BILLIONAIRE CENSUS 2020

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EXECUTIVE SUMMARY

   The number of billionaires rose by 8.5% to 2,825 individuals, while their combined wealth was boosted by 10.3% to total $9.4trn — more than reversing the previous year’s decline. Despite a loss of momentum in the global economy and a still turbulent geopolitical environment, financial markets saw a bullish performance on the whole.

2. NORTH AMERICA AND ASIA SAW THE STRONGEST GROWTH IN BILLIONAIRE NUMBERS AND COLLECTIVE NET WORTH.
   Both regions enjoyed double-digit growth on both measures. There were below-average, but still healthy, gains in billionaire wealth in Europe, the Pacific and Africa. In contrast, wealth creation in the Middle East and Latin America and the Caribbean was subdued, with declines in the overall billionaire population.

3. CHINA RECORDED THE STRONGEST GROWTH IN BILLIONAIRE POPULATION AND COMBINED WEALTH.
   The US also showed robust growth and remains by far the dominant billionaire country, accounting for 28% of the global billionaire population. The top 15 countries are home to more than three-quarters of the world’s billionaires — all but one (the UAE) recorded an increase in their billionaire population and cumulative wealth in 2019.

   Not all billionaires are created equal. The number of billionaires in technology, insurance, business services and healthcare grew by between 6% and 9% during the first five months of 2020 compared with 2019. Billionaires in shipping, apparel (including luxury) and aerospace experienced the worst performances.

   Other giving was in the form of non-monetary commitments or was made anonymously. Philanthropy is the favorite passion of many billionaires, followed by sports, aviation and politics. The wealthy, and the wealthiest in particular, have been expected to step up during this time of crisis.

6. BILLIONAIRES PLEDGING TO THE COVID-19 CAUSE DIFFER FROM BILLIONAIRE MAJOR PHILANTHROPISTS.
   The former tend to be younger, wealthier and more likely to have created their own wealth — largely a reflection of a significantly greater representation of those with technology as their primary industry. Major philanthropists tend to be older and are more likely to be attached to the banking and finance sector.
INTRODUCTION

Our seventh and latest edition, the Wealth-X Billionaire Census 2020, analyzes the status of the world’s billionaires, who, despite being modest in number, hold immense wealth and wield a significant influence over the global economy.

Given the outbreak of the Covid-19 pandemic at the start of 2020, we have taken a two-pronged approach: an annual review of billionaire developments in 2019 and also an examination of how this exclusive group has fared in the first half of this year.

We explore the global billionaire population and its wealth in 2019, presenting regional trends, an analysis of wealth distribution and a ranking of the leading billionaire countries and cities. We follow by examining the impact of the Covid-19 pandemic on billionaires, and how this group and its wealth has performed by primary industry since the end of 2019. We also analyze this group’s main asset holdings, industry concentration, gender distribution and sources of wealth.

The report also delves into the interests and passions of billionaires, shining a spotlight on philanthropy and how they are giving to help in the fight against the pandemic. Keeping its focus on philanthropy, the Billionaire Census 2020 also examines the key characteristics of two archetypal groups: those who have given or pledged to the Covid-19 cause and those who are major philanthropic givers, having made at least one single donation of more than $1m. This deep-drill reveals contrasting characteristics across the two billionaire groups.

Wealth-X’s comprehensive database of billionaires (as defined by net worth) provides an unrivaled insight into the status of the world’s wealthiest individuals and their characteristics, making it an essential read for any provider looking to prospect for and engage with individuals in this exclusive group.
GLOBAL BILLIONAIRE MAP

2019
Billionaire population and total wealth

8.5% % Change in population from 2018

10.3% % Change in wealth from 2018

2,825 Number of billionaires

$9,435 Total wealth ($bn)

Note: Data on % of the world’s billionaire population may not total 100% owing to rounding.
Source: Wealth-X

10.3% % Change in wealth from 2018

2,825 Number of billionaires

$9,435 Total wealth ($bn)

Note: Data on % of the world’s billionaire population may not total 100% owing to rounding.
Source: Wealth-X
BULLISH REBOUND

The size of the global billionaire population increased strongly in 2019, rising by 8.5% to 2,825 individuals, more than reversing the previous year’s decline. Healthy returns were recorded across almost all major asset classes, despite a loss of momentum in the global economy and a still turbulent geopolitical environment. The bullish performance in financial markets was largely driven by a flood of central bank liquidity, delivering a boost to investor sentiment and global equities. At the same time, bearish signals in the real economy provided support for traditional ‘risk-off’ assets. These factors helped to boost the combined wealth of the world’s billionaires by 10.3% to $9.4trn.

There were large regional variations in wealth gains, however, that reflected the volatile geopolitical backdrop, the contrasting performance of national economies and currencies, a fluctuating narrative throughout the year over global trade tensions, and the influential role of the world’s major central banks. The strongest returns were recorded in North America and Asia, with both regions experiencing double-digit growth of their billionaire populations and collective net worth. There were below-average, but still healthy, gains in billionaire wealth in Europe, the Pacific and Africa. In contrast, wealth creation in the Middle East and Latin America and the Caribbean was subdued, with the size of the billionaire class declining slightly in both regions.
MARKET MOVERS

The billionaire population of NORTH AMERICA totaled 834 individuals in 2019, an increase of 11.2% from a year earlier and equivalent to almost a 30% share of the global billionaire class. There was marginally stronger population growth in Asia, but the North America region recorded the most dynamic wealth gains, with total billionaire net worth expanding by 13.8% to $3.5tn (equivalent to a dominant 37% global share).

The main boost to wealth portfolios came from surging stock markets. Buoyed by sustained monetary policy easing by the US Federal Reserve (the US central bank), an influx of liquidity propelled North American stock markets to record highs, with the S&P 500 closing the year up 29%; the tech-heavy NASDAQ Composite Index up 36%; and Canada’s TSX Composite Index 19% higher (in local currency terms). Additional late-year support for equities came from a provisional US-China agreement on a ‘phase one’ trade deal. Wealth creation was also bolstered by comparatively stable macroeconomic conditions, solid consumer spending and rising employment in the US and Canada, which underpinned relative currency strength against most other major economies.

ASIA recorded the fastest rise in billionaire numbers in 2019 but NORTH AMERICA recorded the most dynamic gain in wealth.

ASIA recorded the fastest population growth of any region in 2019, with the number of billionaires rising by 12% to 758 individuals. Cumulative wealth did not expand quite as strongly, increasing by 11% to $2.4tn, implying a slight fall in the average net worth of the billionaire class (in contrast to a small rise in North America). This was, nevertheless, an impressive performance in aggregate, lifting the region’s share of global billionaire wealth to 26%, only just behind that of Europe.

Following broad-based falls in billionaire net worth a year earlier, all of the region’s largest wealth hubs experienced a strong bounce-back in their billionaire populations and cumulative wealth, led by China. Equity market gains in Asia lagged those in the US but were still robust, with the Shanghai Composite Index ending the year up 22% and Japan’s Nikkei Index 18% higher. Investors welcomed the healthy stock market returns against a backdrop of positive but softening economic growth; disruption to regional trade from US-China tensions; currency depreciation against the US dollar; and a downturn in the global consumer electronics cycle.
EUROPE remained the region with the largest number of billionaires, slightly ahead of North America.

**SOLID PERFORMERS**

Overall, there were solid wealth gains among the billionaire class in EUROPE, with the population expanding by 6.9% to 847 individuals and cumulative net worth growing by a stronger 8.2% to $2.4trn. Equity markets in Germany, France, Italy, Russia and Switzerland all closed the year up at least 20% in local currency terms. However, wealth creation across the region lagged that in North America and Asia, as the impact on portfolios of less favorable economic conditions, currency depreciation against the US dollar and country-specific disruption (from Brexit in the UK and a slump in the automotive sector in Germany) partially eroded the stock market gains.

Europe remained the region with the largest billionaire population, accounting for a 30% global share, but saw a shrinking of its narrow lead over North America and came close to losing its second-placed ranking for billionaire wealth to Asia. In part, this reflected the diverse performance of the billionaire class across the region’s largest wealth markets, with population growth and wealth creation in France, Russia and Switzerland notably stronger than in the UK and Germany.

The comparatively small billionaire populations in AFRICA and the PACIFIC mean that caution is required in interpreting annual growth rates. Nevertheless, there was support for wealth creation in both regions in 2019, amid economic growth and double-digit gains (in US dollar terms) in domestic equity markets, which more than offset downward pressure on wealth holdings from softer commodity prices.

Cumulative wealth among Africa’s 41 billionaires expanded by 6.2% to $88bn, with currency depreciation against the US dollar more limited than in most other regions. Developments in the Pacific, the region with the smallest billionaire population (equivalent to a 1.2% global share), largely reflect changes in wealth in Australia. Asset portfolios there were supported by above-average equity market gains and a rebound in real-estate prices, helping to overcome the effects of a weaker Australian dollar. Cumulative wealth among the region’s 33 billionaires increased by 6.7% to $69bn.
DECLINING NUMBERS

In stark contrast to most regions, there was a small decline in the billionaire population of Latin America and the Caribbean, which fell by 1.4% to 140 individuals. Their combined net worth edged up by 2.4% to $450bn but the region's share of global billionaire wealth dipped below 5%. The easing of global liquidity conditions was a broadly supportive factor for emerging-market assets, reflected in local currency gains in most of the region’s stock markets, although average returns trailed their developed-market peers. More broadly, a combination of elevated political instability in many countries, weakened commodity markets and challenging economic conditions (most evident in Argentina and Venezuela) restricted the opportunities for wealth creation. Asset holdings also came under strain from the depreciation of most local currencies against the US dollar.

The Middle East also recorded a drop in its billionaire population, down by 1.1% to 172 individuals. There was a slight uptick in cumulative wealth to $450bn, matching the total in Latin America and the Caribbean, but lackluster growth of 1.6% was the weakest of all the regions. Reflecting the fallout from subdued oil prices throughout most of 2019, wealth portfolios received only limited support from domestic stock markets, while local currencies generally weakened against the US dollar. Wealth creation in the region was also hindered by heightened political instability in Lebanon and Iraq, rising geopolitical tensions involving Syria and Iran, and a further fracturing of relations within the Gulf region.

In stark contrast to all other regions, Latin America and the Caribbean as well as the Middle East recorded small declines in their billionaire populations.
WEALTH BY TIER

Billionaires account for a highly skewed proportion of wealth.

As with wealth holdings across the public at large, the distribution of net worth among the ultra wealthy is highly skewed, particularly when the billionaire class is included. In 2019, billionaires represented just 1% of the global ultra high net worth (UHNW) population (those with $30m+ in net worth), yet their holdings of cumulative UHNW wealth amounted to 26% — highlighting the enormous share of global net worth held by this very small group of individuals. These proportions are even more extreme when comparing billionaire holdings with those across lower wealth tiers, such as those with a net worth of $5m+.

This distribution has become increasingly skewed over time. Since the publication of our first Billionaire Census in 2013, billionaire wealth as a share of UHNW wealth has risen steadily, from around 22% to 26% in 2019, while the size of the billionaire population as a share of the UHNW population has remained largely stable — an indication of the growing influence of this exclusive club. Over this period, the world’s largest companies increased substantially in size (up to the end of 2019), and transitioned from a focus on energy, infrastructure and financial services to technology, with the last gaining dominance by reaping the gains of scalability and globalization.

POPULATION AND WEALTH BY MAJOR WEALTH TIER 2019

Note: UHNW denotes ultra high net worth individuals, those with $30m+ in net worth.
Source: Wealth-X
BILLIONAIRE INEQUALITY

Even among billionaires, the distribution of net worth is highly uneven. Just over half of the global billionaire population in 2019 resided in the ‘lowest’ wealth bracket — $1bn–$2bn — while accounting for just 20% of all billionaires’ combined wealth. Among the two upper tiers, those with wealth in excess of $10bn comprised a select 153 individuals (some 5.5% of the billionaire class), who together controlled 35% of total billionaire net worth. This amounted to $3.3trn, equivalent to just shy of the market value of the German economy, by country the fourth largest in the world. One third of this total was held by just 15 individuals in the very top tier of billionaire wealth, each with a fortune of more than $50bn.
The US remains by far the dominant billionaire country, but CHINA recorded the strongest growth in both population and combined wealth in 2019.

Below we highlight the most notable country findings:

- **The top 15 countries are home to more than three-quarters of the world’s billionaires.** In 2019, these 15 countries accounted for 76% of the global billionaire population and 80% of global billionaire wealth. These shares were around one percentage point higher than a year earlier. In absolute terms, there were 201 additional billionaires in the top 15 countries (a total of 2,143) compared with 2018, with combined net worth up by an annual $796bn to $7.6trn.

- **All but one of the top 15 countries recorded an increase in their billionaire population and cumulative wealth in 2019, with the exception of the UAE.** Six of the top 15 countries are in Europe, with four in Asia, two each in North America and the Middle East, and one in Latin America and the Caribbean.

- **The US remains by far the dominant billionaire country, with its billionaire population and wealth rising strongly in 2019.** The number of billionaires in the US rose by almost 12% to 788 individuals, accounting for 28% of the global billionaire population. China has the next highest share at 12%. Cumulative billionaire wealth in the US increased by 14% to $3.4trn, more than the combined net worth of the next eight highest-ranked countries and equivalent to a 36% share of global billionaire wealth. Equity markets and economic growth in the US outperformed most other countries in 2019, with the relative strength of the US dollar also providing strong support for wealth portfolios.

- **China recorded the strongest growth in billionaire population and combined wealth in 2019.** The number of billionaires expanded by 20% to 342 individuals, with cumulative net worth rising by 16% to $1.2trn. This was equivalent to a 12% global share and more than twice the level in the third-ranked country, Germany. Underlining the extensive wealth creation opportunities in China, the dynamic growth in billionaire net worth occurred against a relatively unfavorable backdrop of slowing emerging-market growth, disruption from the ongoing trade war with the US, and a downturn in global industrial and consumer demand. As in most leading wealth markets, an influx of liquidity by policymakers supported robust equity-market gains.

- **Germany remains the dominant billionaire country in Europe but it lost a little ground in 2019.** Billionaire performance in Europe’s largest economy was varied, with strong returns in the domestic stock market — buoyed by late-year monetary stimulus from the European Central Bank — partially offset by the effects of a slowdown of the eurozone economy and a clear depreciation of the euro against the US dollar. Billionaire wealth concentrated in Germany’s industrial heartlands was hit by the downturn in global trade, ongoing Brexit-related disruption and regulatory upheaval in the large automotive sector.

- **Robust billionaire wealth gains in Russia and Switzerland contrasted with a weak UK performance.** Russia maintained its fourth-ranked position, with strong equity market gains, policy easing and a slightly firmer rouble lifting wealth portfolios amid subdued commodity markets. Favorable stock market and currency movements also produced double-digit (14%) growth in net worth in Switzerland, which overtook the UK as the fifth-ranked billionaire country. The UK recorded the weakest growth in billionaire numbers and combined wealth among the top 10 countries as the economically damaging effects of Brexit continued to weigh on capital returns, economic activity, the value of sterling and investor sentiment.

- **The UAE suffered a decline in billionaire population and wealth.** Lower oil sector prices and investment, weakened real estate and construction activity, comparatively low stock market returns and heightened regional geopolitical instability contributed to a fall of 1.5% in combined billionaire wealth in 2019, with a larger relative drop in billionaire numbers pushing the UAE down four places in the country rankings.
**TOP 15 BILLIONAIRE CITIES**

<table>
<thead>
<tr>
<th>City/rank</th>
<th>Number of billionaires 2019</th>
<th>Change in population (number of individuals) year on year</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York 1</td>
<td>113</td>
<td>+8</td>
</tr>
<tr>
<td>Hong Kong* 2</td>
<td>96</td>
<td>+9</td>
</tr>
<tr>
<td>San Francisco 3</td>
<td>77</td>
<td>+2</td>
</tr>
<tr>
<td>Moscow 4</td>
<td>73</td>
<td>+3</td>
</tr>
<tr>
<td>London 5</td>
<td>66</td>
<td>+1</td>
</tr>
<tr>
<td>Beijing 6</td>
<td>57</td>
<td>+2</td>
</tr>
<tr>
<td>Singapore 7</td>
<td>45</td>
<td>+6</td>
</tr>
<tr>
<td>Los Angeles 7</td>
<td>44</td>
<td>+5</td>
</tr>
<tr>
<td>Shenzhen 9</td>
<td>39</td>
<td>+2</td>
</tr>
<tr>
<td>Mumbai 9</td>
<td>38</td>
<td>-</td>
</tr>
<tr>
<td>Dubai 11</td>
<td>35</td>
<td>+3</td>
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<tr>
<td>São Paulo 12</td>
<td>33</td>
<td>-</td>
</tr>
<tr>
<td>Istanbul 13</td>
<td>32</td>
<td>-</td>
</tr>
<tr>
<td>Hangzhou 14</td>
<td>32</td>
<td>+1</td>
</tr>
<tr>
<td>Tokyo 15</td>
<td>30</td>
<td>+1</td>
</tr>
</tbody>
</table>

*Hong Kong is a semi-autonomous, special administrative region of China.

Source: Wealth-X

The top 15 cities were home to ALMOST A THIRD of the global billionaire POPULATION in 2019.

**BELOW WE HIGHLIGHT THE MOST NOTABLE CITY FINDINGS:**

- The top 15 cities were home to 29% of the global billionaire population in 2019. Reflecting the rise in overall billionaire numbers, these cities recorded a net increase of 37 billionaires, lifting the total to 810 individuals. This was equivalent to an annual growth of 4.8%, which was weaker than the rise of 8.5% in the global billionaire population, implying a slightly reduced concentration of the ultra wealthy in these cities.

- Eleven of the top 15 cities recorded an increase in their billionaire population in 2019, with only one, Dubai, registering a decline. Seven of the top 15 cities are in Asia, with three each in North America and Europe, and one each in the Middle East and Latin America and the Caribbean.

- The US and China each accounted for three of the top 15 cities and were the only countries with more than one city in the rankings. The city rankings remained broadly stable in 2019, with no movement among the top seven cities and only limited changes elsewhere. China was the only country to register an improvement in its cities’ respective rankings, with modest gains for both Shenzhen and Hangzhou. Three of the top 15 cities fell back slightly in the rankings — Los Angeles, Mumbai and Dubai.

- New York remained the dominant billionaire city, with a solid rise in its billionaire population in 2019. The New York metropolitan area is the largest regional economy in the US and home to the largest billionaire population of any city globally. There was a net increase of eight billionaires in 2019, lifting the total to 113 individuals, 17 more than in the second-ranked city of Hong Kong. Indeed, there are more billionaires in New York than in almost every country in the world, with the exception of China and Germany.

- Hong Kong consolidated its second place in the rankings amid heightened political instability. There was a strong expansion of the billionaire population in the financial services-dominated economy, which recorded the largest net increase (nine individuals) of any city globally, helped by favorable trends in its capital and currency markets. There were 19 more billionaires in Hong Kong than in the third-ranked city of San Francisco. However, political developments and large-scale unrest in the latter half of 2019 — linked to the territory’s relationship with mainland China — raised questions over its future status as a premier hub for international business and wealth creation.

- There were modest increases in the billionaire populations of the next three highest-ranked cities. San Francisco has risen steadily up the rankings over the past decade to reach its current place at number three, driven by huge wealth gains in the technology sector. However, growth of the billionaire class has moderated over recent years. In 2019, the city added two billionaires, lifting its total to 77. The fourth-ranked city of Moscow narrowed the gap slightly, with an increase of three in its billionaire population, while fifth-ranked London added just one to total 66.

- Growth of China’s billionaire class is widely dispersed across its major cities. Although China recorded the strongest growth in billionaire population of any country in 2019, there were only modest increases in the number of billionaires in its highest-ranked cities of Beijing (two more individuals), Shenzhen (two) and Hangzhou (one). This reflects the broad distribution of the expanding stock of billionaire wealth across a large number of highly populated and economically dynamic cities in China, which contrasts with more highly concentrated pockets of city wealth in most other leading billionaire countries.
H1 2020: THE IMPACT OF THE COVID-19 PANDEMIC

Although the large majority of billionaires fared well financially in 2019, with the outbreak of the Covid-19 pandemic, the first half of 2020 has been considerably tougher. While billionaires as a group share a number of commonalities, they have not been affected equally by the fallout from the pandemic. Here we look at the issues they are facing and the performance of wealth holdings across different primary industries. We also examine billionaires’ philanthropic activities and other interests, and gauge how these could shape their responses to the pandemic.

HEALTH, BUSINESS AND FINANCIAL ISSUES TO ADDRESS

With close to three-quarters of their wealth assets in either private companies or public holdings, billionaires’ net worth has been affected significantly.

The spread of Covid-19 around the world in the first half of 2020 — accompanied by stringent lockdown measures, dramatic falls in economic output and volatile shifts in financial markets — has made a considerable impact upon the billionaire class. Aside from increased anxiety about the health and well-being of their families and friends, many billionaires will also be concerned about the resilience of their financial holdings and businesses given the continuing uncertainty over the future path of the virus, different countries’ policy responses and the subsequent effects on economies, consumer and business behavior, as well as wider aspects of society. Although many economies are gradually reopening, activity remains well below pre-crisis levels, stock markets continue to gyrate and some markets for real estate and other luxury goods, such as yachts, remain effectively frozen.

With almost nine out of 10 billionaires having created their wealth through their own efforts entirely or in combination with some inheritance, most tend to own or operate a business. A large number of billionaires will currently be busy adapting their operations to the ongoing crisis. Yet given that the average billionaire is aged 66 and around 40% are over 70, a large number will no longer be involved actively in the day-to-day running of their businesses. Instead, they will be working with their wealth advisors and planners to ensure their financial holdings and wealth plans (whether concerned with investment diversification, wealth transfer or philanthropic aims) remain up to date and in the best possible state given the evolving global situation.

SELECT CHARACTERISTICS OF BILLIONAIRES

AGE

AVERAGE: 65.9

50.3% 39.9% 9.8%

<50 50-70 70+

SOURCE OF WEALTH

Self-mada 12.4%
Inherited/self-made 29.6%
Inherited 58.0%

ASSET ALLOCATION

Private holdings 25.7%
Liquid assets (cash, income and dividends) 32.5%
Public holdings 39.8%
Real estate and luxury assets 2.1%

TOP 10 PRIMARY INDUSTRIES*

Banking and finance 19.8%
Industrial conglomerates 12.8%
Real estate 7.6%
Food and beverages 5.7%
Healthcare 5.7%
Manufacturing 5.6%
Technology 5.6%
Non-profit and social organizations 4.9%
Hospitality and entertainment 4.5%
Textiles, apparel and luxury goods 4.3%

* Primary industry refers to the industry to which billionaires devote most of their time, not necessarily the industry by which they created their wealth, although they are often one and the same.

Note: Data may not total 100% due to rounding.
Source: Wealth-X 2020
Those billionaires actively involved in business management will be navigating operational and potential solvency or liquidity issues arising as a consequence of the speed and scale of the downturn. They will also need to tackle other business challenges, such as ensuring the well-being of their staff and determining future employment prospects, deciding when to restart operations (if relevant) as well as preparing and adjusting their business as economies begin to reopen.

These challenges will be heightened by uncertainties, such as how severe the economic downturn will be; how long and how effectively will governments and central banks be able and willing to provide support; the risk of potential second waves of the virus; the extent and duration of social distancing restrictions; and what form an economic recovery is likely to take. The types of businesses that billionaires own either outright or as a majority holder tend to be cross-border in nature so strategies will have to take into account the concerns and policy responses unique to each country.

**BILLIONAIRE PERFORMANCE BY PRIMARY INDUSTRY**

The number of billionaires attached to the insurance, technology and healthcare industries rose during the first five months of the year, while those in shipping, apparel and aerospace declined.

How have billionaires fared so far in 2020? While we will have to wait until the end of the year to get a more complete picture of each billionaire’s status, the Wealth-X Database allows us to assess how their holdings have performed across different primary industry groupings since the end of 2019. This indicates that over half of the primary industry groups recorded a decline in both their billionaire population and cumulative wealth over the first five months of 2020, meaning a majority of industries had fewer billionaires (and less wealth) attached to them than at the end of last year (see chart on the next page).

Nevertheless, as in all downturns, there is scope for winners and losers and what comes through is a picture of how billionaire fortunes fare quite differently according to their industry focus. Our database suggests that the number of billionaires in insurance, technology, business services and healthcare grew by between 6% and 9% on 2019 levels.

The scale of the public health crisis has understandably increased demand for medical equipment and healthcare services around the world, while lengthy lockdown measures and social distancing restrictions have contributed to a surge in home working, digital interaction and online shopping, creating growth opportunities in many areas of technology and business services. Elevated uncertainty and the many unprecedented aspects of the crisis will also have benefited the insurance industry, although it could potentially become more exposed down the line as the lasting economic damage of the crisis becomes more apparent. To highlight, wealth among those billionaires attached to technology grew by 18% and increased by 11% among those in insurance.

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1 Primary industry refers to the industry to which billionaires devote most of their time, not necessarily the industry by which they created their wealth, although they are often one and the same.
At the other end of the spectrum, by far the worst performer was aerospace and defense, with billionaires attached to this industry halving their wealth. With commercial aviation moving at a crawl and facing a highly uncertain future, many airlines and aircraft manufacturers are experiencing serious cash flow and liquidity shortages. The defense industry has been less badly affected, with budgets less exposed to the economic cycle and guided largely by longer-term strategic considerations.

Note: Primary industry refers to the industry to which billionaires devote most of their time, not necessarily the industry by which they created their wealth, although they are often one and the same.

Source: Wealth-X
Billionaire numbers were also down in the automotive, shipping, media and apparel (including luxury) sectors. The global automotive industry has suffered from the temporary shutdown of most manufacturing plants and a steep fall in road travel as a result of lockdown restrictions. There is considerable uncertainty over how consumer demand for vehicles over the coming years will be affected by the crisis, especially against a backdrop of increasing environmental awareness and regulatory control.

Clothing sales have plummeted in many countries amid the closure of high-street stores and more limited social contact, and again there is some uncertainty over how demand will evolve after the crisis. The shipping industry, meanwhile, has been hit by the slump in global trade and the temporary halt of the cruise industry, with only a gradual bounce-back likely. Real estate, surprisingly, recorded a small increase in billionaire numbers but wealth dropped, reflecting a sector where valuations tend to take longer to adjust. It is worth stating, however, that some individual companies (and, therefore, their billionaire owners) will fare very differently from the industry in which they operate for a variety of competitive reasons.

ASSET ALLOCATION

Wealthier billionaires are more exposed to the ebbs and flows of the stock market, while those at lower tiers tend to have more of their wealth in private holdings, likely to be their primary business.

Much of how billionaires’ fortunes have fared during the pandemic is determined by the composition of their wealth holdings — this asset allocation differs markedly across billionaire wealth tiers. The proportion of billionaires’ wealth in public holdings rises steadily the higher the wealth tier. Those in the higher tiers have often founded — and currently hold major shares in — public businesses that, in many cases, have evolved into large, multinational companies. Those in the two highest billionaire wealth tiers — above $10bn — hold between almost half and more than three-quarters of their assets in public holdings. These individuals will have experienced significant volatility in their wealth as stock markets have risen and fallen dramatically since the pandemic began.

**ASSET ALLOCATION BY WEALTH TIER**

<table>
<thead>
<tr>
<th>Wealth Tier</th>
<th>Real estate and luxury assets</th>
<th>Liquid assets (cash, income and dividends)</th>
<th>Public holdings</th>
<th>Private holdings</th>
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</thead>
<tbody>
<tr>
<td>$1bn-$2bn</td>
<td>35.5</td>
<td>40.9</td>
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<td>2.3</td>
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<tr>
<td>$2bn-$5bn</td>
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<td>$50bn+</td>
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<td>8.5</td>
<td>76.8</td>
<td>0.4</td>
</tr>
</tbody>
</table>

Note: Data may not total 100% due to rounding.
Source: Wealth-X 2020
The pattern of private holdings is not quite as linear, although billionaires do tend to reduce the share in their portfolios as they become wealthier. This can be attributed in part to the likely divestment of a business or an initial public offering (IPO) as their primary company becomes larger. A wealth diversification strategy usually follows such an event (although there are exceptions to this, given the many major global businesses that remain privately and family owned). Of those billionaires with wealth in the single digits, many still have their business as the largest asset in their wealth portfolio, meaning that during the first half of 2020, much of their wealth will have depended upon the fate of this business and how it was able to respond to the challenges of the pandemic.

Although wealthier billionaires usually hold a larger stock of liquid assets (cash, income and dividends) than their relatively less well-off counterparts, this represents a smaller proportion of their wealth. Those in the ‘lowest’ billionaire tiers hold as much as a third of their wealth in cash-equivalent assets, often in their local currency. Many will have seen this proportion of their wealth portfolio weaken substantially against the US dollar during the first half of 2020 — a small silver lining for those in the US or those with significant reserves in US dollars.

Meanwhile, holdings of real estate and luxury goods, such as yachts, classic cars and couture fashion, account for a very minor share of billionaire wealth. Most of these markets were effectively frozen at the peak of the pandemic, with some now reopening slowly. While this may have caused some liquidity issues for those in the lower tiers of VHNW (very high net worth) or even UHNW individuals, this is unlikely to have been a concern among the billionaire class.

**WEALTHIER BILLIONAIRES** are more exposed to the ebbs and flows of the stock market, while those at **LOWER TIERS** tend to have more of their wealth in **private holdings**, likely to be their primary business.
The unique interests and passions of billionaires reflect their ability to take up almost any pursuit, regardless of expense. While they share numerous interests with their less wealthy counterparts — such as philanthropy, sports and the outdoors — other areas such as politics, aviation and art collecting are of particular interest to billionaires.

With their time at a premium, the world’s wealthiest people enjoy having the means to fly wherever, whenever and however they want. To many, the large outlay seems a small price to pay for travel that is comfortable, secure and private. Many own private jets through their businesses, although many also make use of private luxury charter services. With regards to sports, many billionaires don’t just enjoy watching and playing — they own sports teams (and some have founded sports leagues). Elsewhere, politics and the art world attract the involvement of billionaires worldwide.

**TOP INTERESTS, PASSIONS AND HOBBIES BY WEALTH TIER**

<table>
<thead>
<tr>
<th>BILLIONAIRES</th>
<th>Philanthropy</th>
<th>Sports</th>
<th>Aviation</th>
<th>Politics</th>
<th>Real estate</th>
<th>Education</th>
<th>Art</th>
<th>Outdoors</th>
<th>Family</th>
<th>Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>50.9%</td>
<td>43.4%</td>
<td>29.5%</td>
<td>23.3%</td>
<td>21.6%</td>
<td>20.7%</td>
<td>20.6%</td>
<td>18.7%</td>
<td>15.8%</td>
<td>15.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>UHNW</th>
<th>Philanthropy</th>
<th>Sports</th>
<th>Real estate</th>
<th>Outdoors</th>
<th>Education</th>
<th>Public speaking</th>
<th>Technology</th>
<th>Aviation</th>
<th>Travel</th>
<th>Family</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>36.4%</td>
<td>33.9%</td>
<td>21.7%</td>
<td>17.8%</td>
<td>16.9%</td>
<td>16.5%</td>
<td>15.6%</td>
<td>14.3%</td>
<td>14.1%</td>
<td>14.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VHNW</th>
<th>Sports</th>
<th>Philanthropy</th>
<th>Public speaking</th>
<th>Technology</th>
<th>Outdoors</th>
<th>Travel</th>
<th>Education</th>
<th>Real estate</th>
<th>Writing</th>
<th>Languages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30.4%</td>
<td>24.2%</td>
<td>23.7%</td>
<td>20.5%</td>
<td>18.8%</td>
<td>17.1%</td>
<td>16.6%</td>
<td>16.0%</td>
<td>14.0%</td>
<td>11.2%</td>
</tr>
</tbody>
</table>

Note: More than one interest, passion or hobby is possible, so the numbers do not add up to 100%. Our UHNW data comes from our World Ultra Wealth Report 2019 and our VHNW data comes from our Very High Net Worth Handbook 2020.

Source: Wealth-X 2020
PHILANTHROPY — A LEADING INTEREST

Philanthropy is the favorite passion of many billionaires — more than half are known to be actively involved in philanthropic giving, whether through their own charitable organizations or other means. In contrast, just over a third of the ultra wealthy are known to be engaged in philanthropic giving, while at the VHNW level the share is around a quarter. Although these numbers are likely to undercount the actual levels of giving (not all individual donations are made publicly), they do provide a general picture of the wealthy’s interest in philanthropy.

As individuals become wealthier, they may feel a greater obligation to engage with benevolent causes, particularly as societal expectations of ‘giving back’ have risen in the context of wealth inequality, global environmental issues and high-profile initiatives such as the Giving Pledge (see Philanthropy in the fight against Covid-19).

WOMEN AND THOSE WITH INHERITED WEALTH HAVE A HIGHER PROPENSITY TO GIVE

What are some of the characteristics of billionaire philanthropists? What comes to the fore is that the small group of billionaires (12.4%) who inherited their fortunes tend to have a greater interest in philanthropy. These individuals may choose to devote a sizeable proportion of their time to philanthropic activities, whereas those with primarily self-made fortunes tend to focus on philanthropic endeavors once they have taken a step back from their business activities.

Female billionaires (who, as an aside, represent just over a 10th of this group) also have a higher propensity than men to see philanthropy as their main hobby or passion. With the higher propensity to value philanthropy among the inherited cohort, the female cohort’s interest can largely be explained by their source of wealth — just over half of all female billionaires are heiresses, with an additional 30% having a combination of inherited and created wealth.
PHILANTHROPIC CAUSES

The relative popularity of billionaires’ favorite philanthropic causes tends to stay fairly stable, with few large changes year on year. The top causes also tend to be similar across all wealth tiers, be it billionaire or VHNW.

Education is by far the leading cause, with almost eight in every 10 billionaires directing at least part of their philanthropy to this field, often by providing infrastructure, research endowments and scholarships. The largest gifts continue to be directed at higher education, underscoring the importance of the alma mater tradition that has always been strong in the US and is now extending to universities across the globe.

TOP PHILANTHROPIC CAUSES

<table>
<thead>
<tr>
<th>Cause</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>78.0%</td>
</tr>
<tr>
<td>Social services</td>
<td>61.0%</td>
</tr>
<tr>
<td>Healthcare and medical research</td>
<td>59.4%</td>
</tr>
<tr>
<td>Arts and culture</td>
<td>55.2%</td>
</tr>
<tr>
<td>Children and youth development</td>
<td>37.4%</td>
</tr>
<tr>
<td>Environment, conservation and animals</td>
<td>35.9%</td>
</tr>
<tr>
<td>Public affairs</td>
<td>18.5%</td>
</tr>
<tr>
<td>Religious organizations</td>
<td>16.5%</td>
</tr>
<tr>
<td>Food, agriculture and nutrition</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

Note: Giving to more than one cause is possible, so the numbers do not add up to 100%. Social services include crime prevention, reducing poverty and unemployment.

Source: Wealth-X 2020

After education, three causes are similarly popular: social services; healthcare and medical research; and arts and culture, with around six in every 10 billionaires directing their giving to these areas. Donations to social services and medical research (such as for vaccines) can effect powerful improvements in quality of life and health outcomes. Meanwhile, the arts and culture, as well as public affairs, provide opportunities for billionaires to take a high-profile approach should they wish, with such causes attracting media attention and interest from other wealthy individuals.
PHILANTHROPY IN THE FIGHT AGAINST COVID-19

At least a tenth of billionaires have so far given or pledged money to Covid-19-related activities.

The ongoing coronavirus pandemic is exacting a huge human toll, not only in deaths but in terms of social disruption, adverse effects on mental health and well-being, and fallout from a severe global economic downturn. Indeed, the pandemic is making an impact — big or small — on every one of us. The wealthy, and the wealthiest in particular, have been expected to step up during this time of crisis and contribute to global efforts to tackle the pandemic.

According to the Wealth-X Database, more than 10% of billionaires made a donation or a pledge towards fighting Covid-19 in the period January-May 2020. Others have made non-monetary contributions, such as by providing supplies of personal protective equipment. Quite a few such announcements received substantial media attention, including those by the Bill & Melinda Gates Foundation, former hedge fund manager George Soros and Li Ka-Shing, former chairman of CK Hutchison Holdings. More billionaires are expected to announce pledges in the second half of 2020.

With the future path of the pandemic uncertain, a vaccine for the virus still a distant prospect and much of the economic damage from the crisis still to emerge, the role of the wealthy within society is being debated. There is widespread concern that the pandemic’s effects are not being felt equally across society and so expectations that the rich should ‘give back’ — both through greater wealth distribution and philanthropy — may well rise further. In addition, as the growing Black Lives Matter movement increases in momentum, billionaires will need to be proactive and engage with the broader changes under way in society and the changing expectations required of them.

The wealthy, and THE WEALTHIEST in particular, have been expected to STEP UP during this time of crisis.
BILLIONAIRE ARCHETYPES

There are characteristic differences between major philanthropists and those who have given or pledged to the Covid-19 cause.

How are those billionaires who have given or pledged philanthropically to Covid-19 efforts different from those who have made a single donation of at least $1m over the previous five years? While both groups are clearly charitable and there is naturally some overlap, each displays a number of distinctive traits among its cohort, whether related to wealth, gender, wealth source, age or primary industry.

<table>
<thead>
<tr>
<th>Source of Wealth</th>
<th>Billionaire Covid-19 Philanthropists</th>
<th>Billionaire Major Philanthropists</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inherited</td>
<td>7.0</td>
<td>11.5</td>
</tr>
<tr>
<td>Inherited/self-made</td>
<td>21.7</td>
<td>27.2</td>
</tr>
<tr>
<td>Self-made</td>
<td>71.3</td>
<td>61.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender by Population</th>
<th>Billionaire Covid-19 Philanthropists</th>
<th>Billionaire Major Philanthropists</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>88.7</td>
<td>89.8</td>
</tr>
<tr>
<td>Female</td>
<td>11.3</td>
<td>10.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Source of Wealth by Gender</th>
<th>Billionaire Covid-19 Philanthropists</th>
<th>Billionaire Major Philanthropists</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male population</td>
<td>Inherited 5.9</td>
<td>5.1</td>
</tr>
<tr>
<td></td>
<td>Inherited/self-made 21.6</td>
<td>28.0</td>
</tr>
<tr>
<td></td>
<td>Self-made 72.6</td>
<td>67.0</td>
</tr>
<tr>
<td>Female population</td>
<td>Inherited 50.0</td>
<td>68.0</td>
</tr>
<tr>
<td></td>
<td>Inherited/self-made 21.1</td>
<td>20.0</td>
</tr>
<tr>
<td></td>
<td>Self-made 29.0</td>
<td>12.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age (%)</th>
<th>Billionaire Covid-19 Philanthropists</th>
<th>Billionaire Major Philanthropists</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;50</td>
<td>14.9</td>
<td>9.6</td>
</tr>
<tr>
<td>50-70</td>
<td>49.1</td>
<td>43.5</td>
</tr>
<tr>
<td>70+</td>
<td>36.0</td>
<td>46.9</td>
</tr>
</tbody>
</table>

Source: Wealth-X 2020
TOP PRIMARY INDUSTRIES (% OF BILLIONAIRE POPULATION)

<table>
<thead>
<tr>
<th>BILLIONAIRE COVID-19 PHILANTHROPISTS</th>
<th>BILLIONAIRE MAJOR PHILANTHROPISTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Those who have given or pledged philantropically to the Covid-19 cause between January and May 2020</td>
<td>Those who have made a single philanthropic donation of at least $1m in the past five years</td>
</tr>
<tr>
<td>Banking and finance</td>
<td>Banking and finance</td>
</tr>
<tr>
<td>Technology</td>
<td>Technology</td>
</tr>
<tr>
<td>Industrial conglomerates</td>
<td>Non-profit and social organizations</td>
</tr>
<tr>
<td>Textiles, apparel and luxury goods</td>
<td>Real estate</td>
</tr>
<tr>
<td>Hospitality and entertainment</td>
<td>Industrial conglomerates</td>
</tr>
</tbody>
</table>

18.3% | 28.8% |
15.7% | 9.1% |
12.2% | 8.6% |
10.4% | 7.0% |
7.0% | 7.0% |

Note: Primary industry refers to the industry to which billionaires devote most of their time, not necessarily the industry by which they created their wealth, although they are often one and the same.

Source: Wealth-X 2020

Covid-19 philanthropists: young(er) and self-made

The group of 10% of billionaires who have given or pledged to the Covid-19 cause between January and May 2020 tend to be wealthier on average than their major philanthropic counterparts by a not insubstantial $3.4bn. With more than 15% of the former group under the age of 50, they also tend to be quite a bit younger. This cohort also has a higher representation (71%) among those who created their own wealth than the general billionaire population, of whom 58% are self-made. This is a reflection of a significantly greater representation of billionaires with technology as their primary industry — many of whom tend to be significantly younger than the average billionaire and very often self-made. Some of these individuals’ contributions to the Covid-19 cause have received a large amount of publicity, such as those of Alibaba’s Jack Ma, Twitter’s Jack Dorsey and Wipro’s Azim Premji. Those in textiles and apparel, as well as hospitality and entertainment, also have a greater representation in this group.

Major philanthropists: older and with more of a focus on banking and finance

In addition to having less wealth on average than the Covid-19 philanthropists, these individuals (who have made at least one philanthropic donation of at least $1m in the past five years) also tend to be older. With 47% in their 70s or more, they also tend to be older than the general population of billionaires. Donations of this scale to a single cause often denote a focus on (and a greater amount of time being devoted to) philanthropy, which tends to occur as billionaires grow older and step back from running their businesses to focus on more personal and emotive ambitions, such as creating a legacy and giving back to society. Unsurprisingly, non-profit and social organizations are strongly represented here, with billionaires fully devoting their time to charitable initiatives. Meanwhile, billionaires from banking and finance are particularly highly represented — partially explained by their greater levels of liquidity (even within this exclusive club) given the sector’s high use of annual bonuses.

Across BOTH COHORTS, billionaires with TECHNOLOGY as their primary industry have a higher representation than among the general billionaire population.

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METHODOLOGY

This report uses the unique and proprietary Wealth-X Database, the world’s most extensive collection of curated research and intelligence on the wealthy. Our database provides insights into their financial profile, career history, known associates, affiliations, family background, education, philanthropic endeavors, passions, hobbies, interests, and much more. Our proprietary valuation model (as defined by net worth) assesses all asset holdings, including privately and publicly held businesses and investable assets. Wealth-X uses the primary business address as the determinant of a billionaire’s location. References to $ or dollars refer to US dollars.

Analysis of the data and additional insights were provided by the Wealth-X Analytics team. Wealth-X Analytics provides market-level customizable data assets tailored to your organization’s needs. Our team leverages the world’s most robust collection of market-level data on the wealthy and is uniquely positioned to provide data and analysis that inform strategies across the financial services, luxury, not-for-profit and education industries.

The Wealth-X Analytics team is composed of experienced analysts, economists and thought leaders, armed with deep-sector knowledge and unique skills. The team regularly collaborates with clients across industries to provide:

- Market sizing
- Forecasting
- Profiling
- Archetyping

To learn how Wealth-X Analytics complements our full suite of data-driven products and services, contact us:

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contact@wealthx.com
ABOUT WEALTH-X

The global leader in wealth information and insight, Wealth-X partners with leading prestige brands across the financial services, luxury, not-for-profit and higher-education industries to fuel strategic decision-making in sales, marketing and compliance. Wealth-X boasts the world’s most extensive collection of records on wealthy individuals and produces unparalleled data analysis to help organizations uncover, understand, and engage their target audience, as well as mitigate risk. Founded in 2010, with staff across North America, Europe and Asia, Wealth-X provides unique data, analysis and counsel to a growing roster of more than 500 clients worldwide.

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