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FCCI

Research & Development Center



Paper #
Global Inequality of Wealth
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Global Inequality

Inequality has been on the rise across the globe for several decades. Some countries have reduced the numbers of people living in extreme poverty. But economic gaps have continued to grow as the very richest amass unprecedented levels of wealth. Among industrial nations, the United States is by far the most top-heavy, with much greater shares of national wealth and income going to the richest 1 percent than any other country.

- **Global Wealth Inequality**
- **Global Income Inequality**
- **U.S. Wealth Concentration Versus Other Countries**

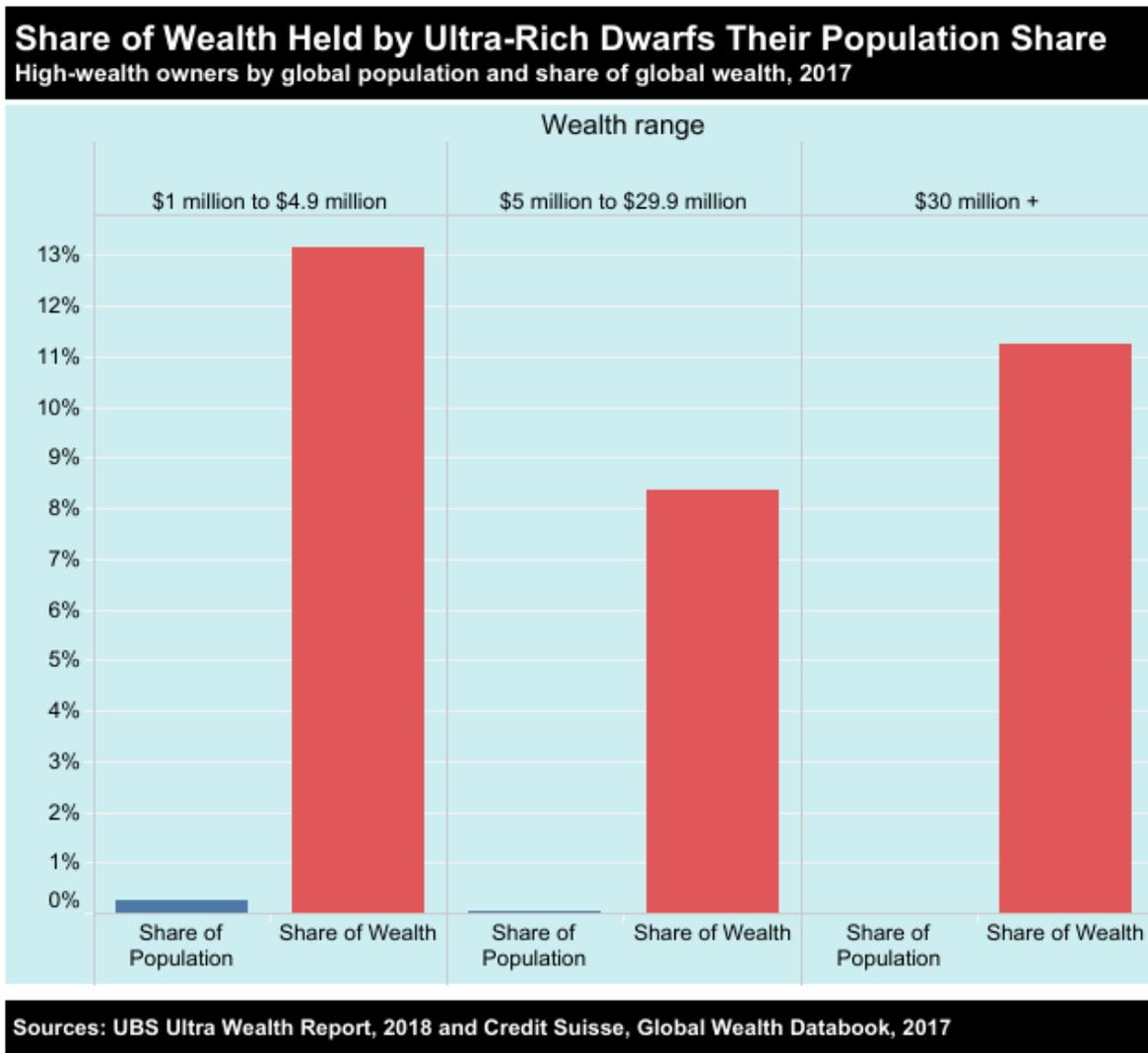
The Richest 1% Own 45% of the World's Wealth

Global adult population and share of total wealth by wealth group, 2018

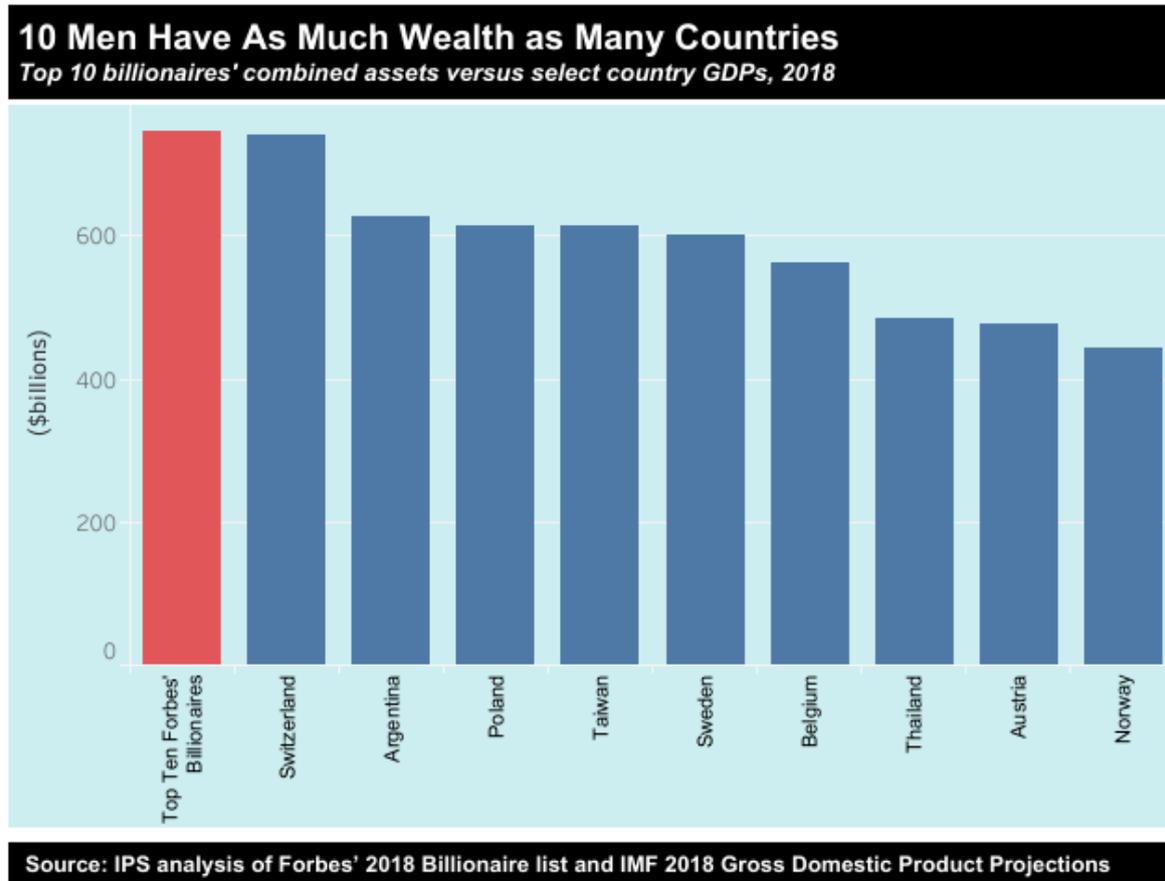


Source: Credit Suisse, Global Wealth Databook, 2018

The world’s richest 1 percent, those with more than \$1 million, own 45 percent of the world’s wealth. Adults with less than \$10,000 in wealth make up 64 percent of the world’s population but hold less than 2 percent of global wealth. The world’s wealthiest individuals, those owning over \$100,000 in assets, total less than 10 percent of the global population but own 84 percent of global wealth. Credit Suisse defines “wealth” as the value of a household’s financial assets plus real assets (principally housing), minus their debts.



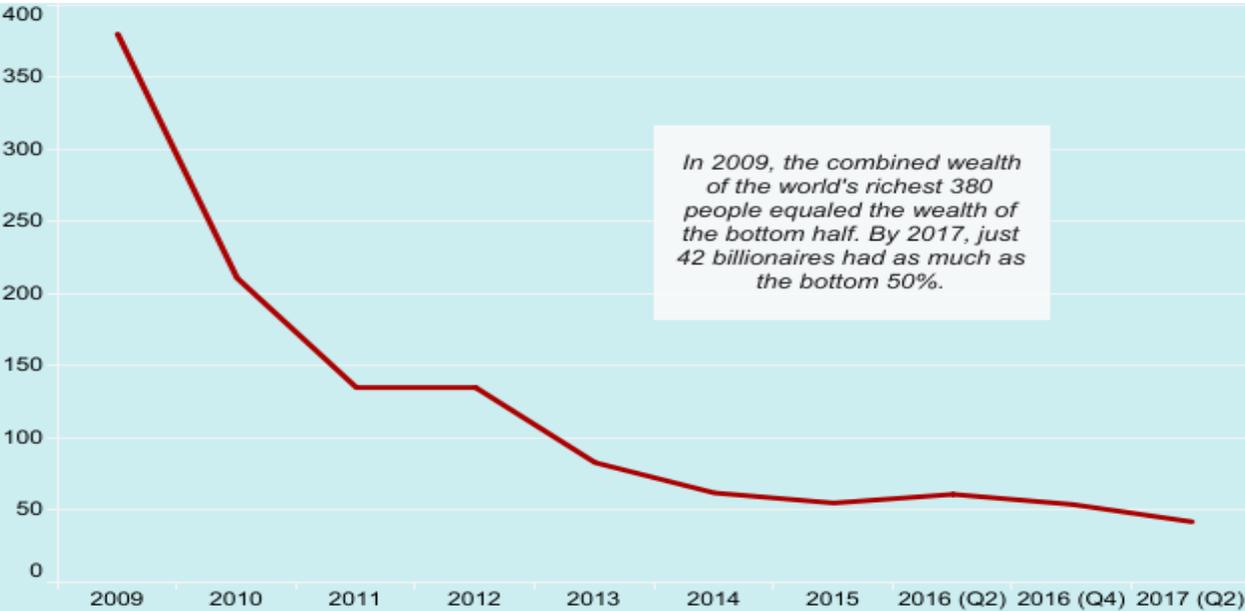
“Ultra high net worth individuals” — the wealth management industry’s term for people worth more than \$30 million — hold an astoundingly disproportionate share of global wealth. These wealth owners hold 11.3 percent of total global wealth, yet represent only a tiny fraction (0.003%) of the world population.



The world’s 10 richest billionaires, according to Forbes, own \$745 billion in combined wealth, a sum greater than the total goods and services most nations produce on an annual basis. The globe is home to 2,208 billionaires, according to the **2018 Forbes ranking**.

Wealth of the World's Poorest Shrinks Relative to Billionaire Wealth

Number of billionaires it takes to equal the wealth of the bottom 50% of the global population



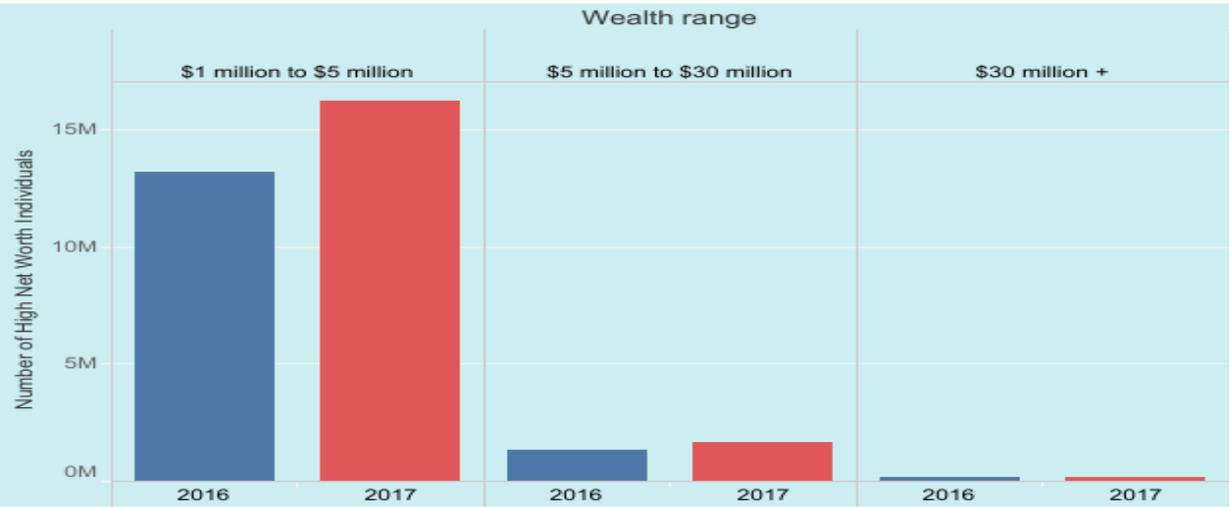
In 2009, the combined wealth of the world's richest 380 people equaled the wealth of the bottom half. By 2017, just 42 billionaires had as much as the bottom 50%.

Source: Oxfam, 2018

Those with extreme wealth have often accumulated their fortunes on the backs of people around the world who work for poor wages and under dangerous conditions. According to Oxfam, the wealth divide between the global billionaires and the bottom half of humanity is steadily growing. Between 2009 and 2017, the number of billionaires it took to equal the wealth of the world's poorest 50 percent fell from 380 to 42.

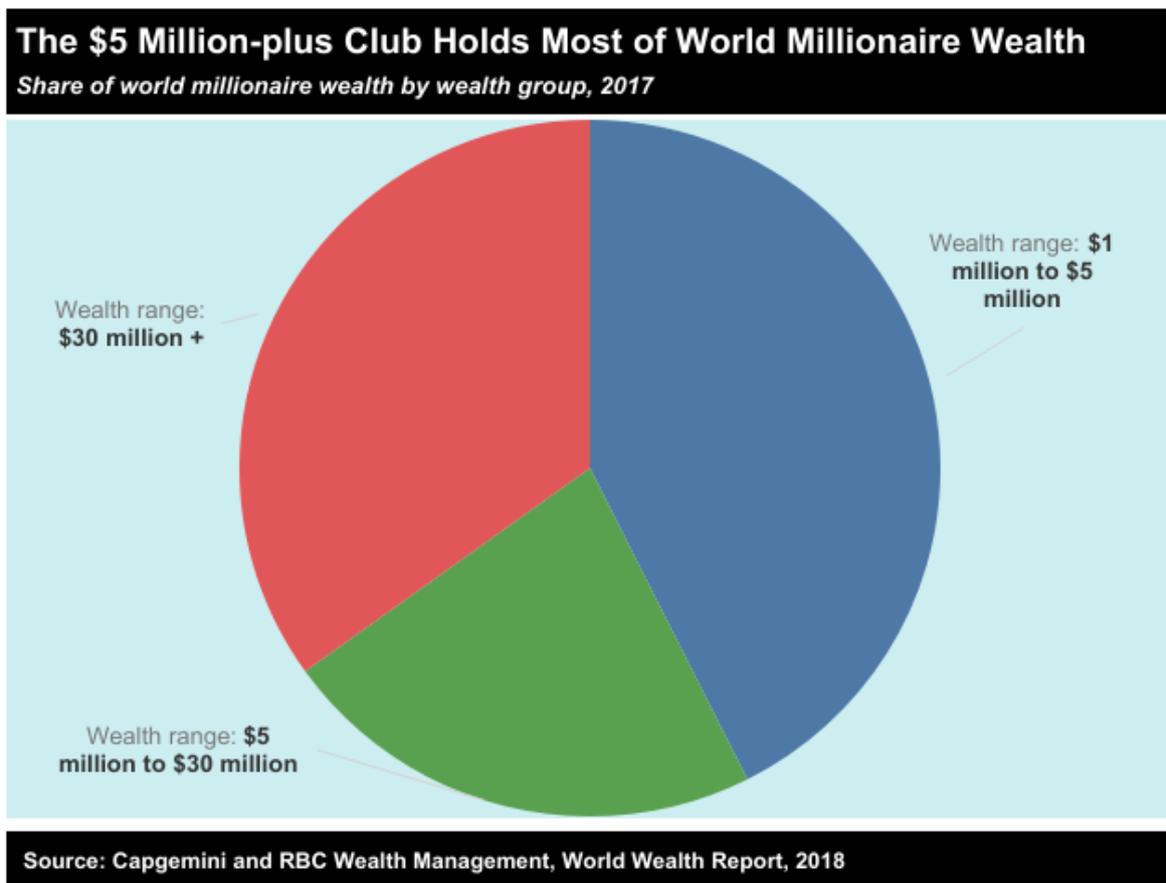
The World's Millionaires Club Continues to Grow

High net worth individuals by wealth group, 2016 and 2017



Source: Capgemini and RBC Wealth Management, World Wealth Report, 2018

Capgemini and RBC Wealth Management define a “high net worth individual” as someone with at least \$1 million in investment assets (not including their primary residence and consumer goods). The vast bulk of the world’s millionaires hold less than \$5 million. But the top tier of these wealthy individuals, those with at least \$30 million, had the fastest growth rate between 2016 and 2017, rising 25.5 percent to 174,800

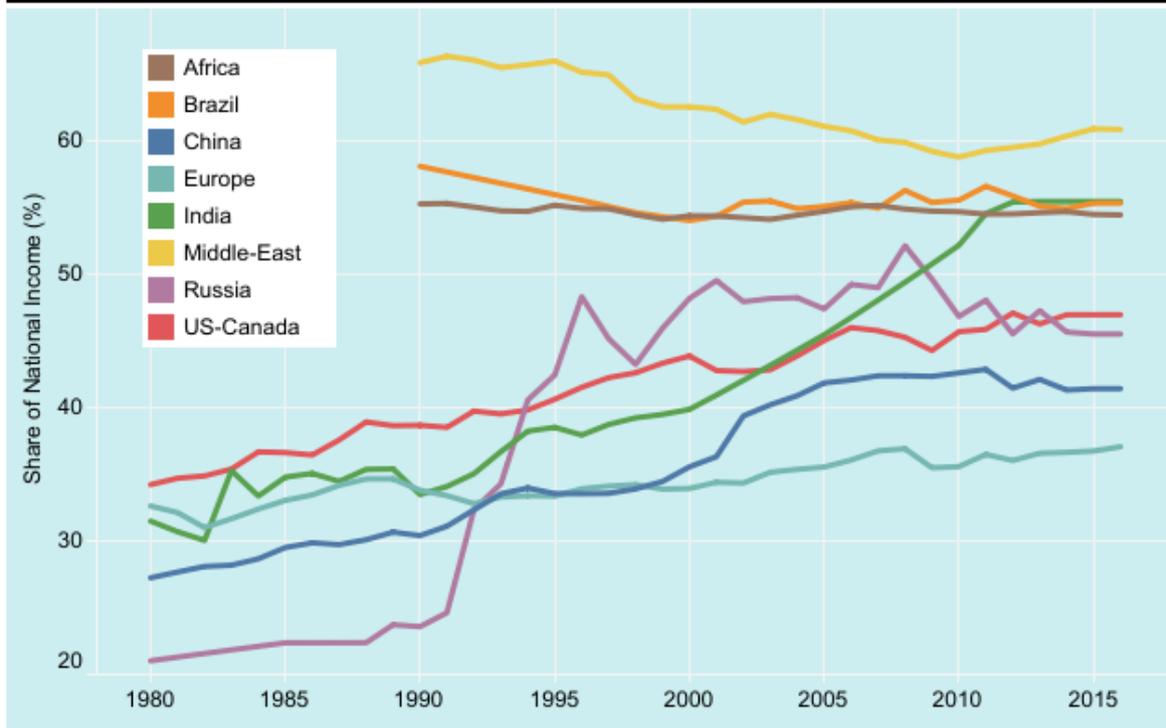


Individuals with between \$1 million and \$5 million in investment assets make up the larger number of world millionaires. But those with more than \$5 million hold a large majority (57 percent) of world millionaire wealth.

Global Income Inequality

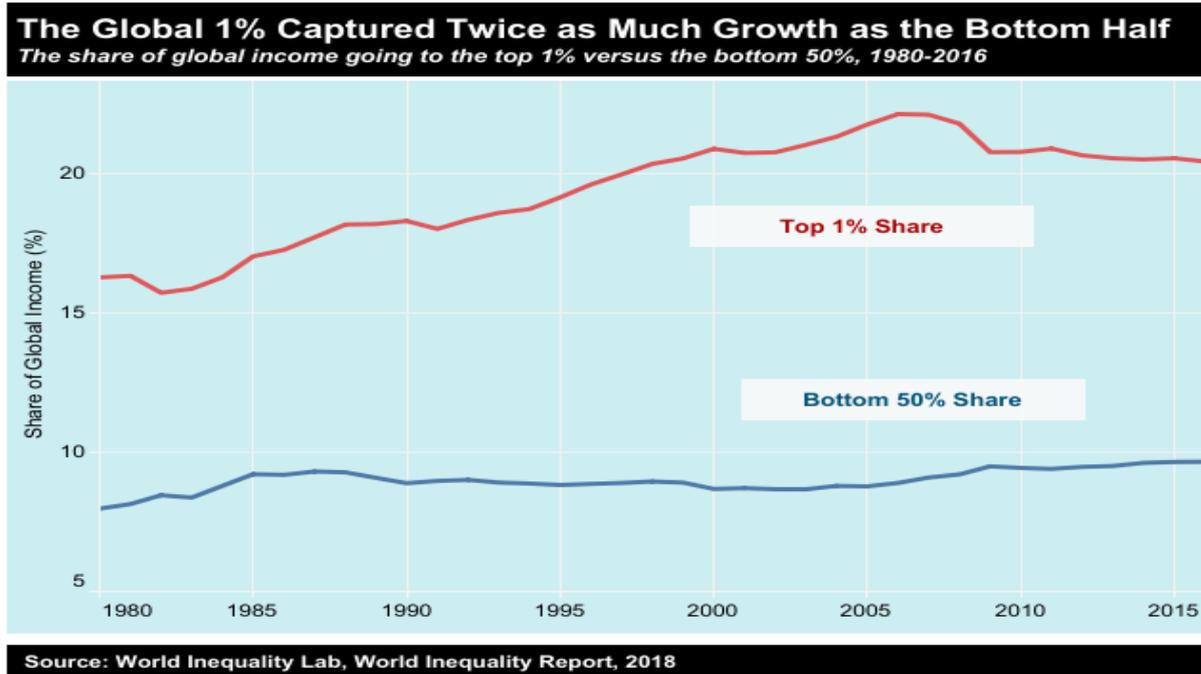
Inequality is Rising or Staying Extremely High Nearly Everywhere

Top 10% income shares across the world, 1980-2016



Source: World Inequality Lab, World Inequality Report, 2018

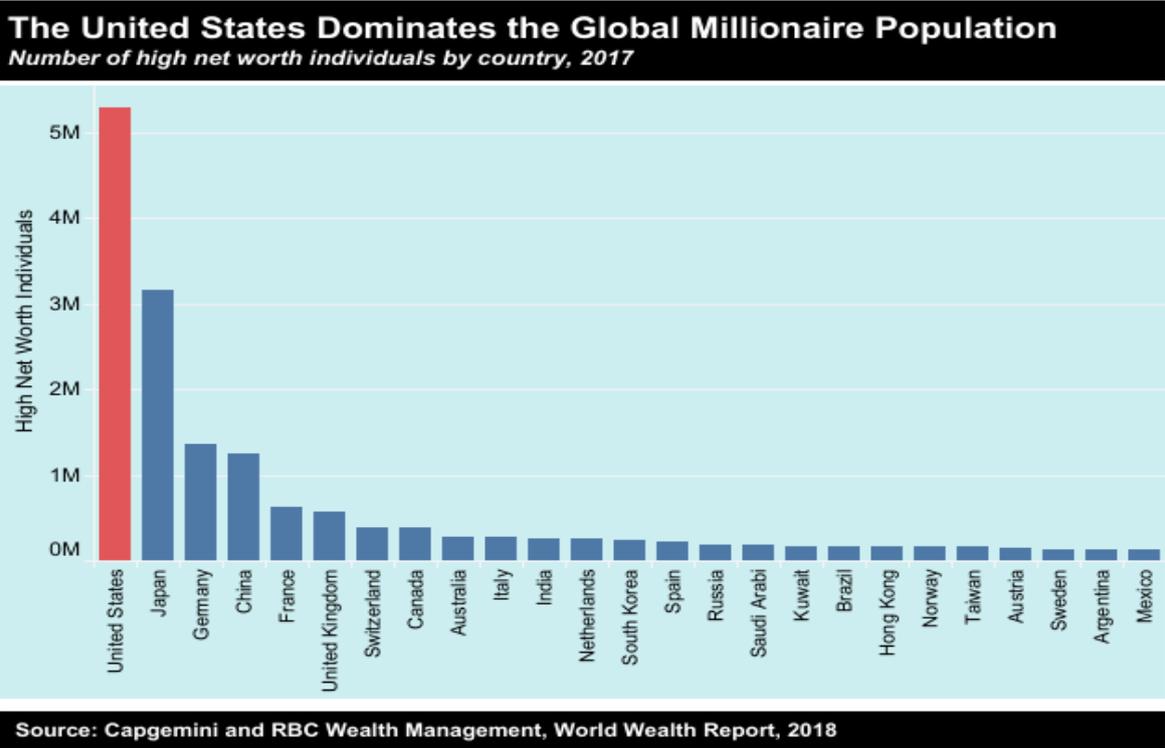
Since 1980, the share of national income going to the richest 1 percent has increased rapidly in North America (defined here as the United States and Canada), China, India, and Russia and more moderately in Europe. World Inequality Lab researchers note that this period coincides with the rollback in these countries and regions of various post-World War II policies aimed at narrowing economic divides. By contrast, they point out, countries and regions that did not experience a post-war egalitarian regime, such as the Middle East, sub-Saharan Africa, and Brazil, have had relatively stable, but extremely high levels of inequality.



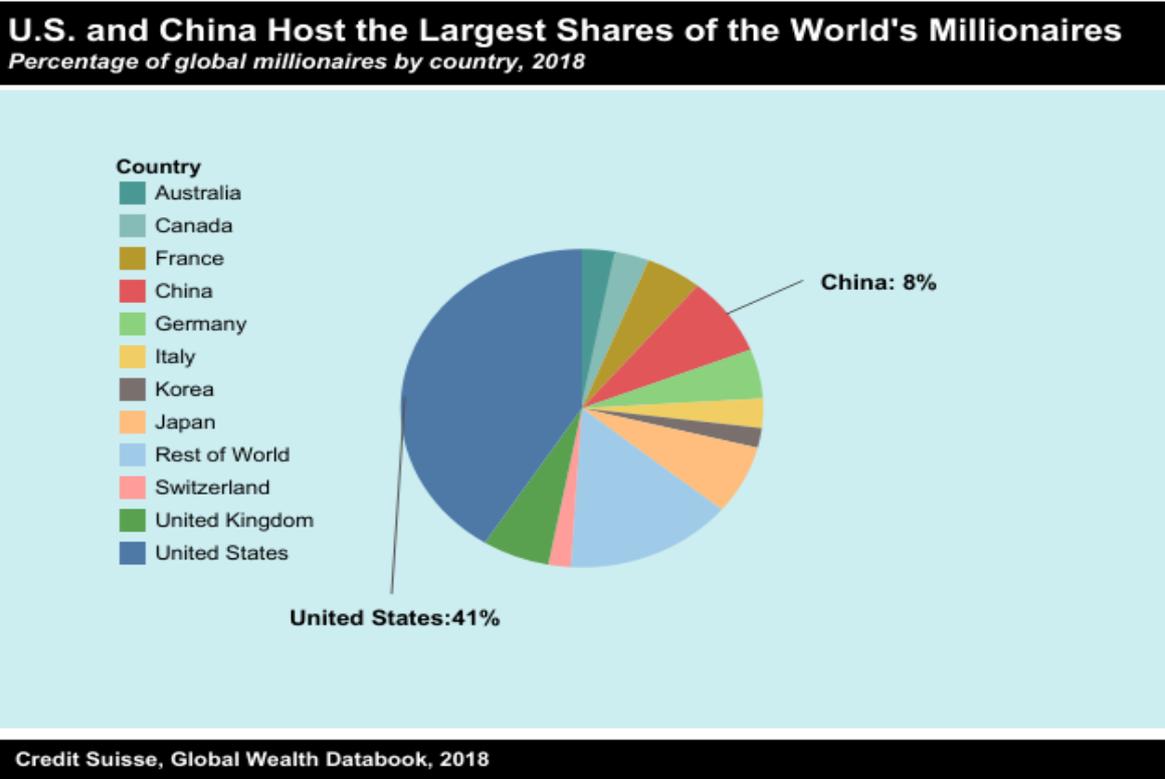
Rapid economic growth in Asia (particularly China and India) has lifted many people out of extreme poverty. But the global richest 1 percent has reaped a much greater share of the economic gains. Although their share of global income has declined somewhat since the 2008 financial crisis, at more than 20 percent it is still much higher than their 16 percent share in 1980.

U.S. Wealth Concentration Versus Other Countries

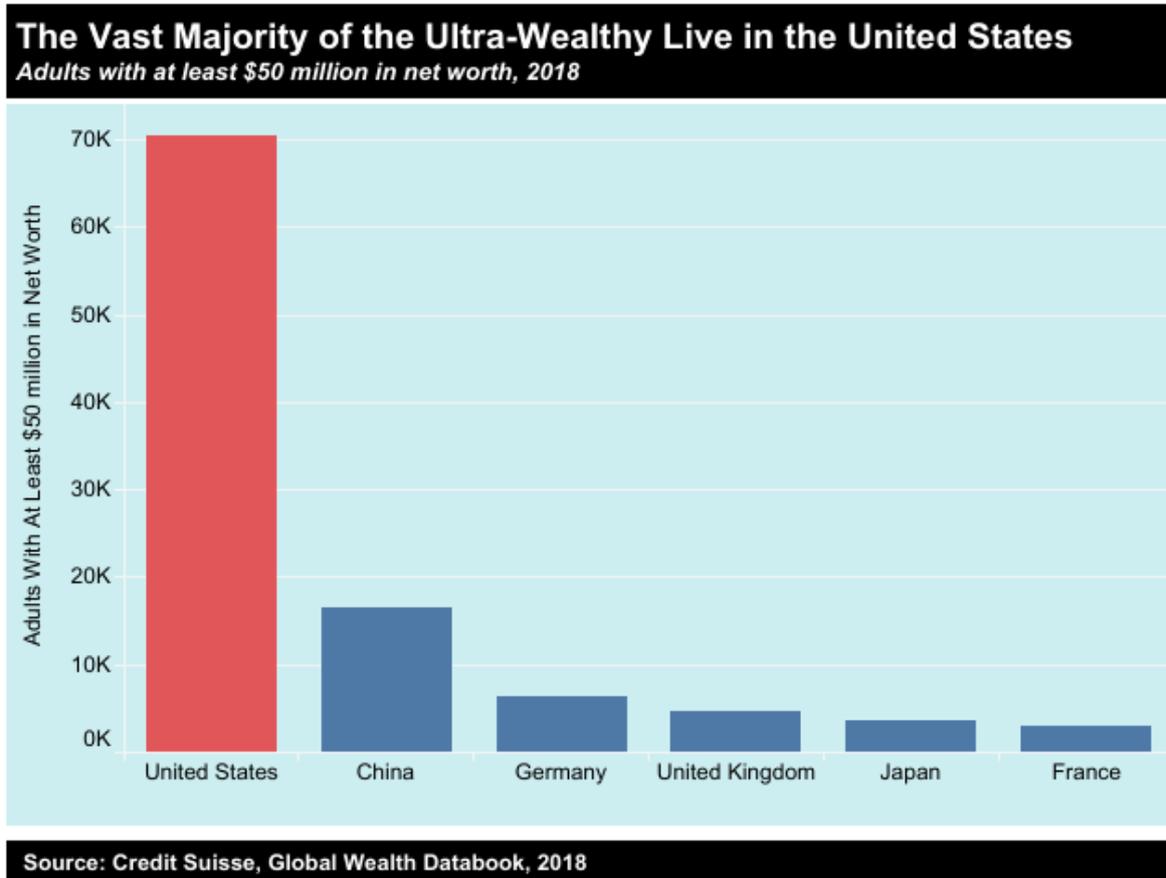
The top 1 percent in the United States holds 42.5 percent of national wealth, a far greater share than in other OECD countries. In no other industrial nation does the richest 1 percent own more than 28 percent of their country's wealth.



The United States dominates the global population of high net worth individuals, with nearly 5.3 million individuals owning at least \$1 million in financial assets (not including their primary residence or consumer goods).

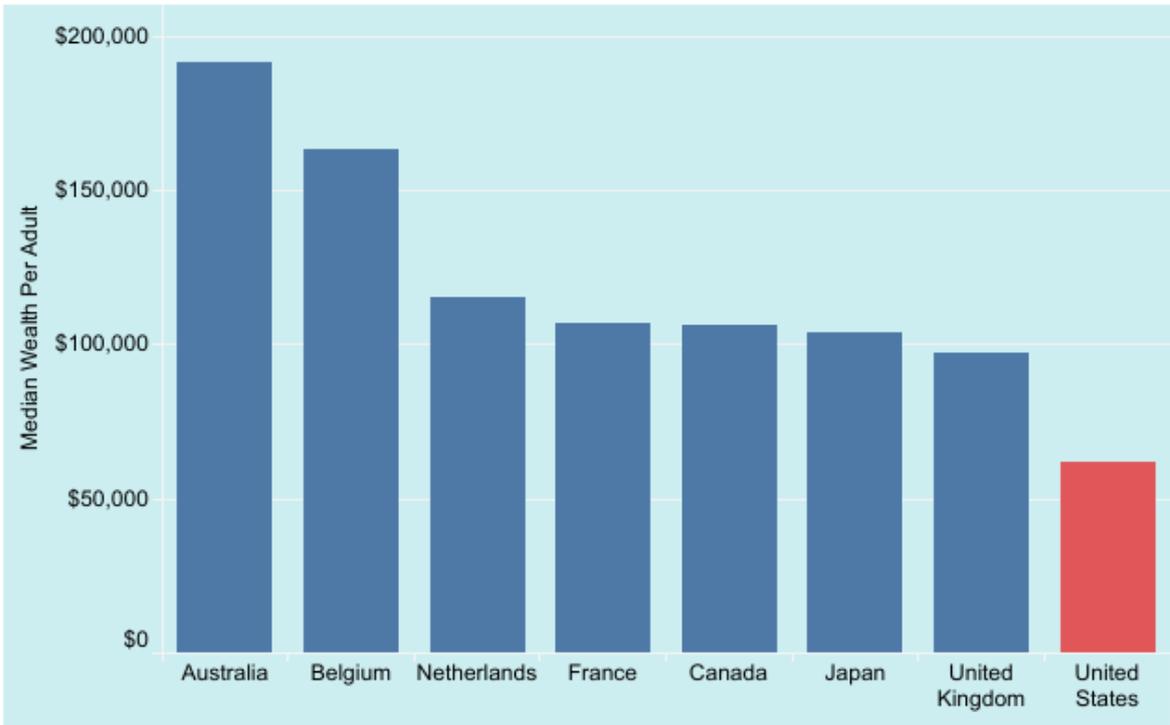


China has had the most rapid growth in the share of world millionaires, jumping from 5 percent of the global total to 7 percent between 2017 and 2018. But more than 65 percent of the world's millionaires continue to reside in Europe or North America, with 41 percent of these millionaires calling the United States home.



The United States is home to more than twice as many adults with at least \$50 million in assets as the next five nations with the most super rich combined. China is rising rapidly up the ranks, with the number of individuals in the \$50 million club rising from 9,555 to 16,511 between 2017 and 2018.

Many Other Countries Have Higher Median Wealth Than U.S.
Median wealth per adult, 2018



Source: Credit Suisse, Global Wealth Databook, 2018

The United States has more wealth than any other nation. But America’s top-heavy distribution of wealth leaves typical American adults with far less wealth than their counterparts in other industrial nations.