

Media Release

Credit Suisse: Global household wealth increases by 8.3% to USD 263 trillion, driven by wealth growth in the United States and Europe.

Global wealth per adult reaches a new all-time high of USD 56,000, rising by USD 3,450, the highest increase recorded since the financial crisis.

Zurich, October 14, 2014 **The Credit Suisse Research Institute today released its fifth annual Global Wealth Report, which finds that from mid-2013 to mid-2014 aggregate global household wealth increased by 8.3% in current dollar terms to USD 263 trillion, despite an ongoing challenging economic environment.**

Key findings of the report include:

- Global wealth stands 20% above its pre-crisis peak and 39% above its 2008 low.
- Wealth is likely to rise by nearly 40% in the next five years, reaching USD 369 trillion by 2019, according to our estimates.
- Emerging markets are to increase their share of global wealth to 21% by 2019, with China alone expected to represent nearly 10% of global wealth against just over 8% today.
- Wealth inequality has increased since 2008, especially in emerging economies like China and India.
- The USA has achieved a sizable increase in wealth since mid-2013, with a rise of USD 8.9 trillion. It will remain the undisputed leader in terms of aggregate wealth, with total net worth of more than USD 114 trillion by 2019.
- In Europe, wealth per adult has increased by more than 10% as a result of a strong recovery in asset prices.
- Switzerland ranks highest in average wealth, and has reached a new high of USD 581,000 per adult. Median wealth per adult in Australia, however, stands at USD 225,000, far outstripping Swiss median wealth of USD 107,000.
- The number of millionaires worldwide is to increase by about 53% in the next five years, reaching 53.2 million in 2019.

Giles Keating, Global Head of Research for Private Banking & Wealth Management, Credit Suisse, said: “The fifth annual Credit Suisse Global Wealth Report shows a USD 20.1 trillion rise in wealth to USD 263 trillion. North America and Europe stand out this year, with percentage gains exceeding 10% in both cases. Developing economies have lagged as a result of weaker asset prices and currency pressures.”

Credit Suisse Research Institute’s Markus Stierli said: “This year’s report puts wealth inequality under the lens, and the findings show that inequality has tended to rise since 2008, particularly in

developing economies. The financial crisis has acted as a breakpoint in inequality, as most countries were showing a flat or declining trend before 2007.”

Credit Suisse provides the most comprehensive and reliable source of information available on global household wealth. The analysis comprises the wealth holdings of 4.7 billion adults across more than 200 countries – from billionaires in the top echelon to the middle and bottom sections of the wealth pyramid, which other studies often overlook.

For a copy of the Credit Suisse Research Institute report, “Global Wealth Report 2014,” please click [here](#). Full information on sources and methodology is also provided in the Global Wealth Databook 2014.

Highlights of the Global Wealth Report 2014

Changes in wealth from 2013-2014

Total global household wealth increased in current dollar terms to USD 263 trillion, or USD 56,000 per adult in the world, an all-time high for average net worth. This is underpinned by a strong recovery in asset prices. On a regional basis, North America and Europe led the gains with increases of about 11% (Table 1). In contrast, aggregate wealth in Latin America was largely unchanged, whereas Asia-Pacific (including China and India) recorded a small rise of around 3%. Excluding Japan, the region recorded a gain of about 4%, with Chinese wealth rising by 3.5% and Indian wealth falling by -1%.

At the country level, among the major economies, the UK, South Korea and Denmark recorded the largest percentage gains, while Ukraine, Argentina and Indonesia incurred the largest losses. In absolute terms, the UK added USD 2.3 trillion, while strength in the euro and strong equity markets meant that France, Germany and Italy together added USD 3.6 trillion to the stock of global wealth. The G7 economies accounted for a share of 64% of total wealth in mid-2013, but for more than 78% of newly created wealth since then. Indonesia, Russia and Argentina recorded the largest USD losses.

Table 1: Changes in household wealth 2013-2014 by region

Region	Total wealth 2014 USD billion	Change in total wealth 2013-2014 USD billion	% Change mid 2013-2014
Africa	2,831	167	6.3%
Asia-Pacific (including China and India)	74,857	2,432	3.4%
Europe	85,200	8,149	10.6%
Latin America	9,113	-11	-0.1%
North America	91,240	9,370	11.4%
World	263,242	20,108	8.3%

Wealth trends since 2000

Aggregate household wealth has more than doubled since the start of the millennium from USD 117 trillion in 2000 to USD 263 trillion in mid-2014. Over the same period, personal wealth in India and China has risen by a factor of 3.1 and 4.6 respectively. Allowing for the rise in the adult population, global net worth per adult has increased by 77% from 2000, an average growth rate of 4.3% per annum. Despite recording a 15% decline during the financial crisis, wealth per adult has increased each year since 2008 and is now 7% above its pre-crisis peak.

The share of financial wealth was 55% of gross wealth in 2000, and fell to 49% by 2008. Following the recovery of asset prices, financial assets have trended upwards since then, and now account for 54% of gross wealth. Household debt relative to net wealth peaked in 2008 and is now at 16.5%, the lowest level since 2001. However, over the last 15 years household indebtedness in developing economies has been rapidly increasing.

Wealth of nations: Top ten countries with the highest average wealth per adult in mid-2014 (USD)

The richest nations, with wealth per adult over USD 100,000, are found in North America, Western Europe and among the rich Asia-Pacific and Middle East countries. Switzerland is the country with by far the highest wealth per adult, followed by Australia and Norway (see Table 2). Denmark and the UK have moved up two places and now rank 8th and 9th respectively in terms of wealth per adult. Singapore has lost three places, but is still among the top ten.

Table 2: Top ten countries with the highest average wealth per adult in mid-2014 (USD)

Ranking	Country	Average wealth per adult (in USD)	Change since mid-2013 (%)
1	Switzerland	581,000	10.5%
2	Australia	431,000	5.0%
3	Norway	359,000	-4.0%
4	United States	348,000	10.6%
5	Sweden	333,000	4.8%
6	France	317,000	9.1%
7	Belgium	301,000	11.7%
8	Denmark	293,000	16.1%
9	United Kingdom	293,000	18.3%
10	Singapore	290,000	2.0%

The rankings of the richest economies change when we look at median wealth per adult, which is more representative of the average person (Table 3). Australia ranks as the top economy while Switzerland drops to number eight. The USA also drops off the list, while some Eurozone economies (Belgium, Italy and France) move up among the top five.

Table 3: Top ten countries with the highest median wealth per adult in mid-2014 (USD)

Ranking	Country	Median wealth per adult (in USD)	Change since mid-2013 (%)
1	Australia	225,000	4.9%
2	Belgium	173,000	12.3%
3	Italy	142,000	9.6%
4	France	141,000	1.3%
5	United Kingdom	131,000	16.1%
6	Japan	113,000	2.7%
7	Singapore	109,000	6.1%
8	Switzerland	107,000	10.4%
9	Canada	99,000	3.2%
10	Netherlands	93,000	6.3%

Wealth distribution in history

For the first time we are able to report on the patterns of wealth distribution historically. Since 2000, wealth inequality has increased in Latin America and Africa, and to a greater extent in India and China, but fallen slightly in Europe and North America. Prior to 2007, most countries show little change in inequality, or a slight decline; after 2007, wealth inequality has tended to increase. From 2000 to 2007, median wealth per adult increased by 142%, outpacing average wealth which increased by just 65%. In contrast to mean wealth per adult, however, median wealth has failed to return to its pre-crisis high and now stands at USD 3,641, against USD 4,215 in 2007, representing a decline of nearly 14%. One billion adults belong to the global middle class with wealth in the USD 10,000–100,000 range. China's share of the middle class has doubled since 2000 and now covers one-third of the global membership, ten times the share of India. For the first time this year, more than 400 million adults have wealth above USD 100,000, against 217 million at the start of the century.

Top of the wealth pyramid

The new data on millionaire trends indicates that the number of millionaires has increased significantly since 2000, rising by 164% over the period, to 34.8 million individuals today. The USA has 41% of global millionaires. From 2007 to 2009, the number of HNW individuals in Europe briefly overtook the USA, only to fall behind since then. Japan's share also fell to below 10% a year ago and is now down to 8%.

Worldwide there are 128,000 UHNW individuals, those with net assets exceeding USD 50 million, against 41,000 in 2000 (Table 4). Of these, 45,000 are worth at least USD 100 million (against 14,000 in 2000) and 4,300 have assets above USD 500 million (1,200 in 2000). The USA dominates the regional ranking, with 63,000 UHNW residents (49%), while Europe has 31,000 (24%), and 26,000 (20%) reside in Asia-Pacific, including China and India. China today has as many UHNW individuals as all of Europe had in 2001.

Table 4: UHNW individuals 2014: Selected countries

Country	UHNWIs (> USD 50 million)	% of global total
United States	62,858	49.0%
China	7,631	6.0%
Germany	5,548	4.3%
United Kingdom	4,660	3.6%
France	4,151	3.2%
Italy	3,322	2.6%
Japan	2,887	2.3%
Russia	2,771	2.2%
Canada	2,607	2.0%
Australia	2,471	1.9%
Switzerland	2,434	1.9%
Taiwan	2,037	1.6%
Brazil	1,940	1.5%
Korea	1,871	1.5%
India	1,772	1.4%
Spain	1,766	1.4%
Hong Kong	1,450	1.1%
Sweden	1,424	1.1%
Turkey	1,026	0.8%
World	128,220	100%

The outlook for wealth

Wealth is expected to rise by 40% in the next five years in nominal terms, reaching USD 369 trillion by 2019. Average wealth is expected to rise by USD 18,000 per adult worldwide (31%), from USD 56,000 to USD 74,000 in 2019. The share of wealth of emerging markets will likely reach 21% by 2019, which amounts to USD 76.4 trillion. The annual nominal rate of increase is projected to be 9.3% for emerging markets against 6.4% for developed markets.

Among the major economies, household wealth in China will likely continue to grow at a rapid pace of 11% over the next five years, reaching USD 36.2 trillion in 2019. The USA will still account for 31% of global wealth in 2019 with USD 114.5 trillion. Wealth in India will also grow very rapidly, at an annual pace of nearly 9% to USD 5.5 trillion in 2019. On a per adult basis, China will increase its wealth by USD 13,000 to USD 34,400 and India by USD 1,700 to USD 6,400.

Estimates by Credit Suisse suggest that the number of global millionaires could exceed 53 million in 2019, a rise of more than 18 million (Table 5). While the number of millionaires in emerging economies is still far below the levels in the USA (20 million) or Europe (19 million), it is expected to increase substantially over the next few years. China could see its number nearly doubling by 2019, to 2.3 million adults. Brazil and Mexico will underpin the number of millionaires in Latin America, which could reach 921,000 in five years.

Table 5: Number of millionaires in 2014 and 2019 by regions, selected countries and world

Country	Number (thousand) 2014	Number (thousand) 2019	Change (%)
United States	14,166	19,705	39%
France	2,444	4,160	70%
United Kingdom	2,043	3,381	66%
Germany	1,964	3,242	65%
China	1,181	2,292	94%
Korea	333	570	71%
Brazil	225	332	47%
India	182	294	61%
Mexico	172	271	57%
Singapore	167	250	50%
Russia	158	203	28%
Hong Kong	102	165	62%
Indonesia	98	161	64%
Turkey	79	110	39%
Poland	50	89	79%
Region	Number (thousand) 2014	Number (thousand) 2019	Change (%)
Africa	144	279	93%
Asia-Pacific (inc. China & India)	7,000	11,737	68%
Europe	11,780	19,056	62%
Latin America	605	921	52%
North America	15,308	21,171	38%
World	Number (thousand) 2014	Number (thousand) 2019	Change (%)
World	34,837	53,162	53%

Notes to editors

- The report defines net worth or wealth as the value of financial assets plus real assets (mainly real estate) minus household debt.
- The figures presented in the report are based on the best available data on household assets and debts, estimated and updated where necessary.
- Data for 2014 and 2013 relate to mid-year values; the figures for earlier years indicate year-end values.
- Unless indicated otherwise, figures are expressed in nominal dollars and are not inflation adjusted.
- Full information on sources and methodology is provided in the Global Wealth Databook 2014.
- Projections to 2019 are made by the Credit Suisse Research Institute and are based on forecasts of the three components of wealth: financial assets, non-financial assets and debts.

To obtain a copy of the Credit Suisse Global Wealth Report 2014, please visit:
<https://www.credit-suisse.com/researchinstitute>.

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Appendix

(1) Biographies of the authors

Anthony Shorrocks is Director of Global Economic Perspectives Ltd. After receiving his PhD from the London School of Economics (LSE), he taught at the LSE until 1983, when he became Professor of Economics at Essex University, serving also as Head of Department and Director of Economic Research for the British Household Panel Study. In 2001, he was appointed Director of the World Institute for Development Economics Research of the United Nations University (UNU-WIDER) in Helsinki, where he remained until 2009. He has published widely on income and wealth distribution, inequality, poverty and mobility, and was elected a Fellow of the Econometric Society in 1996. Publications include "The age-wealth relationship: A cross section and cohort analysis" (Review of Economics and Statistics 1975), "The portfolio composition of asset holdings in the United Kingdom" (Economic Journal 1982), and, with Jim Davies and others, "Assessing the quantitative importance of inheritance in the distribution of wealth" (Oxford Economic Papers 1978), "The distribution of wealth" (Handbook of Income Distribution 2000), "The world distribution of household wealth" in Personal Wealth from a Global Perspective (Oxford University Press 2008), "The global pattern of household wealth" (Journal of International Development 2009) and "The Level and Distribution of Global Household Wealth" (Economic Journal 2011).

Jim Davies is a Professor in the Department of Economics at the University of Western Ontario in Canada, where he has been a faculty member since 1977 and served as chair of the department from 1992 to 2001. He received his PhD from the London School of Economics in 1979. Jim was the director of the Economic Policy Research Institute at UWO from 2001 to 2012. In 2010, he

completed a five-year term as managing editor of the academic journal *Canadian Public Policy*. From 2006 to 2008, he directed an international research program on household wealth holdings at UNU-WIDER in Helsinki and edited the resulting volume, "Personal Wealth from a Global Perspective" (Oxford University Press 2008). He has authored two books and over 70 articles and chapters in books on topics ranging from tax policy to household saving and the distribution of wealth. Publications include "The Relative Impact of Inheritance and Other Factors on Economic Inequality" (*Quarterly Journal of Economics* 1982), "Wealth and Economic Inequality" (*Oxford Handbook of Economic Inequality*, Oxford University Press, 2009), and several publications on wealth authored jointly with Anthony Shorrocks and others. Jim is also the editor of "The Economics of the Distribution of Wealth," published earlier this year by Edward Elgar.

Rodrigo Lluberas is an analyst at the Research department of Uruguay Central Bank. He received his PhD in Economics from Royal Holloway College, University of London and his MSc in Economics from University College London. He has been a visiting scholar at the Institute for Fiscal Studies and an Economist at Towers Watson in London. Prior to undertaking his MSc, he worked for three years as an economic analyst at Watson Wyatt Global Research Services and more recently as a research assistant at NESTA. His main areas of expertise are pensions, consumption and wealth.

(2) Scope and Methodology

The 2014 Credit Suisse Global Wealth Report (the report) and the more detailed accompanying Global Wealth Databook aim to provide the most comprehensive study of world wealth. Unlike other studies, they measure and analyze trends in wealth across nations, from the very bottom of the "wealth pyramid" to ultra-high net worth individuals.

This fifth Wealth Report continues our close collaboration with Professors Anthony Shorrocks and Jim Davies, recognized authorities on this topic, and the principal authors of "Personal Wealth from a Global Perspective," Oxford University Press, 2008.

The Credit Suisse Global Wealth Report lays the foundation for a long-running examination by the Credit Suisse Research Institute of one of the crucial research areas in economics, and a vital driver of future megatrends. Moreover, it continues the thought leadership and proprietary research undertaken by the Research Institute over the past three years.

Of note, China and India are treated as separate regions in the report due to the size of their populations.

(3) The Credit Suisse Research Institute

The Credit Suisse Research Institute identifies and provides insights on global themes and trends. The objective of the Research Institute is to provide our clients with leading edge advice by leveraging internal and external expertise, thus reinforcing our integrated global bank approach.

The Institute was established in December 2008 to conduct research on new emerging or influential topics, working with some of the world's most distinguished experts, academics and institutions and

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