lusardi et al. (2011): financial literacy improves financial management skills, demand for on-the-job training, ability to cope with financial emergencies.

- Methodology

$$NEET_i = \beta_0 + \beta_1 treatment_i + \beta_2 X_i + \epsilon_i$$

Current Progress & Challenges

- Current progress
 - Running the program and collecting individual-level data
- Challenges
 1. Looked after children tends to be more sensitive → requires careful design of questionnaire
 2. Getting data of non-participants → work with local authorities
 3. Small sample size → working with Mutual Ventures to scale up the program
 4. Long time horizon → look at short-run outcomes

Question time!



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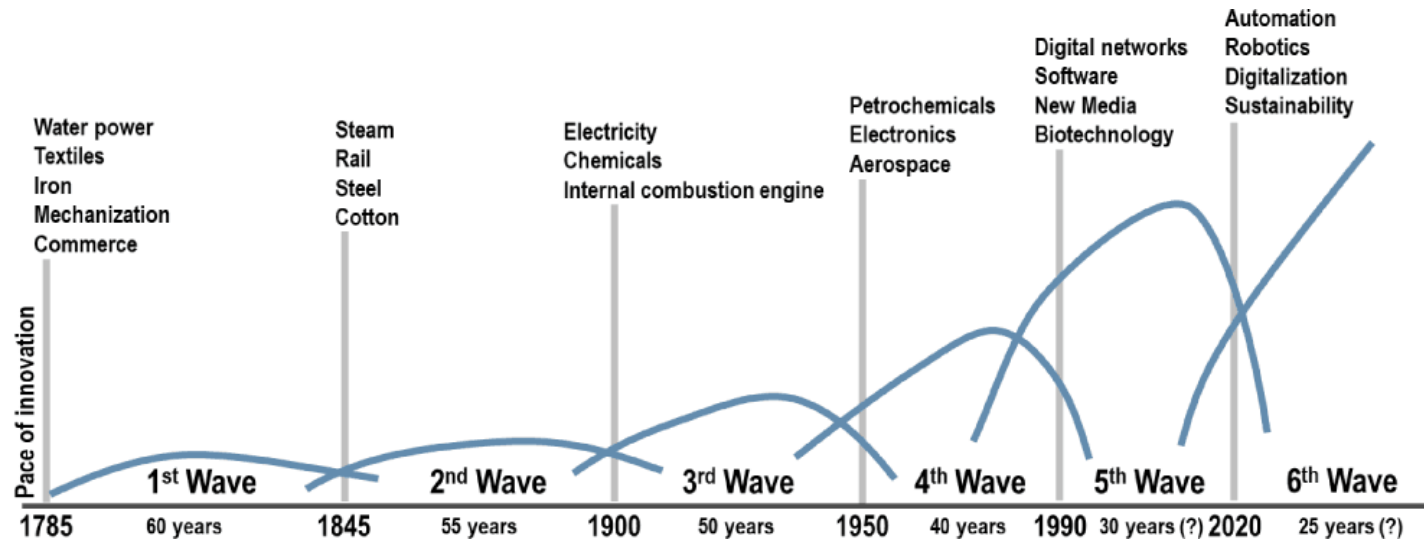


Seda Basihos

King's College, Cambridge

14 April, 2023

- Entrepreneurial spirit is the pillar of capitalism.
- Technological progress is the engine of economic growth and development.



The Ladder of Technological Progress

Source: Hargroves and Smith (2005)

Era of Tech Giants

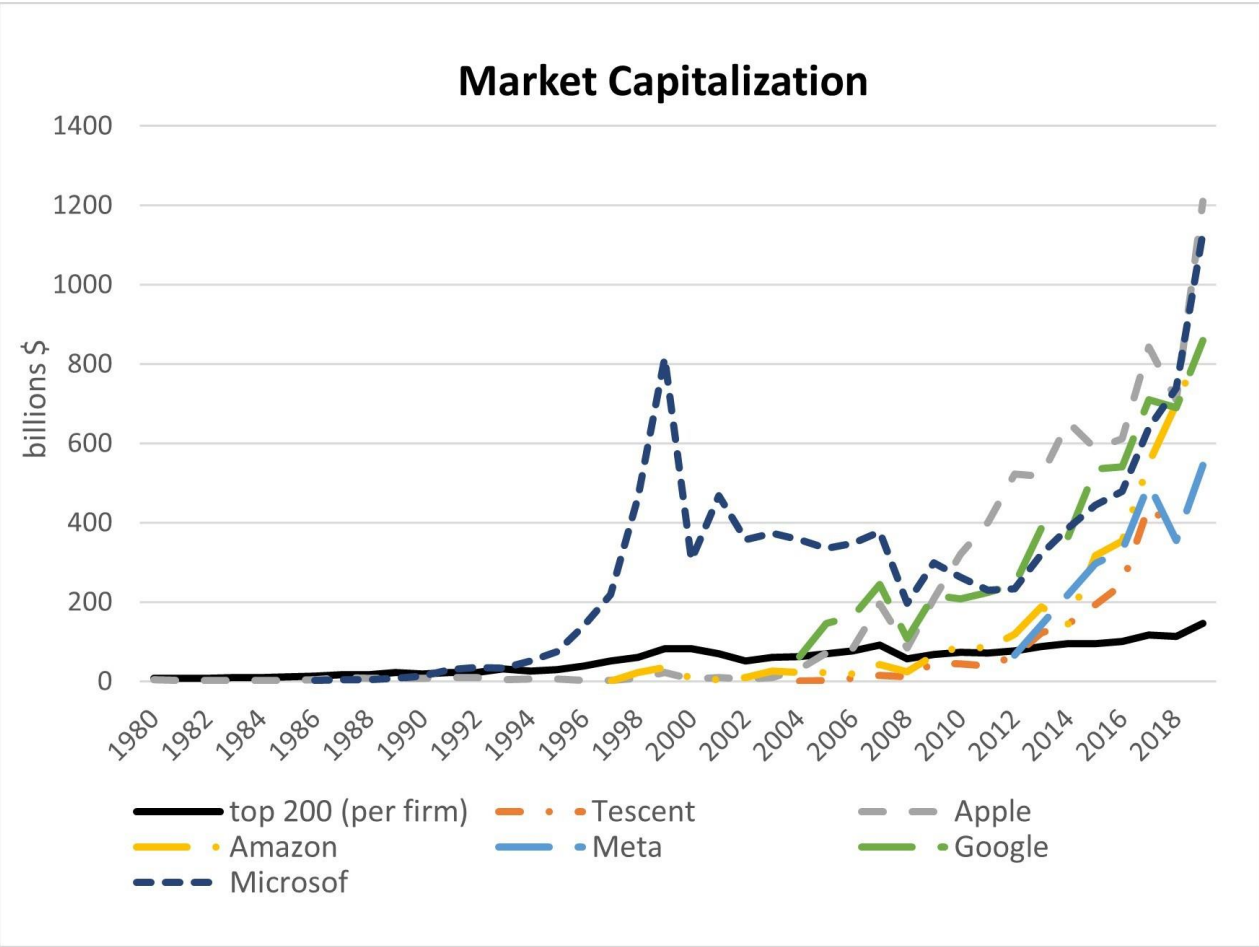


Features of Tech Giants

They are big, but also they tend to be:

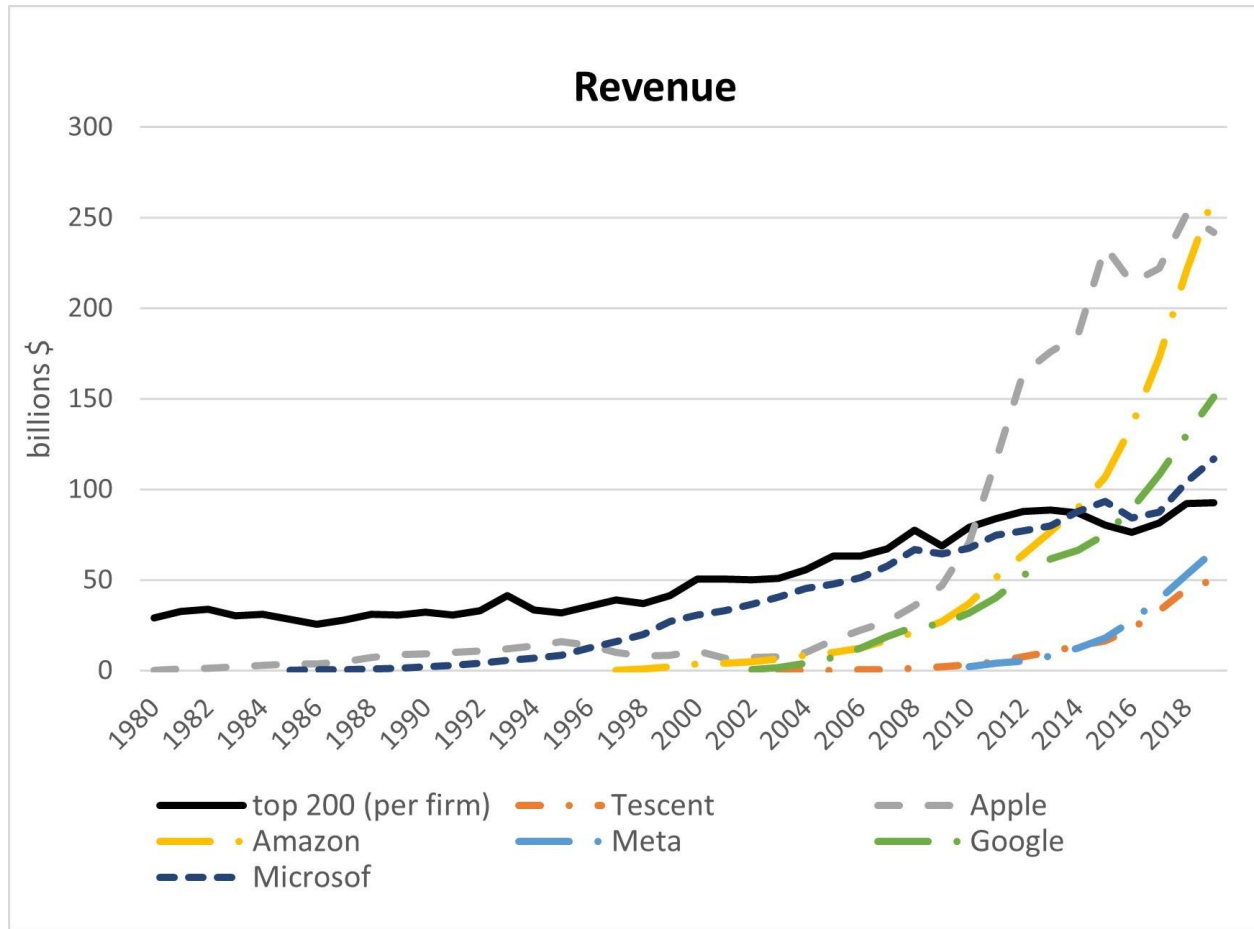
- Innovative and productive (e.g., Autor et al., 2020)
- Having high-markups (e.g., De Loecker and Eeckhout, 2020)
- Capital-intensive (e.g., Karabarbounis and Neiman, 2013)
- Highly profitable (e.g., Barkai, 2020)

Five big techs (Amazon, Apple, Google, Meta, and Microsoft) account for nearly 25% of the total market cap.



Market Capitalization of Tech Giants versus Top 200 Firms

Source: Thomson Reuters, Worldscope data - author's calc.



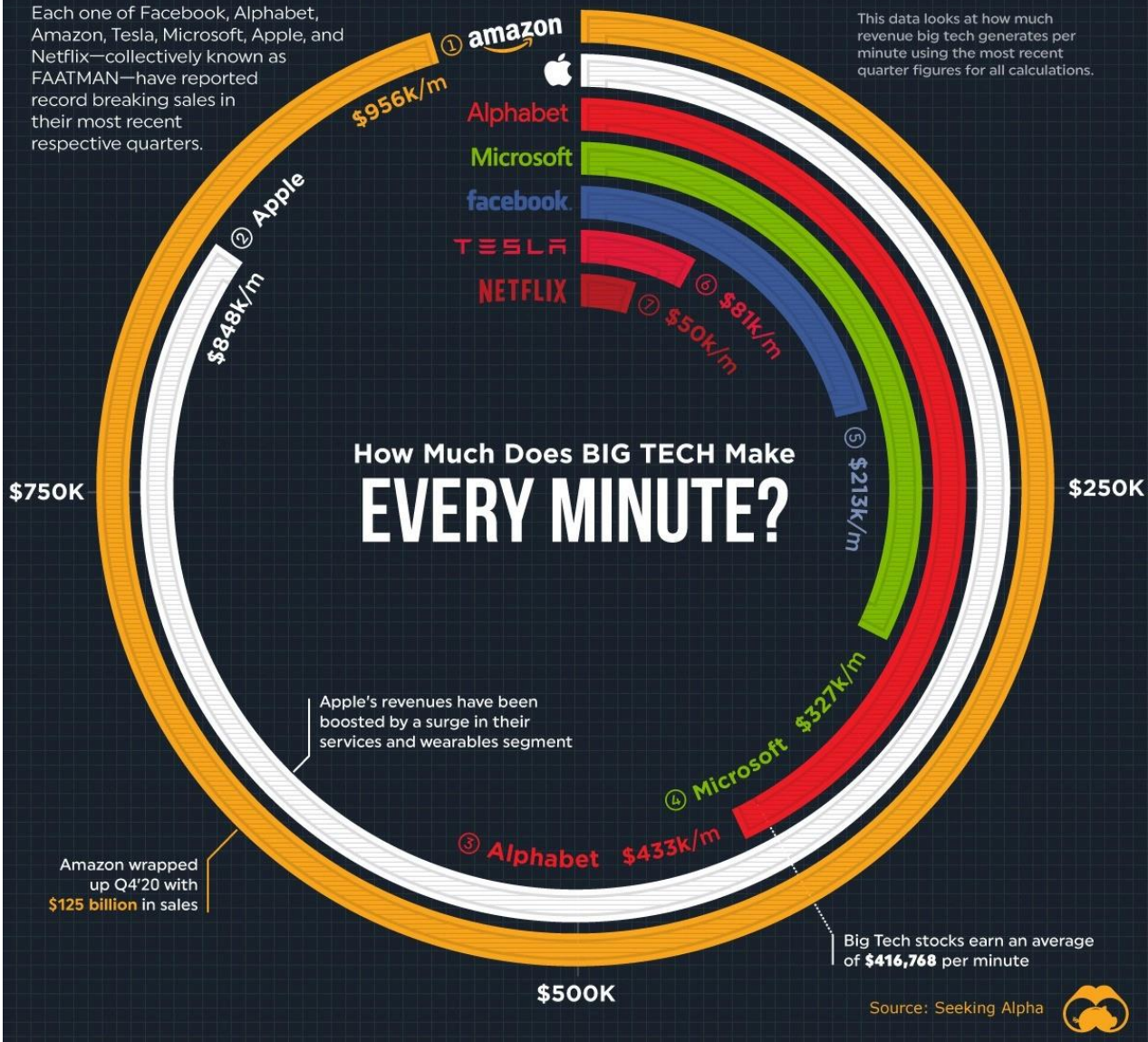
Revenue of Tech Giants versus Top 200 Firms (Non-financial)

Source: Thomson Reuters, Worldscope data - author's calc.

Big Tech just keeps on getting bigger.

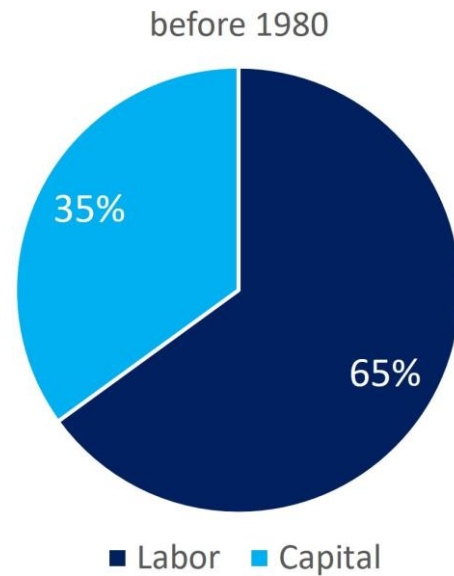
Each one of Facebook, Alphabet, Amazon, Tesla, Microsoft, Apple, and Netflix—collectively known as FAATMAN—have reported record breaking sales in their most recent respective quarters.

This data looks at how much revenue big tech generates per minute using the most recent quarter figures for all calculations.





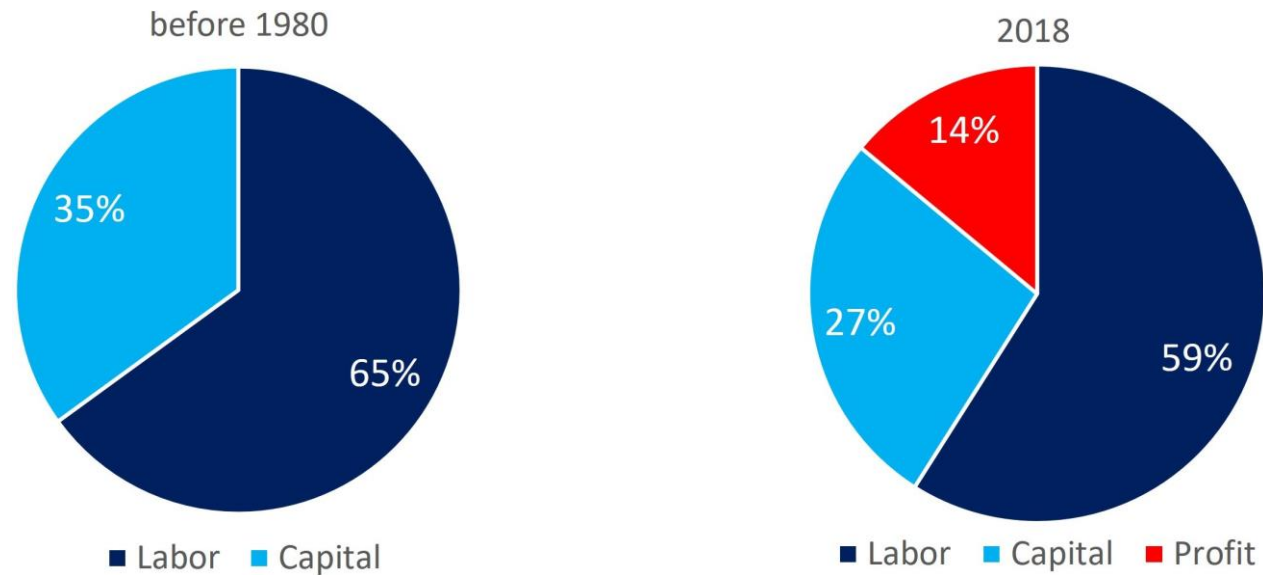
Factors Income Share



Labor and Capital Income Shares, USA

Source: Elsbj, Hobijn and Sahin (2013)

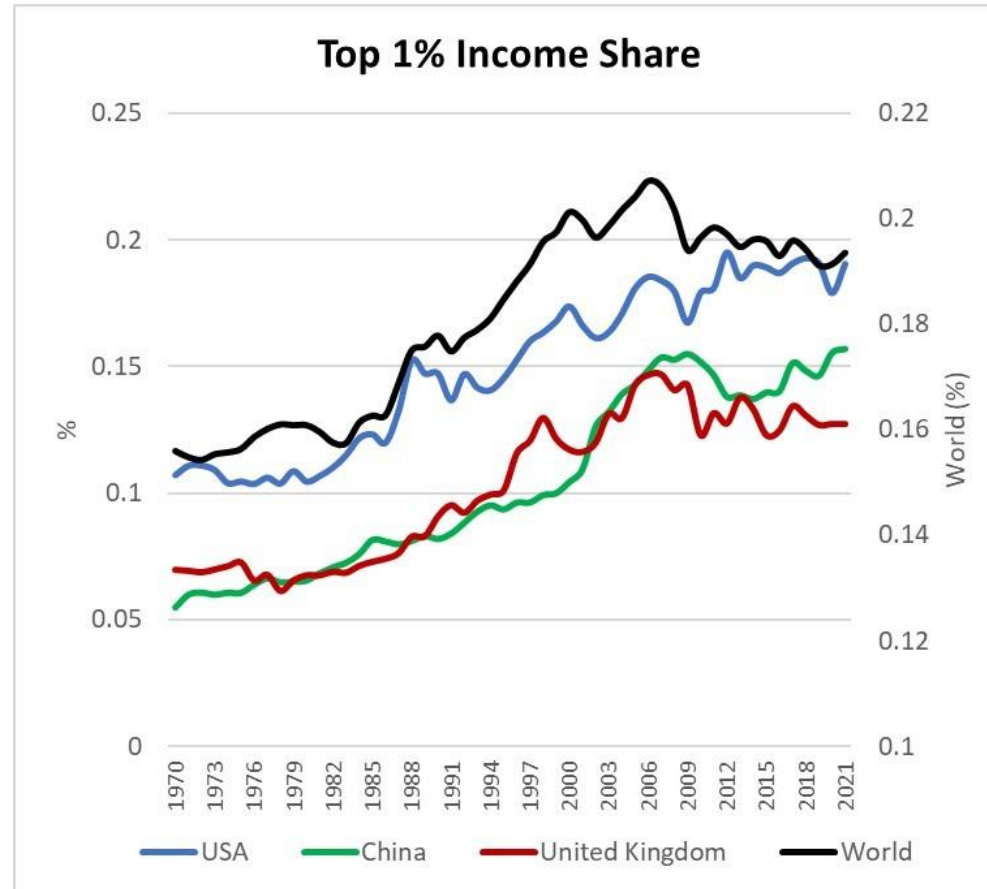
Factors Income Share and Factorless Income



Labor and Capital Income Shares and Rise of Profit Income, USA

Source: Elsby, Hobijn and Sahin (2013), and Barkai (2021)

Increasing Income Inequality



Share Going to Top 1% of Income-Earners

Source: World Inequality Database

How to fix economic inequality?

- 1 Through the tax system -
 - More progressive income tax
 - Establishing wealth tax
- 2 Direct or indirect transfers -
 - Cap ratio of top earner's pay to (median) worker's pay
 - Universal basic income
- 3 Market regulation: anti-trust enforcements

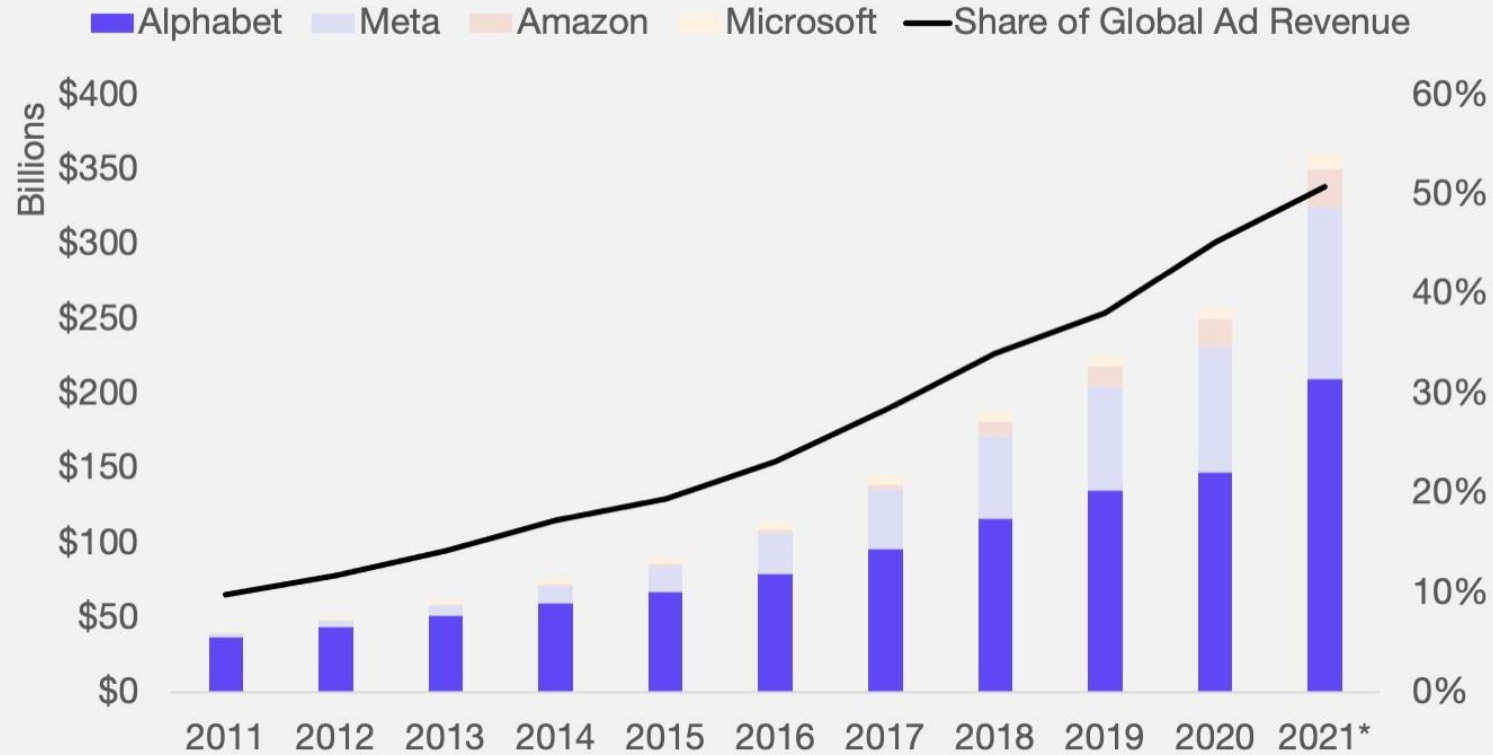
How to fix economic inequality?

An Alternative/Additional Redistribution Mechanism

- 1 Through the tax system -.
 - More progressive income tax
 - Establishing wealth tax
- 2 Through direct or indirect transfers -.
 - Cap ratio of top earners' pay to (median) worker's pay
 - Universal basic income
- 3 Market regulation: anti-trust enforcements
- 4 Ownership: **Stock for Data**

Ad Revenues for Big Tech Companies

Alphabet, Meta, Amazon, & Microsoft capture ~50% of global ad revenue



*Meta and Amazon haven't reported Q4 ad revenue as of publication

Source: Alphabet, Meta, Amazon, Microsoft, Magna Global, Internet Economist estimates (2022)

- The ability to track and analyze user data has led to a rise in targeted advertising and personalized content.
- In this way, firms capitalize on the vast amounts of data they collect from users.

Ad revenues could be the tip of the iceberg:

- Personal data is an important input in designing various types of smart-tech-based products and services.
- Usage of personal data could be pervasive across industries other than IT.

Stock for Data

Base Idea

- The data providers are real owners of data.
- There is potentially a huge amount of profit generated from data processing - far too little compensation for the data providers.
- This profit can be redistributed through a profit-sharing scheme.

Prospective Benefits

- It may increase financial participation and awareness of ownership.
- It potentially increases social welfare (from the perspective of policymakers).
- In supplementary to other redistribution mechanisms, it may help to mitigate income disparity across income groups.

Similar Schemes

- Employee share-ownership (e.g., Kato, Miyajima, and Owan, 2016; Robinson and Zhang, 2005; Pendleton et al., 2001)
 - A widespread implementation
 - Increasing productivity - contributing to skill adoption
- Customer share-ownership (?)

Is *Stock for Data* applicable?

It might be, but there are some limitations:

- Legislative issues
- Conceptual issues: What is "Data"?
- Voluntary participation in the system by both data providers and data-collecting and -processing firms.

Research Ideas - in progress

-
-
-
-

An economy-wide research (?)

Impact evaluation using a sample of firms:

Experimental

Comparing different outcomes in terms of various microeconomic metrics

Preliminary Conclusion

- Rise of factorless income
- Tech Giants may play a part in this via several channels, such as rising markups and decreasing labor share.
- These firms develop their new designs heavily based on personal data collected.
- Some part of profits, if not all, can be redistributed via an alternative profit-sharing scheme such as "Stock for Data".

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Building Momentum

David Good

&

Gavin Oldham

1st SHARE Conference, King's College, Cambridge, April 2023

Heilmeier Catechism

1. What are you trying to do? Articulate your objectives using absolutely no jargon.
2. How is it done today, and what are the limits of current practice?
3. What is new in your approach and why do you think it will be successful?
4. Who cares? If you are successful, what difference will it make?
5. What are the risks?
6. How much will it cost?
7. How long will it take?
8. What are the mid-term and final “exams” to check for success?

George Heilmeier, DARPA Director 1975-77

Enterprise Allowance Scheme

Open Media Ltd.



David Blake
Jonathan Schofield



Mr Lee

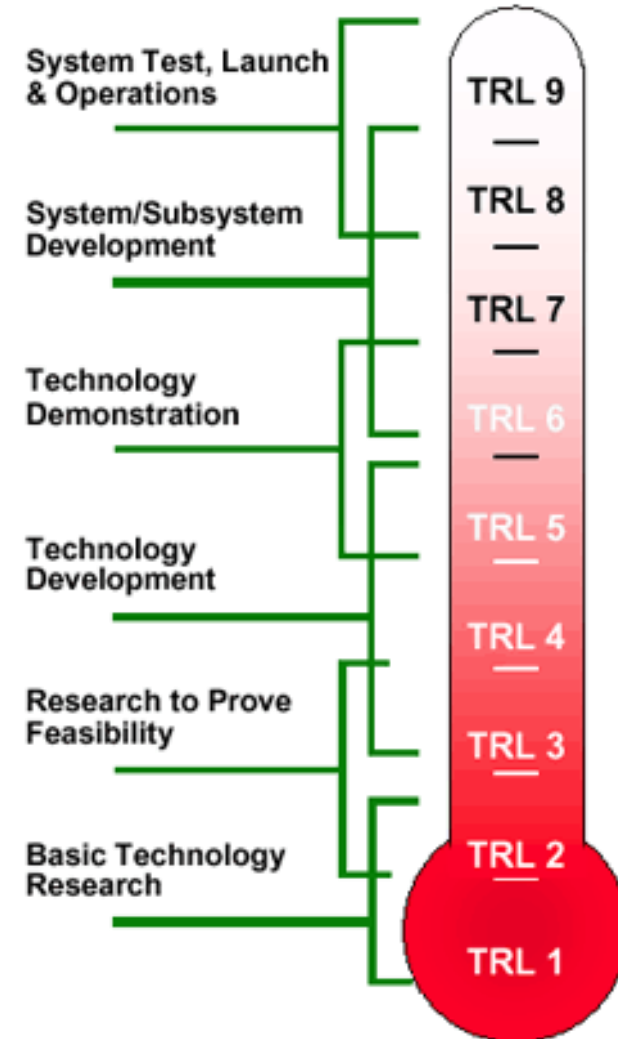


Rhino Records



Technology Readiness Level

- NASA from the 1970s
- Many feedback loops
- Plan of Action & two very common experiences:
 1. Unintended consequences both desirable and undesirable
 2. Implementation outcomes rely on more than the research, theory and policy.
- Что делать?



Societal Readiness Level

Innovation Fund Denmark

Level	Descriptor
SRL 9	Actual project solution(s) proven in relevant environment
SRL 8	Proposed solution(s) as well as a plan for societal adaptation complete and qualified
SRL 7	Refinement of project and/or solution and, if needed, retesting in relevant environment with relevant stakeholders
SRL 6	Solution(s) demonstrated in relevant environment and in co-operation with relevant stakeholders to gain initial feedback on potential impact
SRL 5	Proposed solution(s) validated, now by relevant stakeholders in the area
SRL 4	Problem validated through pilot testing in relevant environment to substantiate proposed impact and societal readiness
SRL 3	Initial testing of proposed solution(s) together with relevant stakeholders
SRL 2	Formulation of problem, proposed solution(s) and potential impact, expected societal readiness; identifying relevant stakeholders for the project.
SRL 1	Identifying problem and identifying societal readiness

IG Balancing

- **CTF & JISA**

- *SRL8 Proposed solution(s) as well as a plan for societal adaptation complete and qualified*

- **Stepladder+**

- *SRL4 Problem validated through pilot testing in relevant environment to substantiate proposed impact and societal readiness.*

- **Shares for data**

- *SRL1&2 Identifying problem and identifying societal readiness. Formulation of problem, proposed solution(s) and potential impact, expected societal readiness; identifying relevant stakeholders for the project.*

What's next?

- Better understanding of *inter alia*:
 - The maturing mind.
 - What works for young people at each stage in their development?
 - Research into the ability to plan & control.
 - Contexts of implementation.
 - What can amplify effects & what can inhibit them.
 - Research into normative beliefs & structures.
 - Stakeholder acceptance and adoption.
 - Who is convinced and who needs convincing.
- Heilmeier 8 *What are the mid-terms*
- Heilmeier 6&7 *Cost & Time*

Panel Discussion



Eric French



Michael Mainelli



Paul Johnson

Thanks for joining us at the 1st SHARE Conference



Please keep in touch as the
programme develops, via:

<https://www.sharealliance.org.uk/>

or contact Gavin Oldham at
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