

INCOME INEQUALITY GREATEST GLOBAL RISK

JANUARY 2014

Income disparity rated most likely global risk for third year running, but issues surrounding climate change give fresh cause for concern.

Respondents to the World Economic Forum's *Global Risks 2014* report rated income disparity the highest global risk in terms of likelihood – for the third year running. In terms of impact, however, fiscal crises came out on top, closely followed by climate change which shot right back up into the top 5 in both lists.

SOCIETAL



ECONOMIC



GEOPOLITICAL



ENVIRONMENTAL



TECHNOLOGICAL



TOP 5 GLOBAL RISKS IN TERMS OF LIKELIHOOD

2013

2014

1

SEVERE
INCOME
DISPARITYINCOME
DISPARITY

2

CHRONIC
FISCAL
IMBALANCESEXTREME
WEATHER
EVENTS

3

RISING
GREENHOUSE
GAS EMISSIONSUNEMPLOYMENT
AND UNDER-
EMPLOYMENT

4

WATER
SUPPLY
CRISESCLIMATE
CHANGE

5

MISMANAGEMENT
OF POPULATION
AGEINGCYBER
ATTACKS

TOP 5 GLOBAL RISKS IN TERMS OF IMPACT

2013

2014

1

MAJOR SYSTEMIC
FINANCIAL
FAILUREFISCAL
CRISES

2

WATER
SUPPLY
CRISESCLIMATE
CHANGE

3

CHRONIC
FISCAL
IMBALANCESWATER
CRISES

4

DIFFUSION OF
WEAPONS
OF MASS
DESTRUCTIONUNEMPLOYMENT
AND UNDER-
EMPLOYMENT

5

FAILURE OF
CLIMATE CHANGE
ADAPTATIONCRITICAL
INFORMATION
INFRASTRUCTURE
BREAKDOWN

Source: *Global Risks 2014 Report*, World Economic Forum.

Note: Global risks may not be strictly comparable across years, as definitions and the set of global risks have been revised with new issues having emerged on the 10-year horizon. For example, cyber attacks, income disparity and unemployment entered the set of global risks in 2012. Some global risks were reclassified: water supply crises and income disparity were reclassified as environmental and societal risks, respectively, in 2014.

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