WORLD ULTRA WEALTH REPORT 2020

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EXECUTIVE SUMMARY

1. **THE GLOBAL ULTRA HIGH NET WORTH (UHNW) POPULATION AND ITS COMBINED WEALTH EXPANDED STRONGLY IN 2019.**
   The number of UHNW individuals (each with more than $30m in net worth) rose by 9.5% to 290,720 people, while their combined wealth grew by 9.7% to $35.4trn. This was a sharp acceleration from marginal growth in 2018, buoyed by healthy returns across almost all asset classes.

2. **NORTH AMERICA AND ASIA ENJOYED THE STRONGEST UHNW GROWTH IN 2019.**
   Both regions posted double-digit increases in their UHNW populations and collective net worth. The next best performance was in Africa. Growth in Europe and the Pacific was below average, if still reasonable, outpacing fairly modest gains in Latin America and the Caribbean. The weakest regional performer was the Middle East.

3. **THE ULTRA WEALTHY'S NET WORTH HAS BEEN AFFECTED SIGNIFICANTLY BY THE FALLOUT FROM COVID-19.**
   Most of the ultra wealthy have experienced overall declines in their fortunes. The UHNW population fell by 18% while global ultra wealth was down 28% on 2019 levels by the end of March 2020. However, by the end of August, the UHNW population had recovered somewhat and stood at 3% below its end-2019 level, with wealth down by 9%.

4. **THE ULTRA WEALTHY FA厌恶ED BEST IN DENMARK AND CHINA AND WORST IN THE UK UP TO AUGUST 2020.**
   China’s ultra wealthy population and its combined wealth increased by around 4% on end-2019, with Denmark’s up slightly more. Western European nations dominated the list of the worst-performing UHNW countries — the UK was at the bottom, having experienced a 17% fall in its UHNW population and a 20% slump in collective net worth.

5. **WITH AN AVERAGE AGE OF 63, IT TAKES TIME TO CREATE AND ACCRUE THIS LEVEL OF WEALTH.**
   Well over half of the ultra wealthy population is aged between 50 and 70, whereas just 12% are younger than 50 (and a mere 1.2% are under 35). Yet age does show some variation by region: those in the Middle East and Asia are, on average, younger, while North and Latin America are, on average, home to the oldest.

6. **FACING THE UNCERTAIN POLITICAL, ECONOMIC AND FINANCIAL OUTLOOK HEAD ON.**
   The path of the coronavirus and its knock-on effects remain deeply uncertain. With near-term challenges to wealth creation (and preservation), the ultra wealthy will be focusing on shoring up their businesses and reviewing their wealth holdings while still looking to take advantage of new commercial opportunities.
INTRODUCTION

The Wealth-X World Ultra Wealth Report 2020, our eighth and latest edition, provides an in-depth analysis of the world’s ultra high net worth (UHNW) population, an exclusive group of wealthy individuals located across the globe, each with $30m or more in net worth.

We first explore the global UHNW population and its wealth in 2019, presenting wealth drivers, regional trends, an analysis of wealth distribution and a ranking of the leading UHNW countries and cities.

No discussion of the size and wealth of this group can be complete, however, without examining the impact the Covid-19 pandemic has made on these individuals. We chart how their wealth has been affected since the beginning of 2020 at a regional level, and then drill deeper to highlight the best and worst UHNW country performances. We also discuss a number of themes that are emerging as a result of the pandemic’s likely lasting effects on wealth planning, spending and priorities across the ultra wealthy population.

We identify several aspects of ultra wealthy individuals as a group, examining key characteristics such as wealth source, gender, age, industry focus and asset holdings. While members of the global UHNW population share a number of defining traits, we also highlight the substantial variations among such individuals at country level, as well as by gender, age and more.

The Wealth-X World Ultra Wealth Report 2020 offers unrivaled insight into this group of individuals, their characteristics and the constantly changing landscape of wealth creation, making it an essential read for any provider looking to prospect for and engage with individuals in this unique and exclusive group.
GLOBAL MAP OF THE ULTRA WEALTHY

2019
Ultra wealthy population and total wealth
290,720
Number of ultra wealthy individuals
$35,424
Total wealth ($bn)

% Change in population from 2018
9.5%
% Change in wealth from 2018
9.7%

AFRICA
LATIN AMERICA AND THE CARIBBEAN
NORTH AMERICA
ASIA
MIDDLE EAST
PACIFIC

Note: Data on % of the world’s ultra wealthy population does not total 100% due to rounding.
Source: Wealth-X
THE ULTRA WEALTHY IN 2019

Buoyant asset markets delivered strong growth in ultra wealth

The size of the global ultra high net worth (UHNW) population — comprising individuals with a net worth above $30m — expanded strongly in 2019, rising by 9.5% to 290,720 individuals. This was a sharp acceleration from marginal growth in 2018, buoyed by healthy returns across almost all asset classes. The driver was a flood of monetary stimulus from central banks that delivered a substantial boost to global equities and investor sentiment. This contrasted with bearish signals in the real economy, which, in turn, underpinned support for ‘risk-off’ assets amid a turbulent geopolitical environment. Overall, the combined net worth of the UHNW population rose by 9.7% to $35.4trn, implying a modest increase in average net worth.

WEALTH GAINS VARIED SIGNIFICANTLY BY REGION

There were large regional differences in the growth of ultra wealth in 2019. The strongest returns were recorded in North America — the world’s largest wealth hub — and Asia, with both regions enjoying double-digit growth of their UHNW populations and collective net worth. The next-best performance was in Africa, where ultra wealth levels rebounded firmly after a decline in 2018. There was below-average, if still reasonable, growth of the UHNW class and collective net worth in Europe and the Pacific, outpacing fairly modest gains in Latin America and the Caribbean. The weakest regional performer was the Middle East, which recorded only a negligible increase in its UHNW population.

This diverse pattern of wealth creation was a symptom of the elevated uncertainty that afflicted the global economy throughout 2019. Policy easing by the world’s major central banks was undoubtedly the dominant market mover — particularly late in the year — but constantly fluctuating narratives over US-China trade tensions and a possible ‘no-deal’ Brexit, an escalation in Middle East hostilities, heightened social unrest in many countries, volatile commodity and currency markets, and fears of a global manufacturing downturn were also key factors influencing wealth creation at a regional level.
UHNW REGIONS AT A GLANCE IN 2019

ANNUAL CHANGE IN UHNW POPULATION

NORTH AMERICA
Surging equity markets and stable macro-economic conditions

LATIN AMERICA
Hindered by subdued commodity markets and challenging political and economic conditions

EUROPE
A mixed performance in the midst of challenging economic conditions

ASIA
Healthy equity market gains despite trade tensions and currency depreciation

AFRICA
Economic growth and gains in domestic equity markets

MIDDLE EAST
Constrained by oil demand and inter-regional tensions

PACIFIC
Equity markets more than offset downward pressure from softer commodity demand

Note: Categorizations of the annual rate of change in regional UHNW population is based on an assessment of historical growth rates. Growth categories are based on increments of 5 percentage points: 0% to 5% for low growth; 5% to 10% for medium growth and 10% and more for strong growth.

Source: Wealth-X
BUOYANT WEALTH EXPANSION IN NORTH AMERICA

North America reinforced its status as the world’s leading ultra wealth region, recording the most dynamic growth in UHNW population and total net worth. The number of ultra wealthy individuals increased by 14.5% from a year earlier to 105,080, equivalent to a 36% share of the global UHNW class. There was an almost identical rise in collective net worth, up 14.4% to $12.4trn.

Amid an increasingly polarized political scene, the main boost to portfolios came from surging equity markets. Sustained policy easing by the US Federal Reserve (the US central bank) propelled regional 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). Late-year sentiment was buoyed further by a provisional US-China agreement on a ‘phase one’ trade deal. More broadly, wealth creation was supported by relatively stable macro-economic conditions in the US and Canada, with solid consumer spending and rising employment contributing to the appreciation of the US dollar over most major currencies.

DOUBLE-DIGIT UHNW GROWTH IN ASIA, DESPITE EMERGING CHALLENGES

Asia consolidated its position ahead of Europe as the second-largest UHNW region, with its population rising by 10.2% to 83,310 individuals. This was a strong turnaround from a decline in 2018, driven by double-digit population growth in the region’s largest wealth markets of China, Japan, Hong Kong and India. Cumulative net worth in Asia expanded by 10% to $10.4trn, equivalent to 29% of global UHNW wealth.

Equity market gains trailed those in the US but were still healthy, with the Shanghai Composite Index ending the year up 22% and Japan’s Nikkei Index 18% higher. Positive stock market returns were welcomed as sentiment in the region was buffeted by trade tensions; a downturn in the global consumer electronics cycle; currency depreciation against the US dollar; and large-scale protests in Hong Kong linked to government plans to amend the territory’s extradition law with mainland China.

MIXED PERFORMANCE AMONG EUROPE’S ULTRA WEALTHY CLASS

Wealth creation among the UHNW population in Europe lagged that of North America and Asia. More challenging economic conditions, currency depreciation against the US dollar and country-specific disruption (such as Brexit in the UK and a slump in the German automotive sector) partially eroded robust equity-market gains. The ultra wealthy population increased by 4.7% to 77,860 individuals, with their combined net worth rising by a slightly stronger 5.8% to $9.2trn.

Policy stimulus from the European Central Bank drove double-digit stock market returns but economic growth slowed to a six-year low as a less supportive external environment weighed on investment and exports. There was a sharply contrasting performance across the region’s largest wealth markets, with growth of the UHNW class and wealth portfolios in France, Switzerland and Russia notably stronger than in Germany and the UK.
ULTRA WEALTH IN THE MIDDLE EAST CONSTRAINED BY OIL DEMAND AND INTERREGIONAL TENSIONS

The Middle East retained its position as the fourth-largest UHNW region in 2019 but the negligible growth of its ultra wealthy population — 0.7% to 9,780 individuals — was the weakest of all the regions. This contrasted with (and was partly a consequence of) its standout performance a year earlier, when it recorded the strongest growth in population. Combined net worth rose by a modest 1.9% to $1.6trn, equivalent to a 4.4% global share. Given the subdued demand for oil through most of 2019, wealth portfolios received limited support from domestic stock markets and local currencies generally weakened against the US dollar. Wealth creation 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.

MODEST RISE IN LATIN AMERICAN UHNW POPULATION BUT STRUCTURAL FLAWS PERSIST

The UHNW population of Latin America and the Caribbean grew by 2.7% to 8,260 individuals. The significant easing of global liquidity conditions offered support to most emerging-market assets, which led to a 3.3% increase in combined net worth to $1.1trn. However, average stock market returns trailed those of their developed-market peers, and overall wealth creation was hindered by subdued commodity markets, challenging economic conditions (most evident in Argentina and Venezuela), elevated political instability in many countries, and the depreciation of most local currencies against the US dollar (the Mexican peso was an exception).

STRONG WEALTH EXPANSION IN AFRICA, OUTPACING RESPECTABLE GAINS IN THE PACIFIC

There was support for ultra wealth creation in the two smallest UHNW regions of the Pacific and particularly Africa, where portfolio effects from currency depreciation against the US dollar were smaller than in most other markets. In both regions, economic growth and double-digit gains (in US dollar terms) in domestic equity markets more than offset downward pressure on wealth holdings from softer commodity demand. The UHNW population of the Pacific — which is largely to be found in Australia — rose by 4.7% to 3,810 individuals, with their combined wealth increasing by a slightly firmer 4.9% to $366bn. There was more dynamic growth in Africa, whose ultra wealthy population expanded by 8.7% to 2,620 individuals. Total net worth in the region rose by 7.3%, to $310bn, equivalent to a 0.9% share of global UHNW wealth.
WEALTH BY TIER

Few in number, the ultra wealthy account for an outsized proportion of wealth

The number of high net worth (HNW) individuals (those with a net worth of more than $1m) amounted to just over 25.1 million people globally in 2019 — and the ultra wealthy comprise an exclusive segment within this much larger group. A breakdown by Wealth-X’s demarcated ‘major’ wealth tiers highlights how wealth is distributed unevenly among the world’s richest individuals.

Almost 90% of all HNW individuals have a net worth of $1m to $5m. Given their sheer number, their combined wealth is also the largest of the three tiers at $41.6trn (accounting for a 40% share of global HNW wealth). Yet exclusivity rises quickly above the $5m threshold. One in every 10 of the world’s millionaire population falls into the very high net worth (VHNW) cohort ($5m to $30m). With $26.5trn in combined net worth, this group accounts for around 26% of global HNW wealth.

The ultra wealthy are rarer still. Representing just 1.2% of the global HNW population, their combined net worth ($35.4trn) accounts for a weighty 34% share, highlighting the enormous stock of wealth held by this relatively small group of individuals.

The annual growth of the wealthy population and combined net worth across the three major wealth tiers was broadly similar in 2019 at around the 10% mark. Those in the ‘lowest’ tier of wealth ($1m to $5m) experienced slightly stronger population growth than the rest, at 10.5%. In addition to being the most ‘accessible’ tier, such individuals’ wealth is less exposed to the ups and downs of global equity markets than the fortunes of people in the higher wealth tiers. This is because their homes, salaries, bonuses and shares in the companies they own or work for account for a substantial proportion of their total net worth (see Asset Allocation, page 31). That said, the similar growth pattern across the major tiers indicates that, despite often contrasting levels of overall net worth, wealth creation is affected by key drivers (such as economic growth and the performance of the stock market) in much the same way.
INEQUALITY AMONG THE ULTRA WEALTHY

Among the ultra wealthy, the distribution of wealth is also uneven. This is highlighted by a comparison of the average (mean) net worth (of $122m) across the UHNW population with the much lower level of median net worth (of $52m). This again shows the propensity for a large share of a cohort’s population to fall within the lower wealth tiers. The two ‘lowest’ UHNW wealth tiers, $30m to $50m and $50m to $100m, account for almost 80% of the global ultra wealthy population but only 33% of their cumulative wealth (at $11.7trn).

Those individuals in the next three tiers up, each with a net worth of between $100m and $1bn, comprise one-fifth of the ultra wealthy population, whereas their share of combined UHNW wealth is twice as large (at 40%). Right at the top of the ultra wealth pyramid, the billionaires represent just 1% of the global UNHW population, yet their holdings of cumulative UHNW wealth amount to a 27% share (a total of $9.4trn).

ULTRA HIGH NET WORTH POPULATION AND WEALTH BY MAJOR WEALTH TIER

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1 Median net worth divides the wealth distribution into two equally sized groups: half of the UHNW population has a total net worth above the median level, the other half below.
### TOP 10 UHNW COUNTRIES

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>2019 population</th>
<th>Year-on-year change (%)</th>
<th>2019 wealth ($bn)</th>
<th>Year-on-year change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>United States</td>
<td>93,790</td>
<td>15.3</td>
<td>11,282</td>
<td>14.7</td>
</tr>
<tr>
<td>2</td>
<td>China</td>
<td>27,755</td>
<td>11.2</td>
<td>4,177</td>
<td>11.0</td>
</tr>
<tr>
<td>3</td>
<td>Japan</td>
<td>19,820</td>
<td>11.0</td>
<td>1,853</td>
<td>10.9</td>
</tr>
<tr>
<td>4</td>
<td>Germany</td>
<td>15,960</td>
<td>1.8</td>
<td>1,892</td>
<td>2.4</td>
</tr>
<tr>
<td>5</td>
<td>Canada</td>
<td>11,285</td>
<td>8.6</td>
<td>1,171</td>
<td>11.3</td>
</tr>
<tr>
<td>6</td>
<td>France</td>
<td>11,000</td>
<td>8.4</td>
<td>1,153</td>
<td>10.2</td>
</tr>
<tr>
<td>7</td>
<td>Hong Kong*</td>
<td>9,955</td>
<td>11.2</td>
<td>1,270</td>
<td>7.6</td>
</tr>
<tr>
<td>8</td>
<td>United Kingdom</td>
<td>9,690</td>
<td>1.2</td>
<td>1,019</td>
<td>1.0</td>
</tr>
<tr>
<td>9</td>
<td>Switzerland</td>
<td>7,200</td>
<td>17.2</td>
<td>944</td>
<td>16.8</td>
</tr>
<tr>
<td>10</td>
<td>India</td>
<td>6,515</td>
<td>11.8</td>
<td>916</td>
<td>13.1</td>
</tr>
</tbody>
</table>

Note: Population numbers are rounded to the nearest 5. Annual changes are measured based on model inputs updated retrospectively and not on previously published figures. For further information about our Wealth and Investable Assets Model, please see the Methodology section.

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

Source: WEALTH-X

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**NOTABLE HIGHLIGHTS**

### THE TOP 10 COUNTRIES ACCOUNTED FOR ALMOST THREE-QUARTERS OF THE GLOBAL UHNW POPULATION (73%) AND THEIR COMBINED WEALTH (72%).

The dominant share of the top 10 underlines that the largest pockets of opportunity for providers that target or cater to the ultra wealthy tend to be found among a key group of markets. Reflecting the overall global picture, all top 10 countries saw a rise in both their UHNW populations and combined wealth in 2019.

### THE TOP TWO COUNTRIES, THE US AND CHINA, WERE HOME TO MORE THAN 40% OF THE GLOBAL ULTRA WEALTHY POPULATION.

The US remains far and away the largest wealth market in the world, while China continues to cement the second-placed position it assumed over Japan in 2014. Both experienced above-average rates of growth in their UHNW populations and combined wealth in 2019, bolstered, in large part, by the exuberant performance of their respective equity markets (the US also benefitted from a stable economy and a strengthening dollar) despite ongoing trade tensions between the two countries.

### JAPAN RECORDED ITS HIGHEST UHNW GROWTH IN A DECADE.

Sluggish economic growth, exchange-rate effects and aging demographics have partly constrained growth of the country’s ultra wealthy population and its combined wealth over the past decade. However, both expanded strongly in 2019 — by around 11% — on the back of a strong performance in the Nikkei stock market and a relative boost from the safe-haven status of the yen.

### INDIA ENTERED THE TOP 10 RANKING FOR THE FIRST TIME.

Reflecting its status as a steadily expanding wealth market, India overtook Italy in 2019 to claim 10th position. The ultra wealthy population of the world’s fifth-largest economy benefited from solid stock market gains, fiscal stimulus and the effects of rapid ongoing urbanization, albeit against a backdrop of slowing economic momentum, social unrest and sluggish structural reform.

### THE UK AND GERMANY EXPERIENCED THE SLOWEST UHNW GROWTH AMONG THE TOP 10 COUNTRIES.

Acute political instability contributed to policy paralysis and sluggish economic growth in the UK, with Brexit-related disruption dampening capital-market returns. In Germany, equity markets were buoyed by monetary stimulus from the European Central Bank, but wealth portfolios in the country’s industrial heartlands were hit hard by the downturn in global trade and across the large automotive sector.
## NOTABLE HIGHLIGHTS

### THE TOP 10 CITIES ACCOUNTED FOR 19.7% OF THE GLOBAL UHNW POPULATION IN 2019.

This was up slightly on the 18.6% share in 2018 — all 10 cities saw their ultra wealthy populations, as well as their combined wealth, increase at a substantial pace in 2019. As the global urbanization trend has continued, the ultra wealthy have congregated increasingly in cities, attracted not only by commercial prospects and talent but also an array of cultural, educational and lifestyle opportunities.

### US CITIES DOMINATE THE TOP 10 RANKING.

Highlighting the elevated level of cumulative UHNW wealth across US metropolitan (metro) areas, six US cities feature in the top 10, while Asia and Europe account for two cities each.

### NEW YORK AND HONG KONG WERE FAR AND AWAY THE TWO LEADING UHNW CITIES.

Together their ultra wealthy populations are more than half the size of the other top eight cities combined. New York remains the pre-eminent city of the wealthy, reflecting its status as a global financial center, the largest regional economy in the US and a global center of luxury consumption and prime real estate. The ultra wealthy in financial-services-dominated Hong Kong were aided by favorable trends in its capital and currency markets. However, ongoing political developments and large-scale unrest — linked to the territory's relationship with mainland China — raise questions over its future status as a premier hub for international business and wealth creation.

### PARIS ECLIPSED LONDON TO TAKE FIFTH PLACE.

With similar-sized UHNW populations of around 4,500, the two cities tend to swap ranks regularly, depending on the performance of specific wealth drivers. Many of France's UHNW class live in the capital or its environs, and ultra wealthy Parisians benefited particularly from large equity market gains — the benchmark CAC 40 index jumped by almost 20% — as the economy performed only modestly. Despite London's UHNW population growing far more strongly than that of the UK as a whole, Brexit disruption was a constraint on returns in the real estate and currency markets.

### NO CHINESE OR GERMAN CITIES FEATURED IN THE TOP 10.

This is surprising given that the two countries are respectively home to the world's second- and fourth-largest UHNW populations, as well as the large commercial hubs of Shanghai (China's largest UHNW city), Beijing and Munich (Germany's largest UHNW city). However, private wealth is more evenly dispersed in urban centers across the two countries than in other leading UHNW markets.

## TOP 10 UHNW CITIES

<table>
<thead>
<tr>
<th>City (metro areas and urban agglomerations) and rank</th>
<th>UHNW population 2019</th>
<th>Year-on-year change in population (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York 1</td>
<td>10,435</td>
<td>+16.2</td>
</tr>
<tr>
<td>Hong Kong* 2</td>
<td>9,950</td>
<td>+11.2</td>
</tr>
<tr>
<td>Tokyo 3</td>
<td>8,150</td>
<td>+10.0</td>
</tr>
<tr>
<td>Los Angeles 4</td>
<td>6,150</td>
<td>+16.1</td>
</tr>
<tr>
<td>Paris 5</td>
<td>4,070</td>
<td>+16.1</td>
</tr>
<tr>
<td>London 6</td>
<td>4,535</td>
<td>+12.4</td>
</tr>
<tr>
<td>Chicago 7</td>
<td>3,890</td>
<td>+16.1</td>
</tr>
<tr>
<td>San Francisco 8</td>
<td>3,410</td>
<td>+16.6</td>
</tr>
<tr>
<td>Washington, DC 9</td>
<td>3,230</td>
<td>+16.0</td>
</tr>
<tr>
<td>Dallas 10</td>
<td>3,165</td>
<td>+17.0</td>
</tr>
</tbody>
</table>

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

Note: Population numbers are rounded to the nearest 5. Cities are defined on the basis of urban agglomerations and metropolitan (metro) areas, which include the built-up areas outside the administrative core. For example, New York includes New York City, Newark and Jersey City. Globally comparable city-level data is not available, as such, to ensure comparability is as precise as possible, we have sourced consistent metro- and urban-level population and GDP data. City definitions are from Oxford Economics. Major cities are determined on a nominal GDP basis in $. Annual changes are measured based on model inputs updated retrospectively and not on previously published figures. For further information about our Wealth and Investable Assets Model, please see the Methodology section.

Sources: Wealth-X; Oxford Economics

**SIX US CITIES** feature in the top 10, while Asia and Europe account for two cities each.
THE IMPACT OF THE COVID-19 PANDEMIC

The global spread of Covid-19 in early 2020 has made a considerable impact on the ultra wealthy. The introduction in many countries of fairly stringent lockdown restrictions, social distancing measures and travel bans had a huge effect on the global economy, bringing to an immediate halt the essentially unbroken upward trend in the global growth of the ultra wealthy over the past decade.

Aside from feeling increasingly anxious about the health and well-being of their families and friends, many of the ultra wealthy will also be concerned about the resilience of their financial holdings and businesses, given the continuing uncertainty over the path of the virus, different countries’ policy responses and the subsequent effects on economies, consumer and business behavior, and on society generally.

Wealth can be volatile — particularly among the ultra wealthy

How the ultra wealthy’s fortunes have fared so far in 2020 has been determined, in part, by the composition of their wealth holdings. Private and public holdings account for most of the ultra wealthy’s assets (56% — see Asset allocation, page 31), a much higher proportion than for those with lower levels of wealth. This reflects such individuals’ tendency to either own or operate a business (or part of one) and to invest widely in public companies as part of wealth planning and protection strategies.

With economies and many businesses struggling and stock markets continuing to gyrate, UHNW wealth has shown substantial volatility over the course of 2020 so far, with most of the ultra wealthy having experienced overall declines in their fortunes.

WHAT DRIVES THE GROWTH OR CONTRACTION OF ULTRA WEALTH?

A multitude of factors influence the size of a country’s ultra wealthy population, its respective wealth and how that wealth is distributed over time. These include the quality of institutions, tax and trade policy and the level of entrepreneurship, among others. These factors shape the size of a country’s economy, the value of its stock market(s) and the strength of its exchange rate — all of which are leveraged in our Wealth and Investable Assets Model\(^2\) to measure wealth by country.

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1 See the Methodology section for further details.

2 See the Methodology section for further details.
ULTRA WEALTH LEVELS DOWN BY ALMOST 30% IN Q1 2020

The ‘sudden stop’ to large parts of the global economy, a slump in financial markets and sharply heightened consumer, business and investor caution resulted in an 18% decline in the UHNW population over the first three months of 2020. At the end of March, the ultra wealthy class totaled 238,060 individuals, a drop of almost 53,000 from its level at the end of 2019.

The hit to UHNW wealth was more severe, with collective net worth plunging by 28% to $25.4trn, down from $35.4trn at the end of 2019. This was the equivalent of virtually the entire UHNW wealth stock in Asia being wiped out over the space of three months. The nature of the crisis meant that almost all asset classes suffered — but the main channel of wealth loss was via the stock market as investors made a huge ‘flight to safety’. At the end of March, the MSCI World Equity Index was down by 21% (in dollar terms) from its end-2019 level, with a number of major stock markets booking losses of more than 30%.

A VERY DEEP DOWNTURN BUT SHORTER THAN A ‘TYPICAL’ RECESSION

The initial declines in capital markets, economic output and ultra wealth levels were dramatic. However, these were primarily the result of an abrupt shutdown of numerous economies and a spike in uncertainty, as opposed to a financially or economically driven crisis or cyclical downturn. Unlike in ‘typical’ recessions, the bulk of the damage to wealth holdings from the pandemic will most likely have been front-loaded.

This is not to downplay the continued risks over the path of the coronavirus and the likely ‘scarring’ effects that are expected to emerge, such as business failures and higher unemployment. However, as the global economy rebounded in the second and third quarters of 2020 from its temporary cessation of activity, helped by extensive stimulus and support programs, there was a broad bounce-back in financial markets and renewed opportunities for wealth creation as economies reopened. We estimate that at the end of August, the global UHNW population totaled 280,670 individuals, an increase of 18% from its low at the end of March but still 3% below its end-2019 level.

Aided by a strong liquidity-driven recovery in equity markets between June and August, a firming of commodity demand and pent-up consumer spending, the combined net worth of the global UHNW population expanded by a faster 27% from its end-March level to stand at $32.2trn at the end of August. Reflecting the scale of the earlier collapse, this was, however, still 9% lower than at the end of 2019.
PERFORMANCE BY REGION — A VARIED STORY

Just as there were significant regional differences in the growth of ultra wealth in 2019, the impact of the Covid-19 crisis on UHNW populations and cumulative wealth across the global economy vary widely, both in terms of the initial damage and as lockdown measures were eased. This will have reflected a range of factors at country level, such as the duration and severity of lockdown measures; the quality of healthcare provision and testing procedures; the scale of fiscal and monetary support; the structure of national economies (given the huge disparity in the effects on different sectors); the performance of domestic capital markets; the levels of digitization and online penetration; and the general competence of national governments in responding to the public health crisis.

Global ultra wealth was down 28% on 2019 levels by the end of March

North America recorded a much sharper fall in its UHNW population than Asia...

In the early stages of the global pandemic, the regions of North America and the Pacific suffered the largest relative declines in their UHNW populations, both recording falls of 23% over the first three months of 2020. In the case of North America, the number of ultra wealthy individuals slumped by almost 24,000 from its end-2019 level. This contrasted with more modest falls of 13% in the UHNW population of Asia — the region first affected by Covid-19 — and 10% in the Middle East. On the whole, both regions were reasonably successful in containing initial outbreaks of the virus through a combination of national lockdowns, travel restrictions and large-scale testing.

... but, of all regions, Asia suffered the largest decline in combined ultra wealth

A somewhat different picture emerges, however, when examining the changes to cumulative UHNW wealth. Over the first quarter of 2020, the largest decline — 31% — was recorded in Asia, implying a substantial fall in average net worth among the region’s UHNW population. This reflects, in part, the earlier implementation of lockdown measures and the hit to economic activity compared with other regions. There were also significant losses across ultra wealth portfolios in North America (down 29% on the end-2019 level) and Europe (down 28%), driven by sharp declines in equity markets (more so than in parts of Asia) and a sudden pull-back in household spending in the regions’ mature, consumption-driven economies. There were less severe falls of 20% in the Middle East, despite oil prices sliding to a multi-decade low, and 18% in Latin America and the Caribbean.

The FIRST THREE MONTHS OF 2020 saw a dramatic loss of UHNW wealth.
The impact of the COVID-19 pandemic

UHNW population and wealth

- **Population**: 2019 (% change year on year) - End-March 2020 (% change from end-2019) - End-August 2020 (% change from end-2019)

- **World**: 2019: 0%, End-March 2020: -10%, End-August 2020: -3%.
- **Asia**: 2019: 0%, End-March 2020: -13%, End-August 2020: -1%.
- **North America**: 2019: 0%, End-March 2020: -10%, End-August 2020: -11%.
- **Europe**: 2019: 0%, End-March 2020: -19%, End-August 2020: -10%.
- **Latin America and the Caribbean**: 2019: 0%, End-March 2020: -18%, End-August 2020: -9%.
- **Pacific**: 2019: 0%, End-March 2020: -23%, End-August 2020: -11%.

- **Wealth**: 2019 (% change year on year) - End-March 2020 (% change from end-2019) - End-August 2020 (% change from end-2019)

- **Asia**: 2019: 0%, End-March 2020: -28%, End-August 2020: -10%.
- **Europe**: 2019: 0%, End-March 2020: -13%, End-August 2020: -10%.
- **Latin America and the Caribbean**: 2019: 0%, End-March 2020: -18%, End-August 2020: -21%.
- **Pacific**: 2019: 0%, End-March 2020: -20%, End-August 2020: -21%.

Source: Wealth-X
By the end of August, global wealth had recovered to -9% against 2019 levels and -3% for the UHNW population

UHNW populations of North America and Asia are almost back to end-2019 levels but progress is slower elsewhere

Between the end of March and the end of August North America recorded much stronger growth in its UHNW population than all other regions. A rise of 29% over the five-month period compared with average global growth of 18%. This lifted the number of ultra wealthy individuals in the region to 104,440, only just below its level at the end of 2019. Having experienced a smaller initial decline, Asia also recouped almost all of its lost ground, with its end-August UHNW population of 82,660 individuals just 1% lower than it was at the end of 2019.

There was a broadly similar development in Africa (2% lower) but the bounce-back was more limited in the regions of Europe, Latin America and the Caribbean and the Pacific, whose respective UHNW populations at the end of August remained around 10% smaller than they were at the end of 2019.

Strong rebound in North American ultra wealth holdings; weaker in Asia, Europe and Pacific

Growth of the combined net worth of the UHNW class in North America also significantly outpaced that of other regions. At the end of August, ultra wealth holdings had increased by 37% on the end-March level (compared with average global growth of 27%). Despite this impressive turnaround, combined net worth was still 3% lower than at the end of 2019, although this marked a better performance than other regions. The next-best performer was Africa, where UHNW portfolios recovered to 4% below their end-2019 level.

In contrast, ultra wealth holdings in Asia, Europe and the Pacific were still down by a sizeable 13%. Asia registered the second-strongest wealth gains in the April-August period, but had more ground to make up after sharp earlier losses. Having recorded the smallest relative falls in combined net worth during the initial crisis period to March, the Middle East and Latin America and the Caribbean charted the weakest growth in ultra wealth holdings in the subsequent five months to August. This suggests they experienced less volatility than other regions but had fewer wealth-creation opportunities over recent months.

Despite a recovery since March, most ultra wealthy have experienced OVERALL DECLINES IN THEIR FORTUNES OVER 2020 (so far).
UHNW POPULATION AND WEALTH BY REGION IN 2019 AND 2020 SO FAR

NUMBER OF UHNW INDIVIDUALS

<table>
<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>End-March 2020</th>
<th>End-August 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>310</td>
<td>244</td>
<td>297</td>
</tr>
<tr>
<td>Asia</td>
<td>10,427</td>
<td>7,228</td>
<td>9,111</td>
</tr>
<tr>
<td>Europe</td>
<td>9,189</td>
<td>6,661</td>
<td>7,959</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>1,126</td>
<td>924</td>
<td>1,018</td>
</tr>
<tr>
<td>Middle East</td>
<td>1,553</td>
<td>1,242</td>
<td>1,406</td>
</tr>
<tr>
<td>North America</td>
<td>12,453</td>
<td>8,837</td>
<td>12,128</td>
</tr>
<tr>
<td>Pacific</td>
<td>366</td>
<td>273</td>
<td>320</td>
</tr>
<tr>
<td>World</td>
<td>35,424</td>
<td>25,409</td>
<td>32,240</td>
</tr>
</tbody>
</table>

TOTAL WEALTH ($BN)

<table>
<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>End-March 2020</th>
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<tr>
<td>World</td>
<td>35,424</td>
<td>25,409</td>
<td>32,240</td>
</tr>
</tbody>
</table>

Note: The size of the individual corresponds roughly to the region’s relative UHNW population at end-August 2020. Population numbers are rounded to the nearest 10.

Source: Wealth-X
BEST AND WORST COUNTRY PERFORMANCES

So far, the numbers of ultra wealthy individuals in Denmark and China have been the least affected

Drilling down to country level reveals even larger variations in the development of ultra wealthy populations and their combined net worth since the beginning of the pandemic.

The list of best-performing countries is headed by Denmark, which at the end of August had recorded increases of more than 4% in its (modest) UHNW population and its collective wealth, compared with end-2019 levels. Lockdown and social-distancing restrictions were imposed earlier and were of a shorter duration than in most peer economies, and were accompanied by extensive official support measures. The structure of the Danish economy also contributed to a less severe economic hit and a stronger recent equity market performance than many other markets.

Second on the list is China, where unprecedented lockdown measures after the original outbreak, and subsequent local prevention and control measures, were reasonably successful in combating the virus. This provided scope for a faster and more expansive reopening of the economy than in most other countries. At the end of August its large UHNW population and its combined net worth were around 4% higher than at the end of 2019, despite relatively limited fiscal and monetary policy support.

Other countries to record year-to-date gains in their UHNW populations and collective wealth are Taiwan and South Korea, which were both among the best global performers in terms of their containment of the virus at the outset of the pandemic, achieved primarily by mass testing, contact tracing and specifically targeted quarantine measures.

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10 BEST PERFORMING UHNW COUNTRIES BY POPULATION AS OF END-AUGUST 2020
% growth/decline on end-2019

<table>
<thead>
<tr>
<th>Country</th>
<th>Population</th>
<th>Wealth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>4.7%</td>
<td>4.3%</td>
</tr>
<tr>
<td>China</td>
<td>4.2%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Taiwan</td>
<td>3.0%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Russia</td>
<td>2.5%</td>
<td>3.1%</td>
</tr>
<tr>
<td>South Korea</td>
<td>2.3%</td>
<td>2.7%</td>
</tr>
<tr>
<td>United States</td>
<td>0.0%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>-7.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>India</td>
<td>-4.0%</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>-4.3%</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>-10.0%</td>
<td>-2.8%</td>
</tr>
</tbody>
</table>

Source: Wealth-X
The UHNW populations of the UK and Spain declined the most up to the end of August

At the other end of the scale, western European nations dominate the list of worst-performing UHNW countries. The UK is at the very bottom, having experienced a 17% fall in its ultra wealthy population and a 20% slump in collective net worth. Against the backdrop of an economy weakened by Brexit, lockdown measures were enacted later and for longer than in most peer economies.

Spain, Austria, France, Belgium and Italy also registered double-digit falls in their respective UHNW populations and combined net worth over the first eight months of 2020, highlighting the extensive damage to European wealth and capital markets wreaked by the pandemic. Of these countries, Spain recorded the largest drop in its UHNW population (16%), while the biggest ultra wealth losses occurred in Italy (down 21%). Both countries were hit hard by the virus initially, despite relatively strict lockdowns and extensive support measures. High reliance on the badly hit tourism and hospitality sectors has also been a reason for the sluggish economic rebound and equity-market underperformance.

Outside Europe, the worst-performing UHNW countries are Israel, which in early September announced a second nationwide lockdown amid a renewed spike in infections, and Australia, where asset holdings have been hit by the effects of an extended lockdown in the large state of Victoria, reduced demand from China and additional disruption caused by major bushfires.
PRIORITIES IN THE NEAR TERM

Uncertainty to remain a constant

With no sign of containment of the coronavirus on a global scale, each country has found itself in a unique position, with differing policy prescriptions and infection rates. Great uncertainty persists over the path of the virus, the arrival of a potential vaccine and the likely duration of containment measures. As a result, the knock-on effects on the political, economic and financial outlook at a global, regional and sectoral level also remain unknown. Here we take a look at the near-term challenges to wealth creation (and preservation) and what this is likely to mean for the ultra wealthy.

SHORING UP BUSINESSES. The pandemic has affected a huge number of businesses, particularly those in sectors affected by social distancing, such as aviation, travel, hospitality, entertainment and sport. Many ultra wealthy individuals are at the helm of businesses (as owners and/or senior executives) and so will be continuing to focus on implementing the best strategy to ensure their survival and strengthen their resilience.

REVIEWING WEALTH HOLDINGS. The ultra wealthy’s wealth holdings comprise their business(es), investments, savings and their homes and luxury assets. These holdings also reflect their wealth and philanthropic plans for the future. With equity markets highly volatile, many sectors struggling from weakened demand and certain sectors potentially facing a structural realignment, these individuals may be considering making changes (or may have already made them) such as further diversifying their investments and wealth portfolio or shoring up their precautionary savings.

A CHANGING DEMAND FOR SERVICES. The pandemic has brought about a shift in the ultra wealthy’s preferences for goods and services. In contrast to much of the general population, the ultra wealthy have largely continued to spend on luxury during 2020, with the difference that many services are increasingly being offered and consumed in their own homes. There has also been a re-prioritization of safety, security and well-being. Real-estate agents are seeing demand spiral for high-end properties that are closer to nature and offer a greater sense of protection, while interest has grown in securing additional passports for, or residency of, countries considered more secure.

TAKING ADVANTAGE OF NEW OPPORTUNITIES. Despite the uncertain environment, the ultra wealthy will also remain on the lookout for new commercial opportunities. The pandemic has brought with it significant changes in working patterns and consumer behavior. Sharply increased government spending and expanded public-sector involvement in economies around the world offer new outsourcing channels in many areas of public service provision. There will be significant opportunities in the digital space — as tech and online consumption continue to gain in importance — as well as gains to be made from the pharmaceuticals sector, among others.

3 Financial Times.
What are the defining features of ultra wealthy individuals as a group? In this section we examine a variety of characteristics: wealth source, gender, age, industry focus and asset holdings. While many UHNW individuals share common traits, we find that there are also substantial differences among the ultra wealthy class at a country level as well as according to gender, age and more. The theme that emerges is that when prospecting for, targeting and engaging with the ultra wealthy, it is essential not only to understand them in the context of their own peer group but also as individuals.

### SOURCE OF WEALTH

- **Already dominant, self-made wealth continues to gain in importance**

  Continuing the upward trend of the past decade, the share of UHNW individuals who created their own wealth (the ‘self-made’) increased in 2019 to almost 72% of the global ultra wealthy population. This continued rise reflects changes in the global economic landscape, including the substantial expansion of opportunities for private enterprise in emerging markets; large increases in female labor force participation and entrepreneurship; the expanding role of global central banks in driving capital market behavior; and advances in technology that have enabled a new generation of wealth gains to be made relatively quickly.

  Still, the role of inheritance in obtaining wealth at this elevated level continues to be, and will remain, significant. The largest ever intergenerational transfer of wealth is now taking place among the global ultra wealthy, including substantial handovers in emerging markets, such as China, happening largely for the first time. Those with a combination of inherited and self-created wealth account for a fifth of all UHNW individuals, a reminder that an initial injection of inherited capital can make a significant difference to later-stage opportunities for wealth generation.
Wealth source has an influence on an individual's primary industry

While each ultra wealthy individual has values, preferences and an outlook that make them unique, we find that the source of wealth does have a bearing on the primary industries of this population. As most ultra wealthy people are self-made, their most common primary industries are similar to those of the overall UHNW population. Banking and finance dominates, pointing to the significant role financial services has played in generating overall wealth in recent decades. Business and consumer services and real estate follow, bolstered by the continued commercial opportunities offered by the growing middle class in emerging markets (although Covid-19 brought a hiatus), urbanization, digitization (in relation to the former) and, more recently, the persistent low interest rate environment (in relation to real estate). Interestingly, technology features in the top five wealth sources among the self-made but not among the general UHNW population, suggesting companies in this sector tend to require more innovation than capital to get off the ground.

<table>
<thead>
<tr>
<th>TOP PRIMARY INDUSTRIES BY SOURCE OF WEALTH (% OF POPULATION)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General UHNW population</td>
</tr>
<tr>
<td><strong>SELF-MADE</strong></td>
</tr>
<tr>
<td>Banking and finance</td>
</tr>
<tr>
<td>Business and consumer services</td>
</tr>
<tr>
<td>Real estate</td>
</tr>
<tr>
<td>Technology</td>
</tr>
<tr>
<td>Hospitality and entertainment</td>
</tr>
<tr>
<td><strong>INHERITED/SELF-MADE</strong></td>
</tr>
<tr>
<td>Banking and finance</td>
</tr>
<tr>
<td>Industrial conglomerates</td>
</tr>
<tr>
<td>Business and consumer services</td>
</tr>
<tr>
<td>Food and beverages</td>
</tr>
<tr>
<td>Real estate</td>
</tr>
<tr>
<td><strong>INHERITED</strong></td>
</tr>
<tr>
<td>Non-profit and social organizations</td>
</tr>
<tr>
<td>Banking and finance</td>
</tr>
<tr>
<td>Business and consumer services</td>
</tr>
<tr>
<td>Real estate</td>
</tr>
<tr>
<td>Manufacturing</td>
</tr>
</tbody>
</table>

Note: Primary industry refers to the industry to which the ultra wealthy 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
A major difference between the self-made and those with inherited wealth is the importance the latter place on non-profit and social organizations as their primary industry. A fifth of all heirs to wealth spend the bulk of their time working in the not-for-profit sector, compared with just 6% of the general ultra wealthy. With less of a financial need to create or grow their own businesses or advance their careers, some prefer to focus on substantial philanthropic activities from a younger age than those in the self-made population. However, four-fifths of this group of inheritors are active in for-profit sectors, with banking and finance, and business and consumer services also commonplace.

For those whose net worth stems from a combination of inherited and self-made wealth, industrial conglomerates have a higher representation than among the general ultra wealthy. Quite a few of these companies start out as family-owned enterprises, particularly within emerging markets, with a number of family members continuing to be involved as the company expands across sectors. In addition, real estate is slightly more favored among this group than the other two sectors, a nod to its general popularity as an investment involving financial, emotional and lifestyle components.

GENDER

Women account for just a 10th of the ultra wealthy class, although this share is rising gradually

The global UHNW population is heavily male dominated, with women accounting for just 10% of the ultra wealthy class. Still, there has been a slight increase in the share of UHNW women since 2014. Below the age of 50, female representation is a few percentage points higher than the average. This is a reflection of changing cultural attitudes and growth in female entrepreneurship, as well as ongoing wealth transfers between generations. However, given that the average UHNW individual is aged in their 60s, it is likely to be some time before a significant shift is discernible.

WOMEN AS A PROPORTION OF THE UHNW POPULATION

Note. Our data on gender has been updated and previous reports are no longer comparable. This is due to our database having better coverage and integrating different techniques including stratified sampling.

Source: Wealth-X 2020

Which countries perform best on gender balance at the ultra wealth level? No region stands out, with Latin America, Asia and Europe all represented. Because wealth usually takes decades to be created (or inherited), the distribution at the ultra wealthy level bears little resemblance to gender balance among the general population. Just as important a consideration is the small number of individuals under analysis — Peru, Vietnam and Austria, for instance, each have fewer than 1,000 ultra wealthy individuals in total.

**TOP 5 COUNTRIES BY INTRA-COUNTRY UHNW FEMALE POPULATION (%)**

- **Peru**: 22.1%
- **Thailand**: 20.9%
- **Vietnam**: 20.8%
- **Austria**: 19.3%
- **Spain**: 15.9%

Source: Wealth-X 2020

**AGE**

*With an average age of 63, it takes time to create and accrue this level of wealth*

A constant in most countries and markets — albeit with a few exceptions, notably in the fast-moving technology sector — is that it takes time to create and/or accumulate wealth. Amassing a net worth of more than $30m usually takes the best part of a professional career, indicated by the average age of the global UHNW population — 63.

It takes years, often decades, to build a profitable company worth millions of dollars, even with the help of sufficient start-up capital or an established business that is already up and running.

Well over half of the ultra wealthy population is aged between 50 and 70, whereas just 12% are under the age of 50 (and a mere 1.2% is under 35). The minority of individuals whose wealth stems purely from inheritance (7.7%) are more highly represented among the under-50s yet they remain a small proportion. Almost a third of the ultra wealthy class is over 70. Many remain active in their business activities (Warren Buffett is a high-profile example) to varying degrees, while there is a clear shift to spending a larger proportion of their time on philanthropic initiatives.

Note: The total may not add up to 100% as a result of rounding.
Source: Wealth-X 2020
Yet age does show some variation by region, reflecting the diverse factors that can influence the creation and preservation of wealth, including culture, history, attitudes to family enterprise and the economic circumstances of a country/region.

With an average age of around 60, the ultra wealthy in the Middle East and Asia tend to be quite a few years younger than their counterparts in other regions. Wealth creation in these two regions has been relatively recent. Sustained reforms to diversify and integrate the Middle East’s economy into the global one took place after the 1970s oil boom and OPEC embargo. Rapid economic expansion, urbanization and growth of the middle class across Asia since the 1980s has hugely expanded opportunities for private enterprise among the region’s youthful population, driven by the rapid evolution of sectors such as real estate and technology.

Ultra wealthy individuals in North America and Latin America are among the oldest, on average. This fact arises from the maturity of key regional wealth markets; underlying regional demographics; a long-standing focus on specific industries (such as banking and finance, and retail); and a comparatively high share of multi-generation businesses. Europe straddles the two with a combination of a long-established culture of commercial enterprise (and many family-held businesses of global renown) and countries that are newer to private enterprise since the collapse of the Soviet Union in the early 1990s.

### AGE BY REGION

Note: The total may not add up to 100% as a result of rounding.
Source: Wealth-X 2020
ASSET ALLOCATION

Private and public holdings account for most of the ultra wealthy’s assets

With their substantial wealth holdings, the ultra wealthy have their own distinct wants and needs — and this is reflected in their asset allocation. In common with their less wealthy counterparts, liquid assets (cash, income and dividends) account for the largest share of combined UHNW wealth. With just shy of half of these individuals occupying the lowest UHNW wealth bracket of $30m to $50m, salaries, bonuses and shares in the companies they own or work in still account for a significant slice of their wealth. In addition, given the increasingly volatile geopolitical environment and a more challenging ‘search for yield’ provided by ultra-low interest rates, flexibility is now a wealth management priority. As a result, precautionary savings and readily available funds for unexpected investment opportunities also comprise a major part of these liquid assets.

At a third of all assets, private holdings account for the next largest segment. With the vast majority of ultra wealthy people being self-made, most tend to be business owners in one way or another. In recent years, there has also been a notable increase in the wealthy’s appetite to invest directly in early-stage private companies. Public holdings, such as stock-market-listed equities, account for over a fifth of their wealth holdings, reflecting this group’s wealth transfer and planning activities, which usually involve diversifying their assets away from their main business(es).

At 6% of UHNW wealth holdings, real estate and luxury assets may be the smallest component of their asset portfolios but these play an important role in the lives of the ultra wealthy. Most ultra wealthy individuals have at least one holiday home in addition to their main residence, and many prize the luxury goods they have acquired over the years, which can include fine art, luxury cars, yachts, private jets, fine wines and jewelry.

Note: The total may not add up to 100% as a result of rounding. Source: Wealth-X 2020

These assets comprise a significantly larger proportion of the wealth holdings of those in lower wealth tiers.
METHODOLOGY

To size the ultra wealthy population and its combined wealth, we use our proprietary Wealth and Investable Assets Model. This model produces statistically significant estimates for total private wealth and estimates the size of the population by level of wealth and investable assets for the world and each of the top 75 economies, which account for 98% of world GDP.

We use a two-step process. First, to estimate total private wealth, we use econometric techniques that incorporate a large number of national variables, such as stock market values, GDP, tax rates, income levels and savings from sources such as the World Bank, International Monetary Fund, Organization for Economic Cooperation and Development and national statistics authorities. Second, we estimate wealth distribution across each country’s population. Owing to a lack of wealth distribution data, most wealth models estimate wealth distribution patterns using income distribution data.

Wealth-X’s proprietary database of hundreds of thousands of records on the world’s wealthiest individuals enables us to construct wealth distribution patterns using real, rather than implied, wealth distributions, making the model more reliable. We then use the resulting Lorenz curves to distribute the net wealth of a country across its population. The database is also used to construct investable asset distribution patterns across each country’s population. The model uses residency as the determinant of an individual’s location.

Our model also estimates population, wealth and investable assets for the world’s major cities as ranked by nominal GDP in $. These cities are defined on the basis of urban agglomerations (UAs) and metropolitan (metro) areas, which include the built-up areas outside the administrative core. We find that metro and urban areas are closer to self-contained entities compared with city administrative cores (city proper) because more residents are likely to work and spend within the metro/UA boundaries. Globally comparable city-level data is not available so, to ensure comparability is as precise as possible, we have sourced all metro- and urban-level population and GDP data from Oxford Economics.

To profile the ultra wealthy in greater depth, this report leverages the unique and proprietary Wealth-X Database, the world’s most extensive collection of curated research and intelligence on wealthy individuals. 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. The database uses the primary business address as the determinant of a wealthy individual’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. Leveraging the Wealth-X Database and its own data models, Wealth-X Analytics provides customizable data assets tailored to your organization’s needs. Wealth-X Analytics is uniquely positioned to provide market-level data and analysis to 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, email us at 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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