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The size of the global ultra high net worth (UHNW) population rose by 1.7% in 2020 to 295,450 individuals.

This was a resilient performance amid the huge disruption of the Covid-19 pandemic, volatile capital markets and the deepest contraction in world economic output for a generation.

For a second consecutive year, the best-performing regions were the two largest wealth hubs of North America and Asia. Elsewhere it was a very different story, with the other five regions all posting declines.

Among the top 10 UHNW countries, the US, China and Japan were the only ones to perform strongly in 2020.

Apart from Switzerland, all others registered falls in their UHNW populations. India maintained its 10th-placed ranking.

San Jose (California) has the highest density of UHNW individuals, with one UHNW individual for every 727 city residents. Three Swiss cities — Basel, Geneva and Zurich — also rank highly for UHNW density, along with Hong Kong.

UHNW individuals with inherited fortunes have a greater interest in philanthropy and art. Technology ranks in the top five interests only among the self-made. Across all three wealth source groupings there is a strong interest in sports, philanthropy and the outdoors.

The fortunes of those UHNW individuals attached to business and consumer services grew by 0.8% in 2020, the fastest growing among the top five primary industries.

The fortunes of the under-50s, the youngest and smallest UHNW cohort, grew by the largest margin. In contrast to the general population, there was a negligible difference in UHNW wealth impact by gender in 2020.
INTRODUCTION

The Wealth-X World Ultra Wealth Report 2021, the ninth edition in this series, provides an in-depth analysis of the ultra high net worth (UHNW) population — an exclusive group of wealthy individuals located across the globe, each with $30m or more in net worth.

In a year of dramatic upheaval and polarizing trends in wealth generation, we first explore the distribution of wealth among the global rich\(^1\), providing context that highlights the considerable influence of the UHNW class. We then examine in more detail the global UHNW population and its wealth in 2020, set amid the huge disruption of the Covid-19 pandemic, volatile capital markets, a surge in digitalization and the deepest contraction in world economic output for a generation. We analyze general wealth drivers, regional trends and rankings of the leading UHNW countries and cities.

Just as UHNW wealth performance varied markedly by region and country, so the pandemic and the accompanying economic and social turmoil made differing impacts upon each UHNW individual’s private wealth. We assess how net worth of the ultra wealthy fared in 2020 based upon individuals’ gender, primary industry and age.

We then broaden our profile of the global UHNW population by exploring a range of characteristics that include wealth source, asset holdings, gender, age, industry focus, and interests and hobbies. While members of the global UHNW population share a number of defining traits, we also highlight the key differences and noteworthy trends among the ultra rich.

The Wealth-X World Ultra Wealth Report 2021 offers unrivaled insight into this select 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.

KEY DEFINITIONS

**Very high net worth (VHNW) individuals**
Those with a net worth of $5m-$30m.

**Ultra high net worth (UHNW) individuals**
Those with a net worth of $30m+ (also referred to as the ‘ultra wealthy’).

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\(^1\) Wealth-X’s demarcated ‘major’ wealth tiers, in ascending order of wealth, are: people with $1m to $5m in net worth; the very high net worth population with $5m to $30m; and the ultra wealthy (which includes billionaires) with $30m and more.
A WEALTH TIER OF ULTRA IMPORTANCE

The ultra wealthy hold an outsized proportion of wealth

In 2020 there were 25.8 million high net worth (HNW) individuals, each with a net worth of more than $1m — the ultra wealthy comprise an exclusive segment within this much larger group. A breakdown of the HNW population by major wealth tier highlights the extent to which global wealth is distributed unevenly among the world’s richest people.

Almost 90% of all HNW individuals have a net worth of $1m to $5m. Given their considerable number, the combined wealth of this group is the largest of the three major tiers, at $42.7trn (equivalent to a 41% share of global HNW wealth). Yet exclusivity rises quickly above the $5m threshold, as does average net worth. One in every 10 of the world’s millionaire population is classed as a very high net worth (VHNW) individual, with between $5m and $30m in personal wealth. With $27.1trn in combined net worth, this tier accounts for 26% of global HNW wealth.

The third major wealth tier comprises the much smaller cohort of ultra high net worth (UHNW) individuals, each with private wealth in excess of $30m. Representing just 1.2% of the world’s HNW population, their combined net worth of $35.5trn accounts for a substantial 34% share, underlining the huge stock of global wealth held by this select group of around 300,000 individuals.

The share of population and combined net worth has remained very stable

Our records (dating back to 2004) show that the ultra wealthy have accounted for a remarkably stable share of the global HNW population and its combined net worth over the past two decades. The share of the ultra wealthy population has remained unchanged at 1.2%, while the proportion of total HNW wealth held by the UHNW class has varied only slightly within a 33-35% range. Similar year-on-year percentage changes in population size and combined wealth across all three major tiers indicate that, despite often contrasting levels of overall net worth, wealth creation tends to be influenced by key drivers (such as economic growth and the performance of capital markets) in much the same way.

An exception to this trend has been developments in the most exclusive sphere of billionaire wealth, which has increased substantially as a share of overall UHNW wealth, while the number of billionaires as a proportion of the ultra wealthy population has remained largely stable.²

² The rising share of billionaire wealth will be studied in more detail in our forthcoming Billionaire Census 2021.

The ultra wealthy represent just 1.2% of the world’s HNW population, yet their combined net worth accounts for a weighty 34%
Almost half of the UHNW class has a net worth of $30m to $50m — the lowest of the six UHNW wealth tiers

The uneven distribution of global wealth is evident at all levels of society and across all wealth tiers, and is just as evident among the UHNW population. With a median net worth per individual of $52m$, the two ‘lowest’ UHNW wealth tiers — of $30m-$50m and $50m-$100m — account for almost 80% of the global ultra wealthy population but only 33% of their cumulative wealth (at $11.6trn). This again shows the propensity for a large share of a cohort’s population to fall within the lower wealth tiers.

Those individuals in the next three higher tiers, each with a net worth of between $100m and $1bn, comprise a fifth of the ultra wealthy population, whereas their share of UHNW wealth is twice as large (at 41%). Right at the top of the ultra wealth pyramid, the billionaire class represents just 0.9% of the global UHNW population yet it holds a 27% share (a total of $9.5trn) of total UHNW wealth.

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$52m

The median net worth per UHNW individual

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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. In this case, the median has been used as opposed to the mean (or average) because of the outsized wealth of billionaires, which skews the average wealth.
Resilience in a tumultuous year

The size of the global ultra high net worth (UHNW) population — individuals with a net worth above $30m — rose by 1.7% in 2020 to 295,450 individuals. This was a much slower pace of expansion than near double-digit growth a year earlier, and masked large regional and sectoral differences, but was a resilient performance nonetheless amid the upheaval of the Covid-19 pandemic — national lockdowns, international travel bans, trade disruption and the deepest contraction in world economic output for a generation.

Huge monetary stimulus from global central banks and expansive government intervention drove a strong rally in financial markets after an initial pandemic-driven slump. With late-year vaccine progress also bolstering investor sentiment and ‘risk-on’ assets, almost all major stock market indices posted healthy annual returns. Overall, the combined net worth of the UHNW population in 2020 increased by 2% to $35.5trn.

On a different path

This expansion of ultra wealth in a period of intense economic turmoil, widespread unemployment and falling incomes for many non-wealthy individuals underlined the polarizing effects of the pandemic across society. The extent to which the ultra wealthy were able to weather the storm (and, in some cases, significantly expand their fortunes) in one sense augers well for future wealth-creation prospects. However, it will also raise more questions over widening wealth inequality and could spur more concerted redistributive policy efforts in areas such as tax and regulation.

GROWTH OF THE WORLD’S ULTRA WEALTHY POPULATION

Sources: Wealth-X, International Monetary Fund World Economic Outlook – April 2021
Polarizing fortunes for regional wealth

Ultra wealth gains may have accrued at a global level, but there were significant regional variations in UHNW performance in 2020, reflecting contrasting outcomes in terms of public health, economic disruption, policy intervention, asset values and vaccine progress around the world. For a second consecutive year, the best-performing regions were the two largest wealth hubs of North America and Asia, which recorded solid growth of their UHNW populations and collective net worth (following dynamic wealth creation in 2019). Elsewhere it was a very different story, with the other five regions all posting declines. Ultra wealth in Africa held up fairly well, whereas the Pacific, Europe and the Middle East all registered sizeable falls that largely erased the previous year’s gains. The worst-performing region by far was Latin America and the Caribbean, whose UHNW population and collective net worth slumped by almost a quarter.

The flood of financial-market liquidity and the accelerated adoption of new technologies in response to the pandemic were key drivers of this diverse regional picture, further accentuating structural imbalances between different wealth markets and across the global economy. There were also other influencing factors, including the US presidential election, a pro-democracy clampdown in Hong Kong, volatile commodity and currency markets, rising protectionism and nationalism, the ongoing fallout from US-China tensions, heightened strains across the Gulf region, and still elevated Brexit uncertainty.
**UHNW REGIONS AT A GLANCE IN 2020**

**NORTH AMERICA**
Strong wealth gains amid surging equity markets

**LATIN AMERICA AND THE CARIBBEAN**
Wealth severely hit by sharp falls in economic activity and local currency depreciation

**AFRICA**
Regional equity market performances limit wealth losses

**MIDDLE EAST**
Wealth declines amid oil demand and tourism slump

**EUROPE**
Underperformance as pandemic hits economic activity and regional equities

**ASIA**
Robust equity market and currency performances supported by effective virus suppression

**PACIFIC**
Hindered by commodity market weakness and protracted travel and tourism restrictions

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**ANNUAL CHANGE IN UHNW POPULATION**

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
North America: strong wealth gains

As in 2019, North America further enhanced 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 rose by 6.9% from a year earlier to 112,250, equivalent to a 38% share of the global UHNW class (up from 35% in 2018). Collective net worth increased by 7.1% to $13.4trn, almost a third higher than the level in Asia.

Equity markets were the primary driver of wealth creation, staging a remarkable rebound from their March slump after the US Federal Reserve (the US central bank) slashed interest rates to zero and significantly expanded its quantitative easing program. With fiscal stimulus measures (such as the US CARES Act) helping to underpin business and consumer sentiment, surging gains for mega-cap US tech stocks in particular propelled the main US indices to record highs. The S&P 500 closed the year up 18% and the tech-heavy NASDAQ Composite Index up a staggering 45%. These returns significantly outperformed their global peers and more than offset concerns over the US government’s laissez-faire attitude to the pandemic, deeply partisan electoral divisions, and widespread civil tensions linked to policing and racial justice. There was modest support for portfolios from the US dollar, which appreciated against most major currencies before a late-year dip.

Asia: UHNW growth supported by tech surge and virus suppression

Asia consolidated its position ahead of Europe as the second-largest UHNW region, with its population rising by 5.2% to 87,460 individuals. Robust gains in China, Japan, South Korea and Taiwan more than offset declines in Hong Kong and India. Cumulative net worth expanded by 5.2% to $10.2trn, equivalent to 30% of global UHNW wealth.

The region’s equity markets performed strongly and most currencies were resilient against the US dollar. The overriding feature across the region’s largest wealth markets — with the exception of India — was more effective control and suppression of the virus than in most global peers, allowing for a quicker and more sustained recovery in economic activity. China was the only G20 economy to report full-year GDP growth in 2020. The Shanghai Composite Index ended the year up 14% (in local currency terms), with Japan’s Nikkei Index 16% higher, although both were outshone by a 31% jump in South Korea’s tech-heavy stock market.

Europe: UHNW wealth hit by virus spread, lockdowns and Brexit

The world’s third-largest wealth region significantly underperformed its peers, with the number of UHNW individuals in Europe declining by 4.9% to 74,030. The region’s share of the global ultra wealthy population fell to 25%, almost five percentage points below that of Asia (from a near-equivalent share in 2018). Collective net worth dropped by 4% to $8.9trn, returning close to its 2017 level.

This reflected a range of factors: elevated levels of virus cases and deaths (especially in the UK and Spain); comparatively lengthy lockdown restrictions; a severe winter second wave of infections; many countries’ high dependence on consumer-facing industries, such as hospitality and tourism; a more limited influence of tech stocks on regional equity indices; and further Brexit-related weakness in the UK. Despite fairly extensive policy stimulus, most regional stock markets struggled. Modest gains on the German DAX and some mid-sized indices contrasted with double-digit falls in the UK’s FTSE 100, Spain’s Ibex 35 and the MSCI Russia index.
Middle East: slump in oil demand and travel shrinks UHNW wealth

The fourth-largest UHNW region of the Middle East posted a 6.4% decline in its ultra wealthy population to 9,160 individuals. Cumulative net worth fell by 4.1% to $1.5trn, equivalent to a 4.2% global share. A pandemic-driven slump in oil demand and restrictions on international travel and tourism weighed on domestic stock markets and weakened local currencies against the US dollar. Oil prices were down by an average of 20% over the year as a whole, despite a second-half rally. Elevated geopolitical tensions and rising disaffection among marginalized young populations in the region remained a constraint on wealth-creation opportunities, but late-year vaccine rollout progressed well in several Gulf states and Israel.

Latin America and the Caribbean: wealth portfolios hammered

The UHNW class in Latin America and the Caribbean took a severe hit in 2020, with the size of the population declining by almost a quarter to 6,310 individuals. Collective net worth plunged by 22.9% to $860bn, more than erasing gains made over the previous five years. Asset portfolios were battered by sharp falls in economic activity, equity market losses, weakened commodity demand and, in particular, a marked depreciation of most local currencies against the US dollar. Developments were by no means uniform across the region’s largest markets, however. Argentina, Mexico and Peru were among the worst hit economically (with Argentina defaulting on its external debt), whereas Brazil, Chile and Colombia fared less badly.

The Pacific and Africa: UHNW losses in the former but more stability in Africa

The UHNW population in the Pacific — which is largely a reflection of developments in Australia — fell by 3.9% to 3,660 individuals. Wealth holdings took a hit from commodity market weakness and protracted travel and tourism restrictions, with cumulative net worth declining by 2.5% to $357bn. The world’s smallest UHNW region of Africa fared relatively better than some of its larger peers, with the number of ultra wealthy individuals declining by ‘only’ 1.5% and total net worth holding steady at $312bn, equivalent to a 0.9% global share. Despite weakness in the two largest wealth markets of South Africa and Nigeria, on an aggregate basis, portfolio effects from regional equity market performance and currency depreciation against the US dollar were largely contained.
### TOP 10 UHNW COUNTRIES

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>UHNW population 2020</th>
<th>Year-on-year change in population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>United States</td>
<td>$11,282bn</td>
<td>101,240</td>
</tr>
<tr>
<td>2</td>
<td>China</td>
<td>$3,482bn</td>
<td>29,815</td>
</tr>
<tr>
<td>3</td>
<td>Japan</td>
<td>$1,853bn</td>
<td>21,300</td>
</tr>
<tr>
<td>4</td>
<td>Germany</td>
<td>$1,905bn</td>
<td>15,435</td>
</tr>
<tr>
<td>5</td>
<td>Canada</td>
<td>$1,186bn</td>
<td>11,010</td>
</tr>
<tr>
<td>6</td>
<td>France</td>
<td>$1,163bn</td>
<td>9,810</td>
</tr>
<tr>
<td>7</td>
<td>Hong Kong*</td>
<td>$1,253bn</td>
<td>9,435</td>
</tr>
<tr>
<td>8</td>
<td>United Kingdom</td>
<td>$1,026bn</td>
<td>8,765</td>
</tr>
<tr>
<td>9</td>
<td>Switzerland</td>
<td>$953bn</td>
<td>7,320</td>
</tr>
<tr>
<td>10</td>
<td>India</td>
<td>$901bn</td>
<td>6,380</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

The strong performance of the top three countries — the US, China, and Japan — lifted their share of the global UHNW population to 52% in 2020.

### NOTABLE HIGHLIGHTS

**THE TOP 10 COUNTRIES ARE HOME TO THREE QUARTERS OF THE GLOBAL UHNW POPULATION.**
This high concentration of UHNW individuals underlines the dominant status of this select group of wealth markets and the focused opportunities for providers that target or cater to the ultra wealthy. Despite sharply contrasting performances across the leading wealth markets in 2020, the top 10 rankings were all unchanged from a year earlier.

**THE US CONSOLIDATED ITS STATUS AS THE WORLD’S LARGEST UHNW MARKET.**
The US remains far and away the largest wealth market in the world, home to more UHNW individuals than the combined total of the next six highest-ranked countries. Wealth creation in 2020 amid a turbulent backdrop was supported by huge policy stimulus, equity gains in the dominant technology and financial services sectors, and the US dollar’s global reserve currency status. Growth of 8% lifted the UHNW population in the US above the 100,000 mark for the first time and raised its global share to 34%. This strong performance was in contrast to fifth-placed Canada, where more modest stock market returns and greater portfolio exposure to commodities contributed to a decline in the country’s UHNW population.

**THE TOP THREE COUNTRIES INCREASED THEIR SHARE OF THE GLOBAL UHNW POPULATION TO MORE THAN 50%.**
China and Japan, the second- and third-largest UHNW countries respectively, also recorded vigorous growth in their ultra wealthy populations. Asset portfolios in China were buoyed by a faster recovery from the pandemic than in most countries, driving equity and real-estate gains. Underlying economic and virus conditions in Japan were less supportive, but wealth levels received a firm boost from stock market and currency effects. The strong UHNW performance of the US, China, and Japan in 2020 contrasted with widespread declines elsewhere (Switzerland was the only other top 10 country to post a rise in ultra wealthy numbers), lifting the top three countries’ share of the global UHNW population to 52%.

**EUROPE’S THREE LARGEST WEALTH MARKETS ALL REGISTERED FALLS IN THEIR UHNW POPULATIONS.**
The number of UHNW individuals and their combined wealth declined sharply in both France and the UK as the pandemic, its associated lockdowns, and elevated virus levels weighed heavily on economic activity, regional equities, and investor sentiment. Wealth portfolios in the UK were also hit by ongoing Brexit-related damage. Although Germany fared better than many of its peers in containing the pandemic in 2020, its UHNW population fell to a three-year low. Italy and Russia, which both rank just outside the top 10 countries, also posted wealth losses. Switzerland was the regional exception, with positive currency effects from the safe-haven Swiss franc a factor behind the 1.9% increase in its UHNW population.

**SOUTH KOREA AND TAIWAN ARE KNOCKING ON THE DOOR AFTER RECENT STRONG GAINS.**
India maintained its 10th-placed ranking, despite modest falls in its UHNW population and its combined wealth, but the country’s position could be under threat in the near future from the rapidly expanding wealth markets of South Korea and Taiwan. The UHNW population of South Korea surged by 15% in 2020 to 6,080 individuals, lifting the country above Italy and Russia to 11th place. The number of ultra wealthy individuals in Taiwan rose even faster, by 23%, following growth of 16% in 2019. The country has overtaken Spain and Brazil in recent years to climb to 14th place with an UHNW population of just below 5,200 individuals. Along with South Korea, it may well challenge Italy and India for a top-10 ranking in 2021.
### TOP 10 UHNW CITIES

#### TOP RANKINGS.

Paris is the leading European city as London falls out of the top rankings.

Paris lost ground, falling two places to seventh, as the pandemic-driven hit to European wealth markets contributed to a 13.7% decline in the city’s UHNW population. Nevertheless, the French capital fared better than London, which suffered a 17% slump in the size of its ultra wealthy class, dropping from seventh to 12th position and out of the top-tier rankings for the first time in our records (dating back to 2004). The pandemic dealt a larger blow to the economy and public health of the UK than to those of many other countries. This weighed heavily on London’s capital markets and business operations, and the hit to asset portfolios was exacerbated by ongoing Brexit-related market and reputational damage.

San Jose (California) has the highest density of UHNW individuals.

A city’s UHNW density level is influenced not only by the number of UHNW individuals but by the size of its general population and the demarcation of physical city limits. The top of the rankings by UHNW density is dominated by moderately sized cities with a strong focus on either technology or financial services. As the cultural and wealth center of Silicon Valley, the metro area of San Jose has one UHNW individual for every 727 city residents. Three Swiss cities – Basel, Geneva and Zurich — with a longstanding emphasis on financial services and private wealth, also rank highly for UHNW density. Along with Hong Kong, in each case, there is one ultra wealthy individual for fewer than 1,000 city residents. As with the overall UHNW city rankings, the US accounts for six of the top 10 locations in terms of UHNW density.

#### US CITIES DOMINATE THE RANKINGS BUT CHINA AND GERMANY DO NOT FEATURE.

Reflecting its status as by far the world’s largest UHNW market, the US accounted for six of the top 10 cities in 2020. The size of the ultra wealthy class across these six cities expanded by an average of 10%, six times faster than the rise in the global UHNW population, highlighting the bumper year for asset portfolios in the US. The world’s third-largest UHNW market of Japan has two cities in the top 10, whereas the second- and fourth-largest markets of China and Germany have no city representation. This is explained by the two nations’ relatively large stock of private wealth being dispersed more evenly across domestic urban centers than is the case for most other leading UHNW markets.

### NOTABLE HIGHLIGHTS

#### THE TOP 10 CITIES ACCOUNTED FOR 19.4% OF THE GLOBAL UHNW POPULATION IN 2020.

This share has been on a gradually rising trend over the past decade, showcasing the global cities’ allure to the wealthy in terms of commercial opportunities, premier real estate and an array of cultural, educational and lifestyle pursuits. Growth of the ultra wealthy class across the top 10 cities averaged 5.9% in 2020, significantly outpacing the 1.7% annual rise in the global UHNW population. However, there were several exceptions to this growth story, with one high-profile global city dropping out of the top 10.

#### NEW YORK WIDENED ITS LEAD OVER SECOND-PLACED HONG KONG.

The pre-eminent city of the wealthy and the largest regional economy in the US, New York reinforced its status as the world’s leading UHNW location. The metropolitan area of New York City, Newark and Jersey City experienced an 8.4% increase in its ultra wealthy class, in line with average growth of the US UHNW population. This contrasted with a 2.2% decline in Hong Kong, where capital markets and wealth portfolios were hit amid an extensive pro-democracy clampdown and social unrest. The semi-autonomous territory will remain one of the world’s most important financial centers and a nexus for financial flows between China and the global economy, but there is little nearterm prospect of the city regaining its number-one ranking, which it held as recently as 2017.

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**TOP 10 CITIES BY DENSITY 2020**

<table>
<thead>
<tr>
<th>City</th>
<th>UHNW</th>
<th>VHNW</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Jose</td>
<td>66</td>
<td>727</td>
</tr>
<tr>
<td>Basel</td>
<td>107</td>
<td>776</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>125</td>
<td>787</td>
</tr>
<tr>
<td>Geneva</td>
<td>122</td>
<td>880</td>
</tr>
<tr>
<td>Zurich</td>
<td>128</td>
<td>924</td>
</tr>
<tr>
<td>San Francisco</td>
<td>111</td>
<td>1,186</td>
</tr>
<tr>
<td>Seattle</td>
<td>141</td>
<td>1,519</td>
</tr>
<tr>
<td>Boston</td>
<td>147</td>
<td>1,580</td>
</tr>
<tr>
<td>Bridgwater</td>
<td>155</td>
<td>1,655</td>
</tr>
<tr>
<td>New York</td>
<td>164</td>
<td>1,735</td>
</tr>
</tbody>
</table>

Note: Cities selected on the basis of being among the top 10 cities by UHNW density. The higher the density, the lower the number. Cities are defined on the basis of urban agglomerations and metropolitan (metro) areas, which include the built-up areas outside the administrative core.

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

Source: Wealth-X
A YEAR OF UNEQUAL WEALTH GAINS AND LOSSES
GENDER, PRIMARY INDUSTRY AND AGE

Having examined the regional and country variations in UHNW wealth performance, we now explore how the Covid-19 pandemic and associated economic and social developments in 2020 affected the wealth of UHNW individuals according to their gender, primary industry and age. The Wealth-X Database allows us to assess how the ultra wealthy’s holdings performed across these key groupings over 2020.

**GENDER NEUTRAL**

In contrast to the general population, where the disruptive impact of the pandemic in areas such as employment and income was commonly found to have been borne disproportionately by women⁵, there was a negligible difference in UHNW wealth impact by gender in 2020. This is largely attributable to the asset allocations of the wealthy, regardless of gender. Private and public holdings account for most of the ultra wealthy’s assets (56%), a much higher proportion than for people 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.

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There was a negligible difference in UHNW wealth impact by gender in 2020
INDUSTRY AFFAIRS

A theme to emerge is that the primary industry of UHNW individuals matters when it comes to the impact of the pandemic on the ultra wealthy. All periods of crisis and economic disruption have winners and losers, and UHNW fortunes fared quite differently in 2020 depending on the industry they were attached to. We have excluded billionaires from this analysis because of the scale of their wealth.

When the top five primary industries, which account for over half of the UHNW population, were examined, only two industry groups recorded an increase in related wealth in 2020. The most dynamic was business and consumer services. Lengthy lockdown measures, social distancing restrictions, public health risks, shifting consumer habits and changed working patterns contributed to huge demand for new and modified services across a range of sectors. This was driven, in particular, by a surge in home working, digital interaction and online shopping.

Those in the not-for-profit sphere saw a marginal expansion of wealth (+0.1%). This will largely reflect such individuals’ asset allocations, which comprise a combination of public and private holdings as well as liquid assets. These assets are managed to protect their fortunes, some of which — particularly for this group — will be devoted to philanthropic endeavors.

Fortunes attached to business and consumer services grew by 0.8% in 2020, the fastest among the top five primary industries.

Those attached to the other three industries saw their wealth decline, highlighting the more diverse trends in sectoral wealth performance that emerged as a result of the pandemic. Much of the hospitality and in-person entertainment industry was brought to a shuddering halt for most of the year. While some residential real-estate markets experienced sharply rising prices (caused by an uplift in demand for larger properties at a time of short supply), commercial real estate suffered badly from widespread retail and office closures. In banking and finance, many providers had to contend with freefalling global capital markets in the early months of 2020, a dramatic rise in loan-loss provisions and a spike in investor uncertainty. Unprecedented intervention by governments and central banks from mid-year brought a degree of stability (as well as a dynamic recovery for some equity markets) but, overall, it was a testing time for the financial sector amid huge balance-sheet volatility.
AGE MATTERS

The events of 2020 also had a bearing on wealth performance by age. The fortunes of the under-50s, the youngest and by far the smallest UHNW cohort in absolute number, grew by the largest margin, contributing nearly two-thirds of the overall 2% annual rise in total UHNW wealth. Technology as a primary industry accounts for a greater proportion of individuals in this group. The wealth of many such individuals was boosted over the course of the year as digitalization expanded rapidly during the surge in home working and online shopping.

The wealth of the largest age group, those between 50 and 70, grew at the second-fastest rate, contributing half a percentage point to UHNW wealth growth in 2020. Helping to propel this expansion was the growing business and consumer services sector, which is the second most popular industry among this cohort (banking and finance is first). Technology also ranked highly.

Almost a third of the ultra wealthy class is aged over 70. Many of these older individuals remain active in their business operations to varying degrees, but there is a clear shift to spending a larger proportion of their time on philanthropic initiatives. This may partly explain the negligible contribution to overall UHNW wealth growth from this group. The performance of their private and public holdings — and their liquid assets’ exposure to foreign currency movements in various parts of the world (Latin America for one) — will also have played a role.
TRAITS OF TODAY’S ULTRA WEALTHY

What are some of the defining features of ultra wealthy individuals as a group? Having observed the asset allocation and primary industries of the UHNW population in the previous section (see pages 18 to 20), here we examine a variety of other characteristics: wealth source, interests and hobbies, age and gender. While many UHNW individuals share common traits, we find that there are also notable differences. The key theme that emerges is that when prospecting for, targeting and engaging with the ultra wealthy, it is essential not only to understand them as individuals but to see where they fit into their own peer group.

SOURCE OF WEALTH

Self-made wealth continues to increase

The global ultra wealthy population has a constantly changing dynamic. New individuals join the group via commercial success or inheritance, while others exit for a variety of reasons, such as business failure, market disruption, divorce/separation or death. How has the source of wealth changed among the ultra wealthy over time?

Despite significant changes taking time to show up in the data, there has been a discernable increase over the past five years in the share of UHNW individuals who created their own wealth (the ‘self-made’). In 2020 this group accounted for just over 72% of the global ultra wealthy population, up six percentage points from 2016. This 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 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 fortunes to be made relatively quickly.

This rise in self-made fortunes has occurred alongside a decline in the role of inheritance in obtaining wealth, particularly among those whose fortunes stem solely from inheritance (now around 7% of UHNW individuals). Just slightly down on 2016 levels, those with a combination of inherited and self-created wealth account for a fifth of the global UHNW population, a reminder that an initial injection of inherited capital can have a significant influence on later opportunities for wealth generation.

Yet despite its declining share, inherited wealth will continue to be significant: the largest intergenerational transfer of wealth is now taking place among the global ultra wealthy. This includes substantial handovers in emerging markets, such as China, which are happening largely for the first time. This newly inherited money will continue to boost the numbers of people who are solely heirs and those whose fortunes come from a combination of inherited and self-made wealth.
WEALTH SOURCE MAKES AN IMPACT ON THE ULTRA WEALTHY’S INTERESTS AND PASSIONS

While each ultra wealthy individual is unique, we find that the source of their wealth can have a bearing on their favorite passions and hobbies. This matters to organizations that are prospecting for and engaging with such individuals. Organizations often need to adopt different approaches to establish a link to the cause, product or service they are offering — and drawing on the wealthy’s interests and passions provides an opportunity to approach and deepen relationships with the wealthy in an emotionally relevant and unique way.

Across all three wealth source groupings there are clear commonalities, namely a strong interest in sports, philanthropy and the outdoors. Yet there are also important contrasts — among them we find that:

THOSE WITH INHERITED WEALTH HAVE A GREATER INTEREST IN PHILANTHROPY.

Philanthropy is the leading interest among both groups of UHNW individuals with inherited wealth — especially for those with solely inherited fortunes, of which almost half express an interest. With often fewer commercial commitments, such individuals will have greater freedom to engage in major philanthropic initiatives and giving. Moreover, they may feel a greater obligation to engage with benevolent causes.

In addition, philanthropy is by far the most popular interest among UHNW women. This high level of engagement tallies with the strong relationship between an individual’s share of inherited wealth and their interest in philanthropy: a higher proportion of UHNW women than men owe their wealth exclusively to inheritance (though this is gradually changing).

TECHNOLOGY RANKS IN THE TOP FIVE INTERESTS ONLY AMONG THE SELF-MADE.

Given the group’s large representation across the UHNW class, the interests of those with self-made fortunes will largely reflect those of the global ultra wealthy population. Yet technology is especially popular among the self-made, with almost a fifth showing an interest. This mainly reflects the slightly higher ratio of UHNW self-made individuals whose primary industry is technology, but also the rapidly increased digitalization of the global economy (recently accelerated by the pandemic), meaning people are more likely than ever to be engaging with tech innovation in their business and leisure time.

ART RANKS PARTICULARLY HIGHLY AMONG HEIRS TO WEALTH.

A fifth of all ultra wealthy individuals whose fortunes stem solely from inheritance show an interest in art. While not among the top five pursuits for those with a combination of inherited and self-made wealth, art, nonetheless, ranked relatively highly in seventh place. For organizations, this can offer great potential as a connector to other interests and passions. Art (and other cultural) events provide an ideal opportunity for luxury brands, financial companies and not-for-profit and education organizations to engage with their prospective and existing clientele or donors.

For further analysis of the pursuits of the wealthy, please see our publication Interests, Passions and Hobbies of the Wealthy 2021.

Wealth-X’s Interests, Passions and Hobbies of the Wealthy 2021.
AGE

Those aged over 70 are often the wealthiest

It takes time to create and/or accumulate significant wealth — the average age of the global UHNW population is almost 64. Amassing a fortune of more than $30m usually takes the best part of a professional career. 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 (the fast-moving technology sector is, at times, an exception but it still poses considerable challenges for rapid wealth creation). Well over half of the global ultra wealthy population is aged between 50 and 70, whereas just 12% are younger than 50.

The necessity of time to accumulate ultra wealth (in most cases) can be seen in a breakdown of the net worth holdings of UHNW individuals by age. Some 57% of the ultra wealthy population are aged between 50 and 70, while the proportion of their total wealth is slightly lower at 50%. In contrast, the 31% share of the ultra wealthy class aged above 70 holds almost 40% of total UHNW wealth. While some individuals in this 70+ cohort will remain intensely active in their corporate activities, many will have sold or passed on (to family) their main business holdings to spend a greater proportion of their time on philanthropic endeavors or other pursuits. Such individuals’ wealth will have often benefited from accumulation over time, with their wealth-protection strategies bearing fruit.

AGE (% OF POPULATION AND WEALTH)

![Age distribution chart]

Note: The totals may not add up to 100% as a result of rounding.
Source: Wealth-X 2021

Well over half of the global ultra wealthy population is aged between 50 and 70, whereas just 12% are younger than 50.
GENDER

Women are a clear minority, comprising just 10% of the UHNW population

The global UHNW population is heavily male dominated, with men accounting for a 90% share. The proportion of ultra wealthy women has been on a gradual upward trend in recent years\(^\text{10}\), reflecting changing cultural attitudes and growth in female entrepreneurship, as well as ongoing wealth transfers between generations. Nonetheless, the fact that wealth usually takes decades to create (or be inherited) means it is likely to be some time before a significant shift becomes appreciable.

There are large differences in wealth source between genders (given their high representation, men’s wealth source largely reflects that of the global UHNW population). Most striking is the much larger role of inheritance among women — with either a combination of inherited and self-made wealth or solely inherited wealth in the majority among the female UHNW population. In terms of solely inherited wealth, the share is five times higher for women than men (27% to 5%). In turn, the share of self-made wealth is substantially lower than that of men though, as discussed above, we expect this to increase slowly over time.

Despite the more important role of inheritance among UHNW women, the average age by gender is very similar — a reminder that people often inherit large fortunes in their 50s or even their 60s.

\(\text{See Wealth-X’s World Ultra Wealth Report 2020.}\)
There is significant city divergence on female representation

Which cities perform best on gender balance at the ultra wealth level? Among the world’s top 100 UHNW cities (by population), the top 10 cities show substantial geographic variation. All of the largest UHNW regions are represented, but there are no cities in Africa or Latin America and the Caribbean. This diversity reflects the numerous factors within different cities (and their respective countries) that influence the gender balance of this exclusive population. These include culture, history, urbanization, and attitudes to female labor participation and entrepreneurship.

TOP 10 CITIES BY INTRA-CITY UHNW FEMALE POPULATION (%)

1 Bangkok 20.1%
2 Hamburg 18.6%
3 Copenhagen 16.6%
4 Zurich 15.5%
5 Madrid 15.4%
6 Providence 15.4%
7 Basel 15.2%
8 Beijing 15.0%
9 Rome 15.0%
10 Melbourne 14.3%

Some noteworthy findings include:

NO CITY HAS A DRAMATIC LEAD BUT BANGKOK IS TOP, WITH 20% OF WOMEN AMONG ITS UHNW POPULATION.

Another Asian city, Beijing, ranks eighth. Female-led entrepreneurship has grown significantly in recent decades in the shadow of dynamic wealth growth in much of south-east Asia, albeit from a low base. This has created some very large family-held businesses with a number of female beneficiaries. Multi-generational wealth transfers are now also emerging more widely across Asia, offering another channel for female wealth accumulation.

EUROPE IS HOME TO SIX OF THE TOP 10 CITIES.

All six are in western Europe, with two in Switzerland (and a third, Geneva, just outside the rankings in 12th place). While it is difficult to pinpoint one dominant driver (the region does not possess a particularly differentiated gender split or source of wealth profile), one influencing factor is likely to be the region’s strong tradition — going back decades and more — of family-owned globally competitive businesses.

DESpite the US having the world’s largest UHNW population, just one of its cities makes the top 10.

The metro area of Providence ranks sixth. This single entry reflects the fact that the UHNW gender imbalance in the US is very close to the global average. A number of other US cities appear in the rankings just outside the top 10, though this is to be expected given the relatively large number of US UHNW cities in the top 100.
METHODOLOGY

To size the UHNW 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 70 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 170 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. We focus on metro areas to ensure comparability because globally comparable city-level data is not available.

To profile the UHNW 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.
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.

ABOUT EUROMONEY PEOPLE INTELLIGENCE

Euromoney People Intelligence, a Pillar of Euromoney PLC, provides organizations with unique data intelligence that connects them with the individuals who will have the greatest impact on their goals. Euromoney People Intelligence is comprised of four unique brands: BoardEx, RelSci, WealthEngine and Wealth-X. We empower our clients to build greater relationships, obtain and manage their best talent and reduce commercial risk.
WEALTH-X ANALYTICS

Analysis of the data and additional insights in this report 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 and forecasting
- Profiling/archetyping
- Indexing
- Inputs for thought leadership

To learn how Wealth-X Analytics complements our full suite of data-driven products and services, email us at contact@wealthx.com.