



60 facts on wealth inequality



by Julius Baer Foundation

Wealth and warming: the link between climate change and wealth inequality

The Julius Baer Foundation's work focuses on reducing wealth inequality. To mark the Foundation's 60th anniversary, the '60 Facts' series shares 60 insights into this global challenge. This infographic examines the connection between climate change and wealth disparity, both within and between countries.

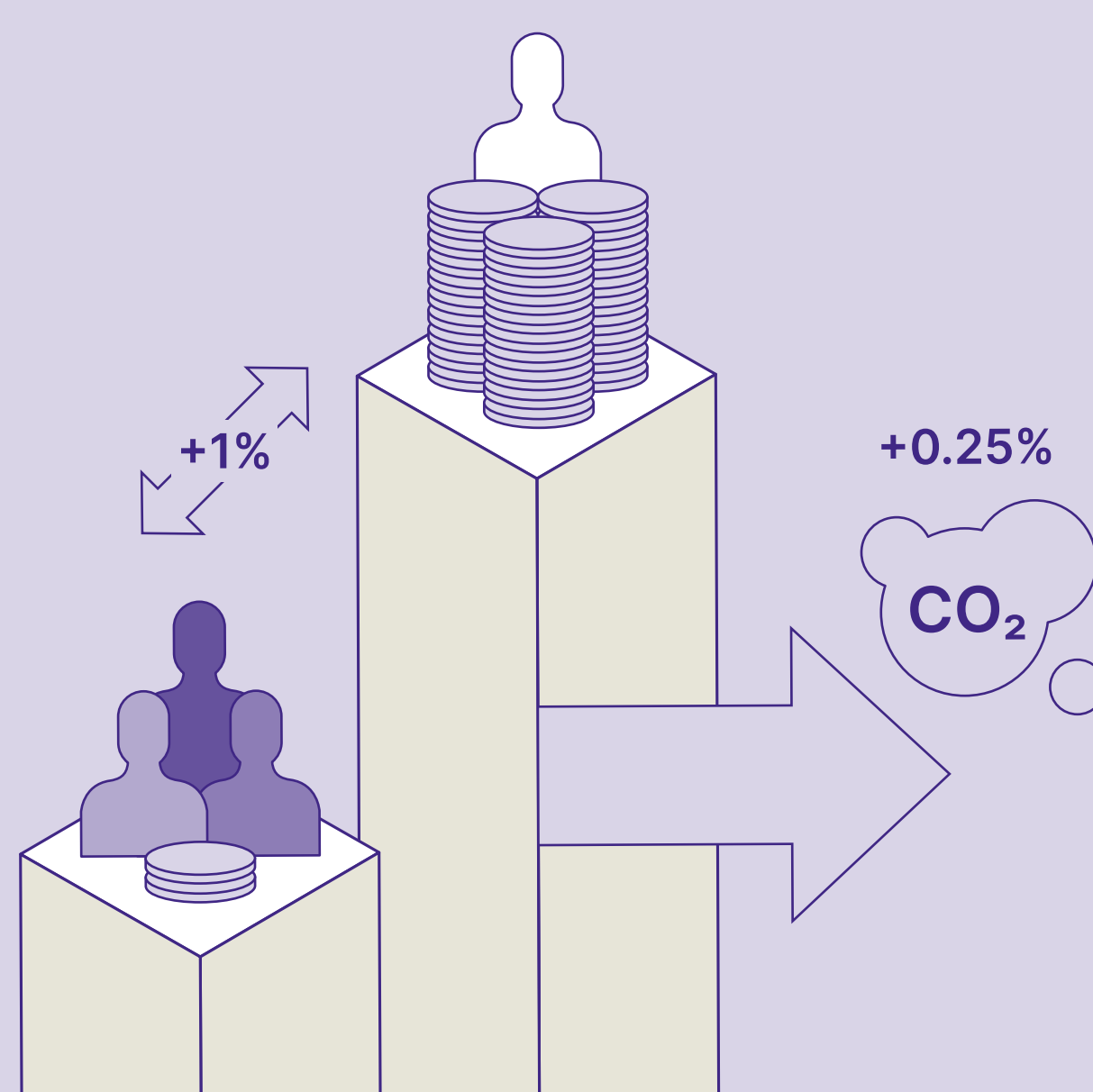
It highlights how low-income groups, often more exposed to climate-related risks due to their location and circumstances, are also more vulnerable and less able to cope. This is due to limited resources and inadequate social protection, further aggravating existing wealth inequalities.

The carbon divide

22 A study of 17 countries (1995–2021) found that a **1% rise in wealth inequality** was linked to a **0.25% increase in CO₂ emissions**.¹

Why? Growing international economic competition and wealth gaps often push countries to prioritise economic growth over environmental protection, leading to weaker regulations and more polluting investments.

Global CO₂ emissions

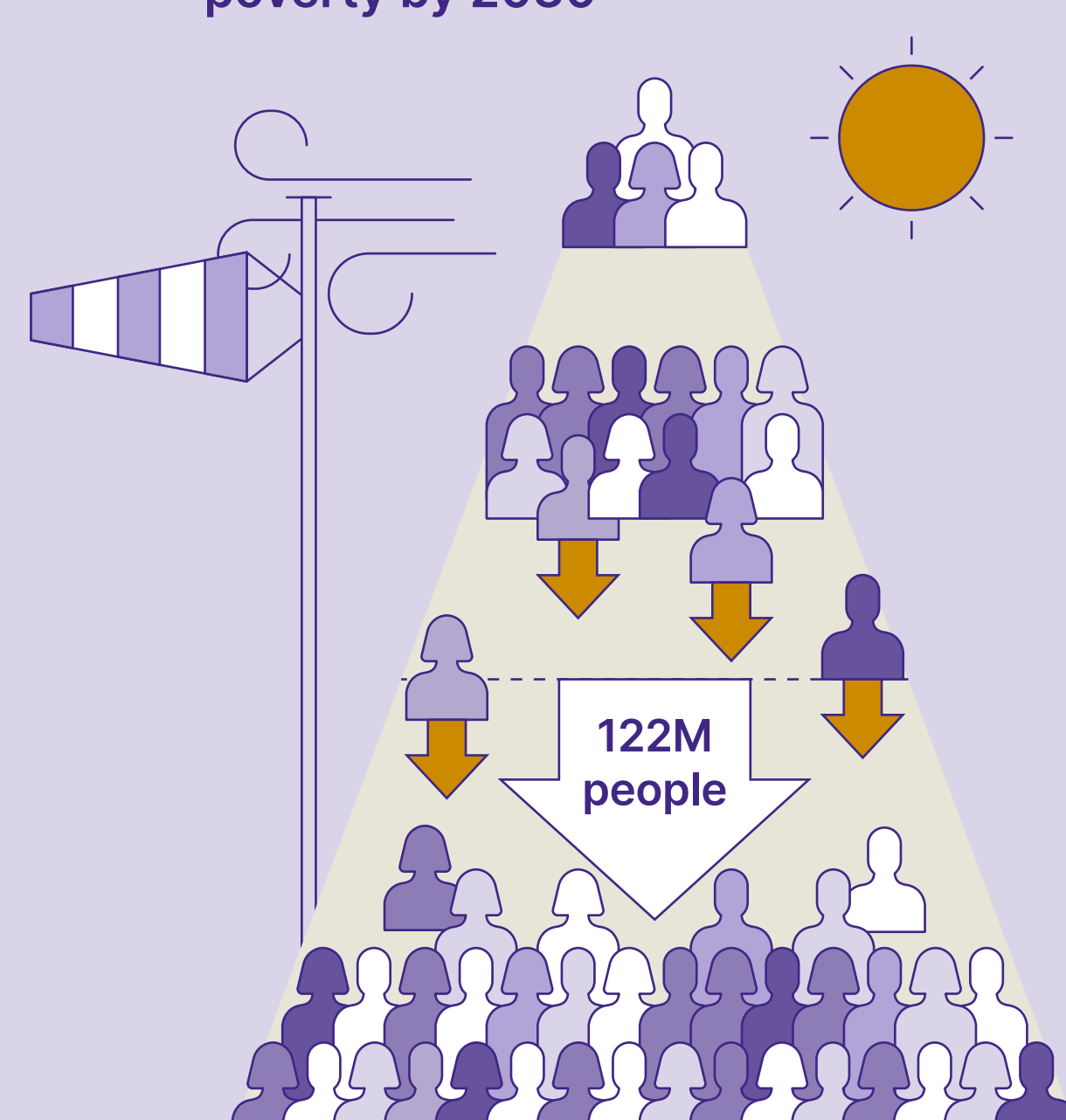


23 Globally, the richest 10% — approximately 630m people — account for **46% of total emissions growth**.²

24 Impact on climate is driven in large part by investment portfolios, travel and consumption patterns, resulting in the top **1% earners contributing 16% of global carbon emissions**, vs **8% by the poorest 50%**.³

25 Even in wealthy countries, climate change can widen the wealth gap. In the UK, a 1°C rise in average yearly temperature is linked to a **0.7% increase in wealth inequality**, as lower-income households are hit harder, often living in poorly built homes vulnerable to heatwaves, floods & other risks.⁴

Increase in extreme poverty by 2030



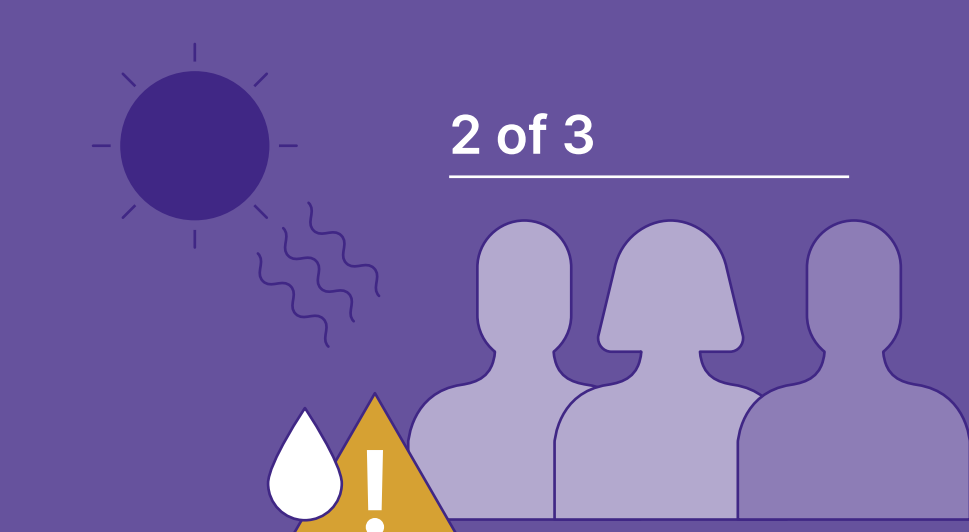
26 Climate change affects wealth by damaging resources, shifting savings and investment behaviour, and changing expectations, leaving vulnerable communities hardest hit.

Under a high-impact scenario, the World Bank warns climate change could push 122 million more people into extreme poverty by 2030 without targeted policies.*⁵

*Targeted policies include social safety nets, investment in health infrastructure, and adapt technology and agricultural practices.

Vulnerable planet, vulnerable people

27 Two out of every three people in the world already face serious water shortages for at least one month each year.⁶



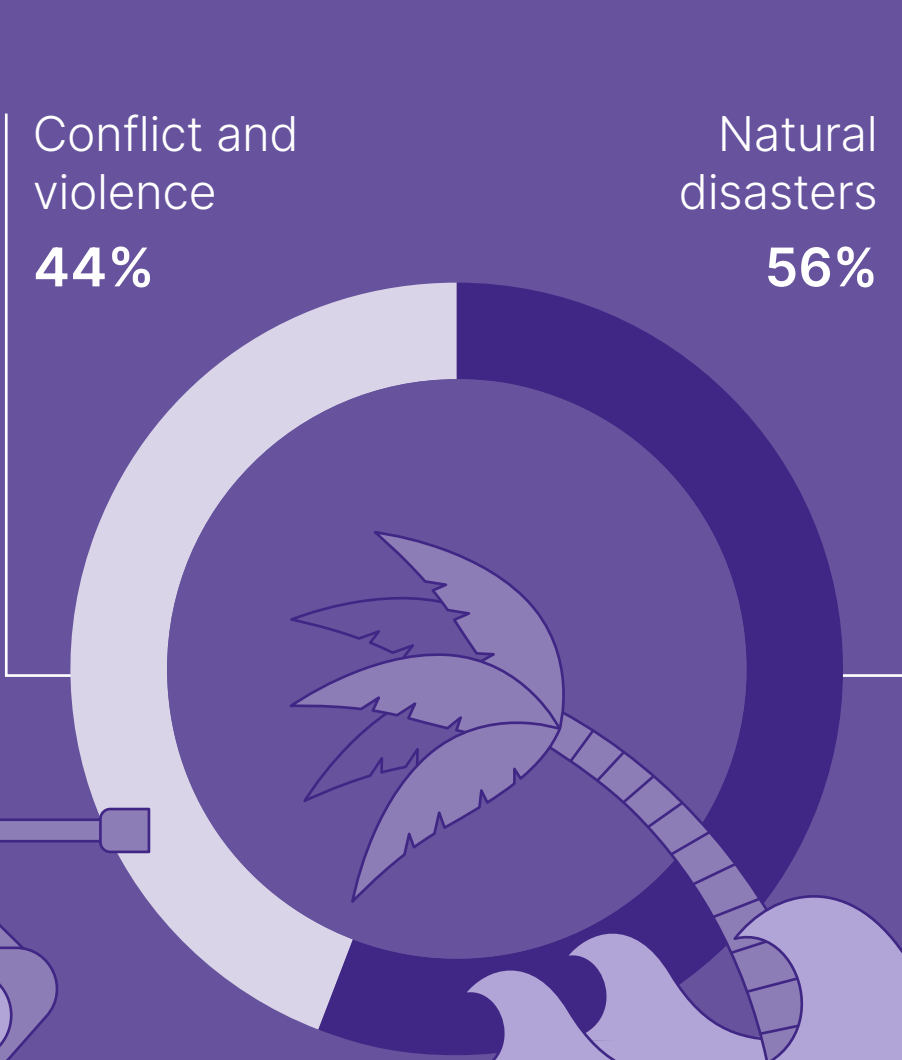
29 Of the 46.9 million people displaced in 2023, natural disasters accounted for about **26.4 million (56%)** — more than conflict and violence, which drove around 20.5 million (44%).⁷

30 Vulnerability to climate damage is **proportionally worse for low-income groups** compared to high-income groups due to a lack of resources and social protection. In five Middle East & North Africa countries, low-income families lost over twice as much income from climate-related impacts than the wealthiest.⁸

Loss of income in five MENA countries due to climate-related impacts



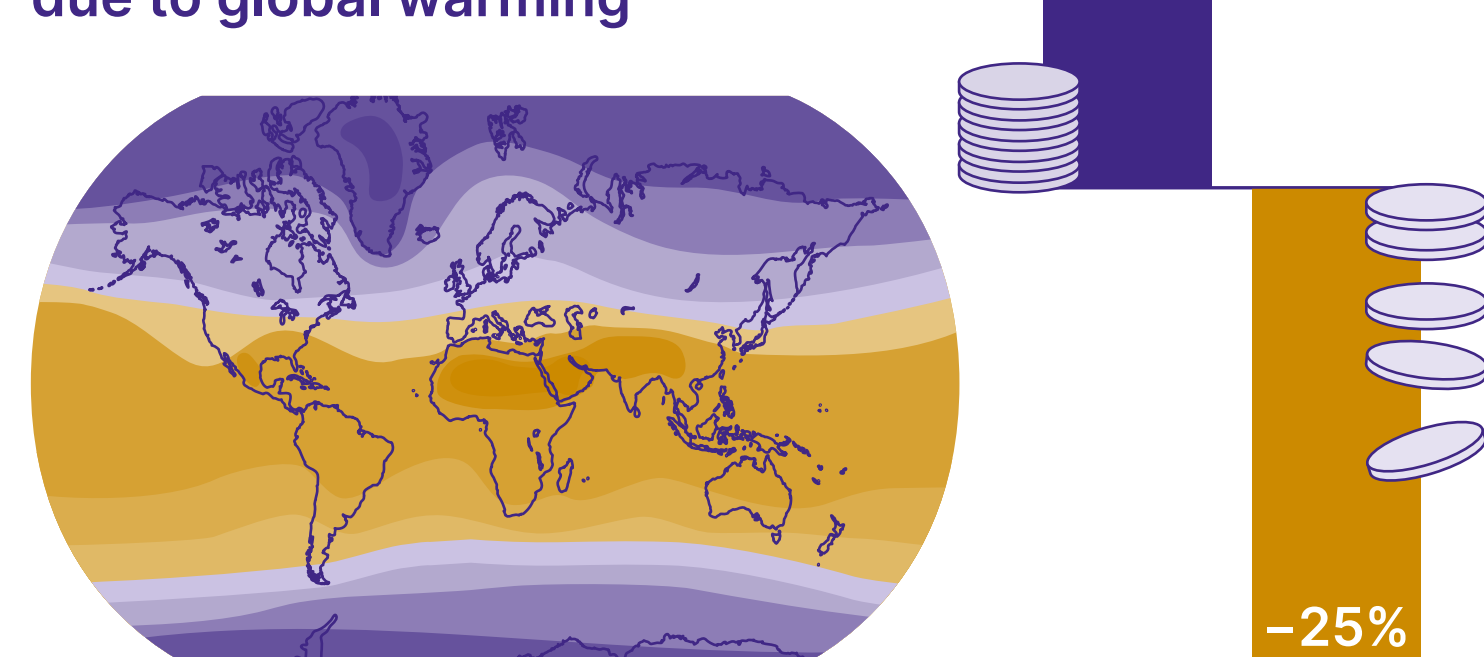
28 The number of people affected by droughts is estimated to increase by up to **17% by 2030** if greenhouse gas emissions reduction targets are not met.⁹



Why? Poorer families often have so little wealth that it is tied up in fragile assets — such as flood-prone homes or drought-affected livestock. Wealthier families, with far greater resources, can protect themselves by holding a large share of their wealth in diversified financial assets.⁹

Poles apart

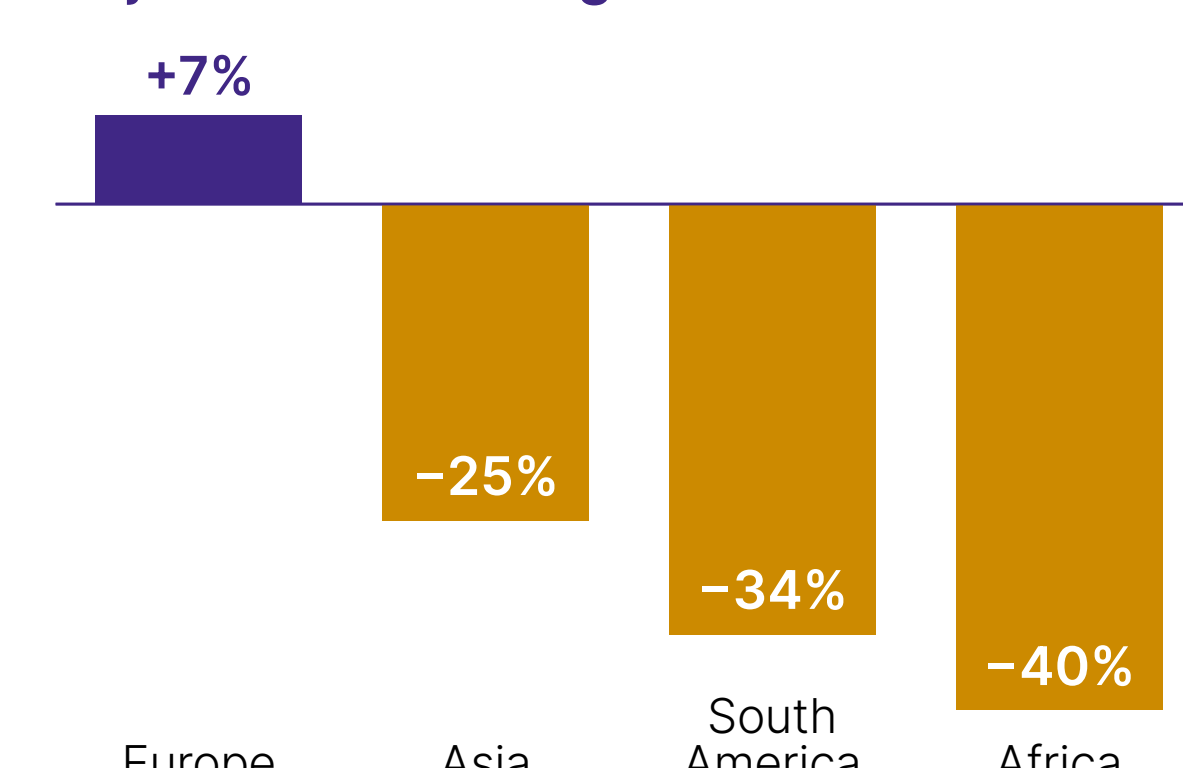
Per-capita change in GDP due to global warming



32 In a middle likelihood scenario* of greenhouse gas concentration, GDP would plunge by 40% in Africa, 34% in South America, and 25% in Asia, while rising by 7% in Europe.¹¹

*A warming of 3.5°C (6.3°F) in the global average temperature relative to the pre-industrial period, which corresponds to the scenario posited by the IPCC that keeps the pace of increase in greenhouse gas emissions approximately constant

Projected GDP change under 3.5°C warming



Melting productivity

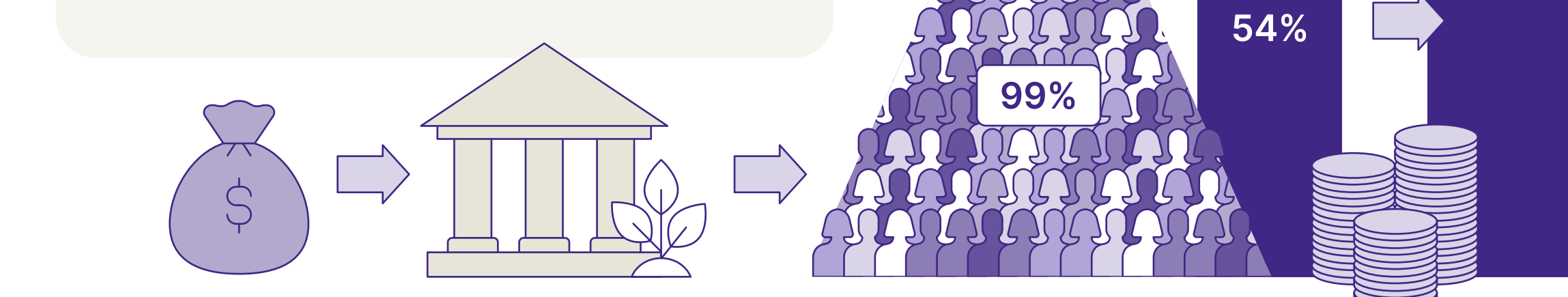
33 By 2030, rising temperatures could cut global working hours by 2% as people slow down or stop working in extreme heat. This is equal to losing **80 million full-time jobs**, costing the world economy about \$2.4 trillion annually.¹²



34 Without air conditioning, a 1°F hotter school year cuts learning by **1%**, with poorer districts hit harder than wealthier ones.¹³

The value of climate investments

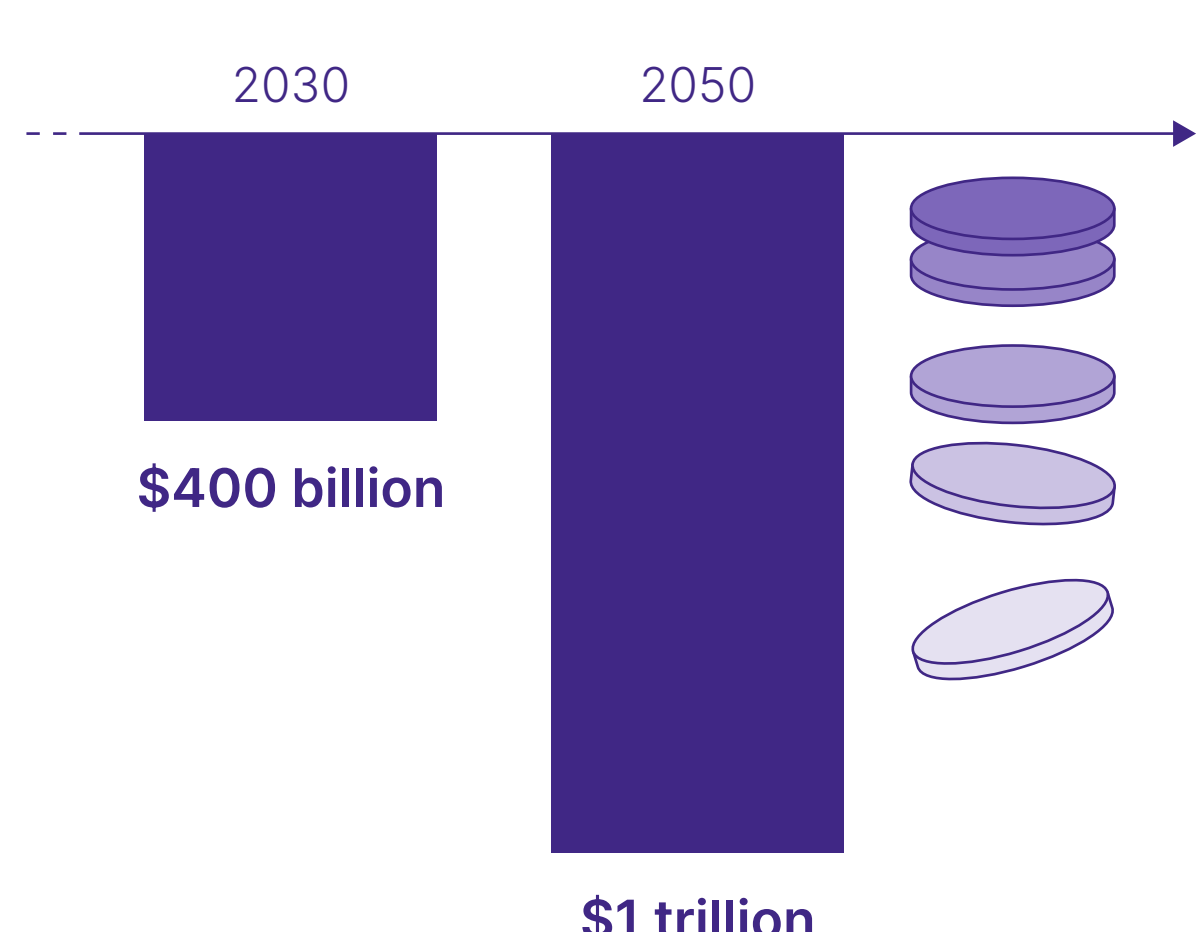
35 Financing choices can either deepen or reduce global wealth inequality. Strengthening public institutions to fund climate investments could raise the bottom 99% wealth share from 54% to **74%**.¹⁴



36 Funding for adaptation, especially for loss and damage, is grossly underprovided. Mitigation projects* have received approximately \$537 billion per year (93% of climate finance over 2017–2018), while adaptation finance averaged only about **\$30 billion per year (5%)**.¹⁵

*Mitigation is action to reduce emissions and limit warming that the planet will experience. Adaptation is practical steps to protect communities, economies, and environments from changes already happening or expected to happen.

Estimated loss for low-income countries under a 2°C scenario

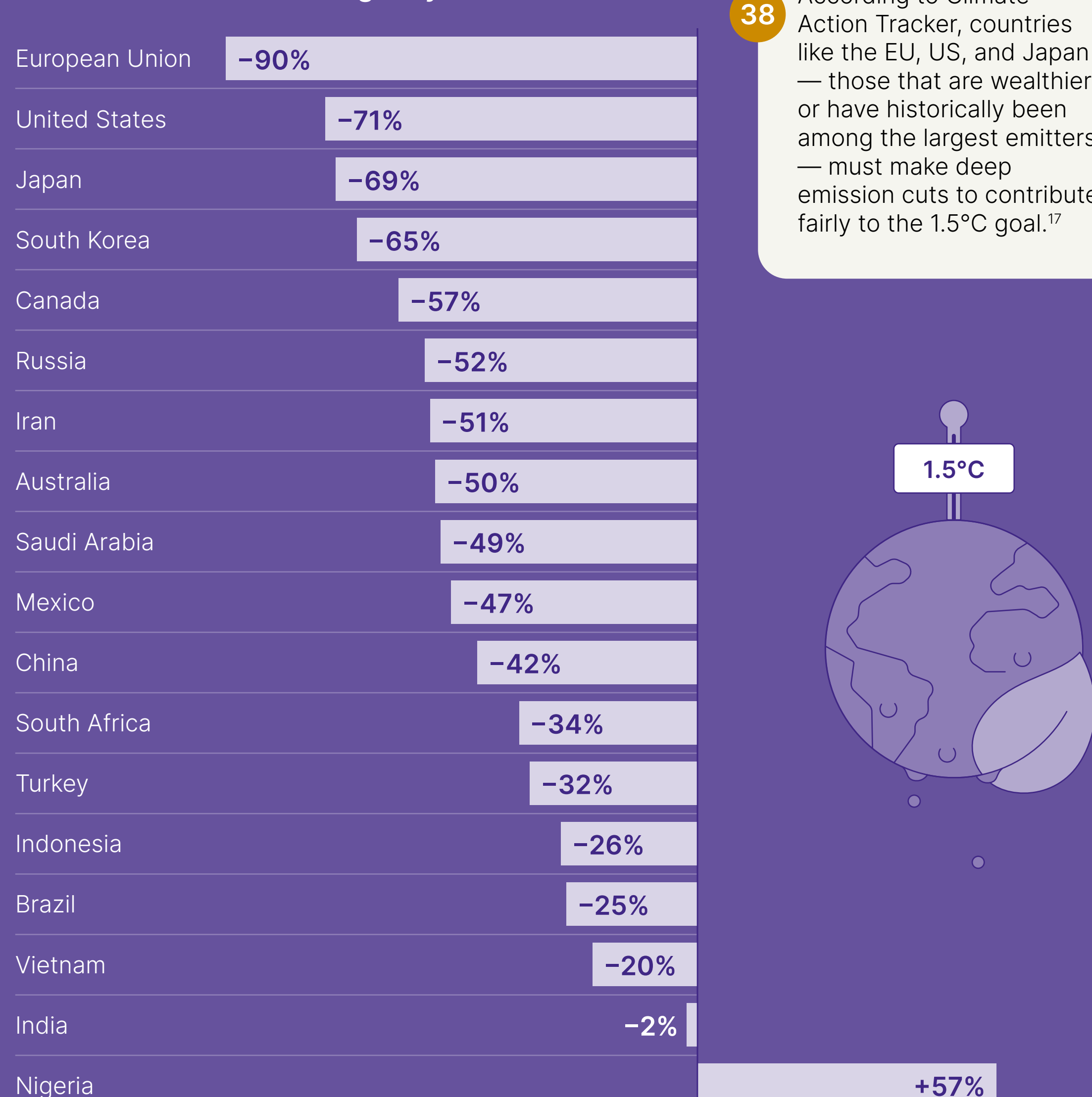


37 Loss and damage costs for low-income countries range from \$400 billion per year by 2030 to \$1 trillion per year by 2050 under a 2°C scenario — and even higher if warming hits 3°C.¹⁶

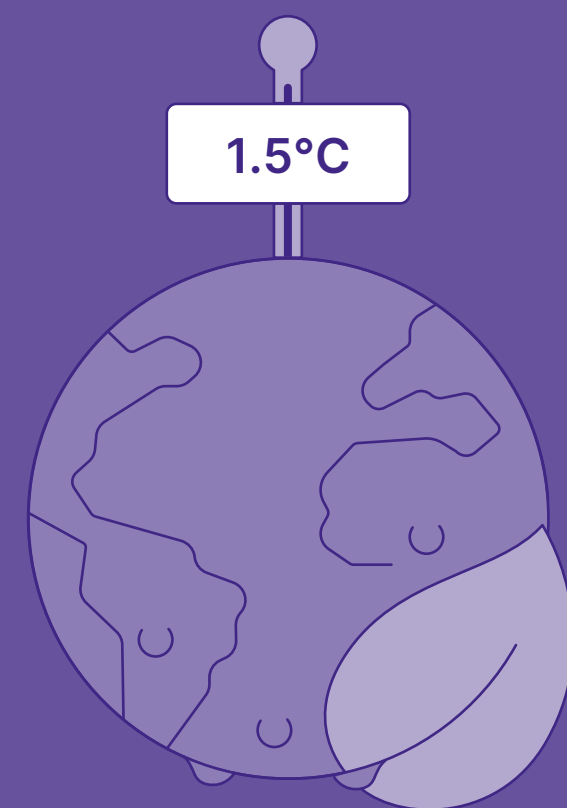
Solutions like the **Global Climate Stabilisation Fund and Resilience Funding Programmes** could provide upfront, unconditional aid to marginalised communities, funded primarily by major emitters.

The 'fair share'

Share of emissions reduction needed to meet the 1.5°C celsius target by 2030



38 According to Climate Action Tracker, countries like the EU, US, and Japan — those that are wealthier or have historically been among the largest emitters — must make deep emission cuts to contribute fairly to the 1.5°C goal.¹⁷



What can we do?

Growing evidence reveals that wealth inequality is intricately linked to negative environmental impacts, serving as both a cause and a consequence.

To tackle the global 'wealth and warming inequality challenge', structural solutions implemented by regulators and public authorities are crucial. These include adaptation and mitigation measures, sustainable investment choices, and fair distribution of contributions.

Moreover, multi-stakeholder initiatives and collaborative networks play a vital role in driving meaningful change. In line with this approach, the Foundation supports pioneering projects that address the intersection of wealth inequality and climate change.

These initiatives focus on developing innovative solutions for biodiversity and nature conservation. They implement climate change adaptation and mitigation strategies that tackle existing imbalances and inequalities. Through these projects, the Foundation aims to promote practices that enhance household resilience, reducing the burden on those most vulnerable to climate-related stress.



1 Hacılamoglu, Tunahan, Oguzhan Sungur, Korkmaz Yildirim, and Mustafa Yapar. 2025. "Rethinking the Climate Change–Inequality Nexus: The Role of Wealth Inequality, Economic Growth, and Renewable Energy in CO₂ Emissions" Sustainability 17, no. 8: 3335. <https://doi.org/10.3390/su17083335>

2 Wilkinson, Jane. 2021. "Building More Common Wealth in a Climate Changed World." The Round Table 110 (5): 546–563. <https://doi.org/10.1080/00358533.2021.1985263>

3 Chancel, Lucas, Cornelia Möhren, Philipp Bothe, and Gregor Semieniuk. 2024. Climate Change and Wealth Inequality: A Literature Review and Numerical Insights. World Inequality Lab.

4 Sheng, X., Chisadza, C., Gupta, R., et al. 2023. Climate shocks and wealth inequality in the UK. Environ. Sci. Pollut. Res., 30, 77771–77783. <https://doi.org/10.1007/s11356-023-27342-1>

5 Hallegatte, S., Bangalore, M., Bonzanigo, L., et al. 2016. Shock waves: Managing the impacts of climate change on poverty. World Bank. <https://doi.org/10.1596/978-1-4648-0673-5>

6 Mekonnen, M. M., & Hoekstra, A. Y. 2016. Four billion people facing severe water scarcity. Sci. Adv., 2(2), e1500323.

7 Internal Displacement Monitoring Centre (IDMC). 2024. Global report on internal displacement (GRID).

8 Wodon, Q., Liverani, A., Joseph, G., & Bougnoux, N. (eds.). 2014. Climate change and migration: Evidence from the Middle East and North Africa. Washington, DC: World Bank.

9 Hallegatte, S., Bangalore, M., Bonzanigo, L., et al. 2016. Shock waves: Managing the impacts of climate change on poverty. Washington, DC: World Bank.

10 Diefenbaugh, N. S., & Burke, M. 2019. Global warming has increased global economic inequality. Proc. Natl. Acad. Sci., 116(20), 9808–9813. <https://doi.org/10.1073/pnas.1816020116>

11 Burzyński, Michał, Christoph Deuster, Frédéric Docquier, and Jaime De Melo. "Climate change, inequality, and human migration." Journal of the European Economic Association 20, no. 3 (2022): 1145–1197.

12 International Labour Office (ILO). 2019. Working on a warmer planet: The impact of heat stress on labour productivity and decent work. Geneva: ILO.

13 Park, R. J., Goodman, J., Hurwitz, M., & Smith, J. 2020. Heat and learning. Am. Econ. J. Econ. Policy, 12(2), 306–339. <https://doi.org/10.1257/pol.20180612>

14 Chancel, L., Möhren, C., Bothe, P., & Semieniuk, G. 2024. Climate change and wealth inequality: A literature review and numerical insights. World Inequality Lab.

15 Perry, Keston K. 2020. "Realising Climate Reparations: Toward a Global Climate Stabilization Fund and Resilience Fund Programme for Loss and Damage in Marginalised and Former Colonised Societies." Conference paper, March 2020.

16 Baarsch, F., Lissner, T., Schleussner, C.-F., Granadillos, J., de Bruin, K., Perrette, M., Schaeffer, M., & Hare, B. 2015. Impacts of low aggregate INDCs ambition: Research commissioned by Oxfam.

17 Climate Action Tracker. 2023. See how every country is doing on cutting emissions. Retrieved from <https://edition.cnn.com/interactive/2023/12/us/countries-climate-change-emissions-cop28/>