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October 2010

Research **Institute**

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Global Wealth Report

Contents

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Editorial

The aim of the inaugural Credit Suisse Global Wealth Report and Credit Suisse Global Wealth Databook is to provide the most comprehensive study of world wealth. Unlike other studies, the Global Wealth Report measures and analyzes trends in wealth across nations, from the very bottom of the "wealth pyramid" to the ultra high net worth individuals.

Research for the Global Wealth Report has been undertaken on behalf of the Credit Suisse Research Institute by Professors Anthony Shorrocks and Jim Davies, recognized authorities on this topic, and the architects and principal authors of "Personal Wealth from a Global Perspective," Oxford University Press, 2008.

The Global Wealth Report moves beyond existing offerings in several ways. It sheds light on areas such as the differences in wealth across countries and regions, and how they have changed during the past decade. It also describes the pattern of wealth within countries and by gender, as well as systematic differences in household portfolios.

The topic of wealth is relatively under-researched, though wealth itself is one of the pillars of the economic system – driving economic growth, the accumulation of capital, trends in consumption, asset prices and specific industries like health care and banking.

Despite a decade of near-zero real returns on equities, several equity bear markets and the collapse of housing bubbles, we find that global wealth has risen by 72% since 2000. While nearly half of this change has been caused by the weaker dollar, strong economic growth and rising population levels in emerging nations have also been important drivers.

The head of the (per adult) wealth league table is dominated by smaller, open economies – Singapore, Switzerland, Norway, as well as Australia and France.

The laggards are Argentina, Japan and Iceland. Notable cases of emerging wealth are found in the Czech Republic, Slovenia, Chile, Malaysia and South Africa while "frontier" wealth is evident in Colombia, Indonesia, the United Arab Emirates and Kuwait.

While it is obvious that large amounts of wealth are concentrated at the top of the wealth pyramid, we find that growth rates are sometimes impressive at the bottom of the pyramid. For instance, in India, wealth per adult has more than doubled in the past decade.

The composition of household balance sheets is an important driver of wealth. In general, non-financial assets like housing and land typically make up a relatively large proportion of emerging world assets. In contrast, financial assets form a much greater proportion of balance sheets in countries like the United States, Japan and Switzerland. One interesting trend with respect to gender is that, in some countries, women hold more risky assets than men.

This first Credit Suisse Global Wealth Report lays the foundation for what we aspire to be a long-running examination by the Credit Suisse Research Institute of one of the most important research areas in economics, and a vital driver of the megatrends of the future. Moreover, it continues the thought leadership and proprietary research undertaken by the Credit Suisse Research Institute over the past two years.

Walter Berchtold, Chief Executive Officer Private Banking

Global wealth overview

Our analysis spans the entire wealth pyramid, from the very wealthy, who drive trends in financial markets, to the fast growing, though less well off middle and the bottom of the pyramid, which is the force behind emerging trends in consumption and economic power.

The aim of the Credit Suisse Global Wealth Report is to generate the most comprehensive study of wealth globally. In this respect, we analyze all of the world's USD 200 trn (see Figure 1) of wealth, through the lens of the Wealth Pyramid (see Figure 2), the breakdown of wealth assets on a country-by-country basis (see Figure 4) and the distribution of wealth by gender (see Figure 6). The data used in the Credit Suisse Global Wealth Report is up to date (2010) and produced by recognized independent academic authorities on global household wealth. The depth of the analysis permits the report to explore multiple aspects of wealth in great detail - such as the composition of the very upper echelons of the wealth pyramid (see Figure 3).

Source: Credit Suisse Global Wealth Databook, Shorrocks/Davies/Lluberas

Figure 1

World wealth by region, in USD trillions

World wealth adds up to USD 200 trn, with the Asia-Pacific region and China making up an increasing segment.

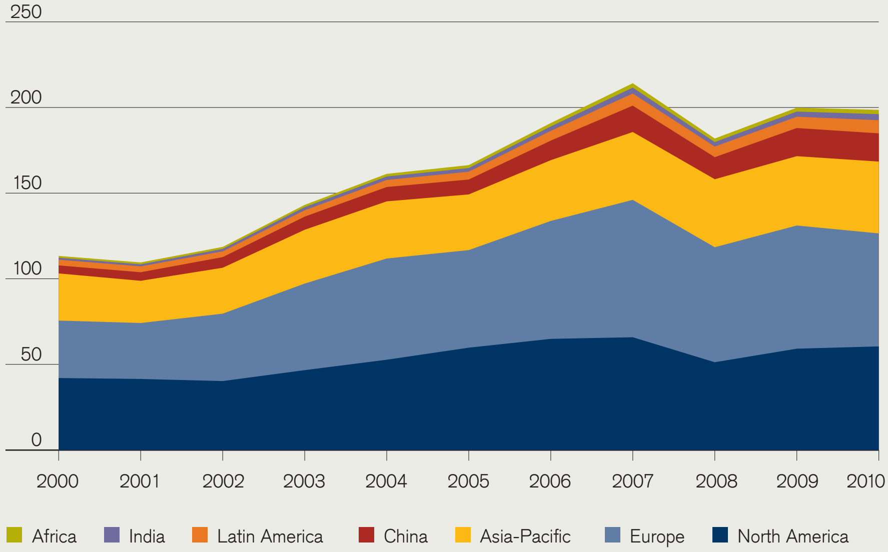


Figure 4

Breakdown of wealth by assets across countries

Financial assets make up a large proportion of wealth in South Africa, the US and Japan.

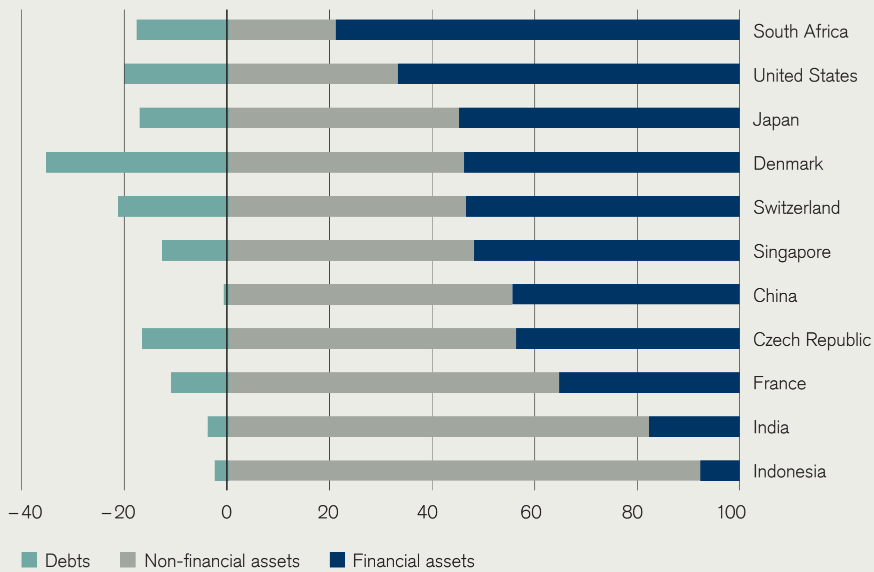


Figure 2

The Wealth Pyramid

The fast growing bottom and middle of the Wealth Pyramid make up over USD 40 trn in assets.

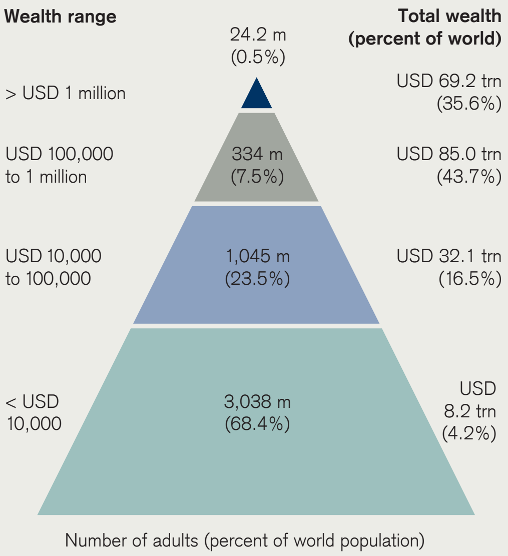


Figure 3

The wealthy by region

Representation by region in the upper echelons of the world's wealthy.

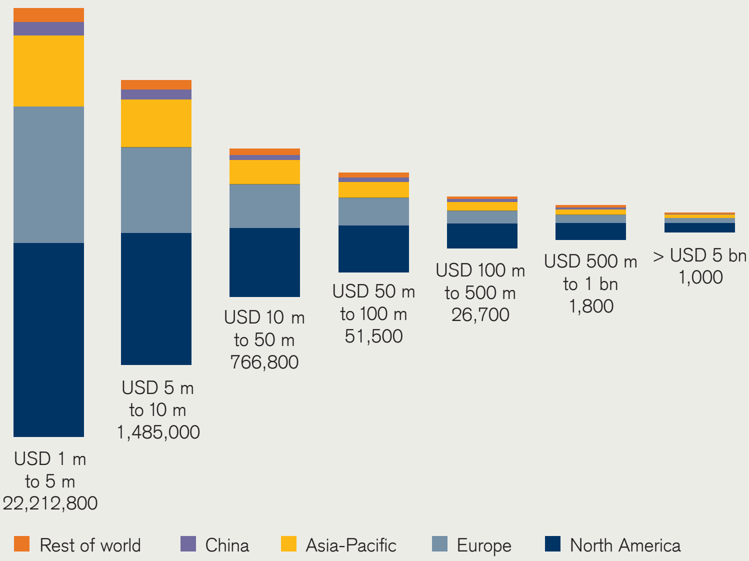


Figure 5

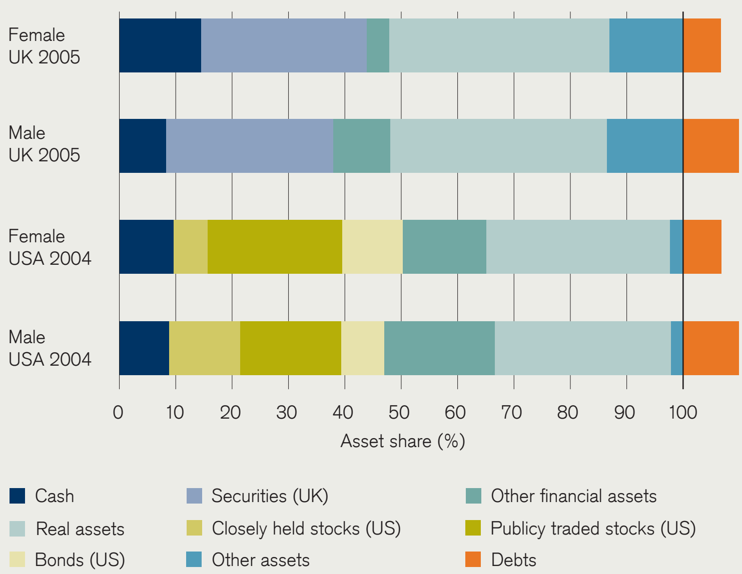
Country focus: Wealth per adult in Indonesia

Real estate is the driver of fast growing wealth in Indonesia.

Figure 6

Breakdown of wealth by assets

In the UK, women appear to hold more risky assets than men.



Household wealth: A global portrait

Wealth is a topic that attracts a great deal of attention, though one that is arguably not yet well analyzed. Although relatively under-researched, wealth is one of the pillars of the economic system – driving economic growth, the accumulation of capital, trends in consumption, asset prices and specific industries like health care and banking.

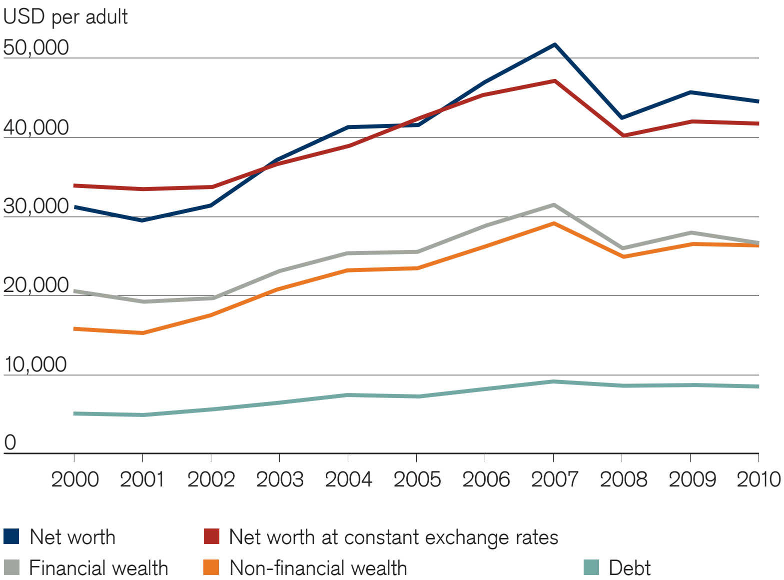
Much of the public debate on wealth focuses on the billionaires and those in the very top echelons of wealth. Our approach is to try to be more global and more inclusive in that we seek to examine the whole spectrum of wealth holdings from rich to poor and across countries and regions. This chapter outlines key trends and levels in wealth and explains what wealth is and how it is distributed.

In aggregate, our analysis shows that, despite the financial crisis, the past decade has in fact been a relatively benign period for household wealth accumulation. Global net worth per adult rose 43% from USD 30,700 in the year 2000 to USD 43,800 by mid-2010. Since the number of adults increased from 3.6 billion to 4.4 billion over this period, aggregate household wealth rose by 72%. One important factor here was the depreciation of the dollar against most major currencies, which accounts for part of the rise in dollar-denominated values, but average net worth still increased by 24% when exchange rates are held constant.

Figure 1

Global trends in wealth per adult

Source: Credit Suisse Global Wealth Databook, Shorrocks/Davies/Lluberas



Wealth winners and losers

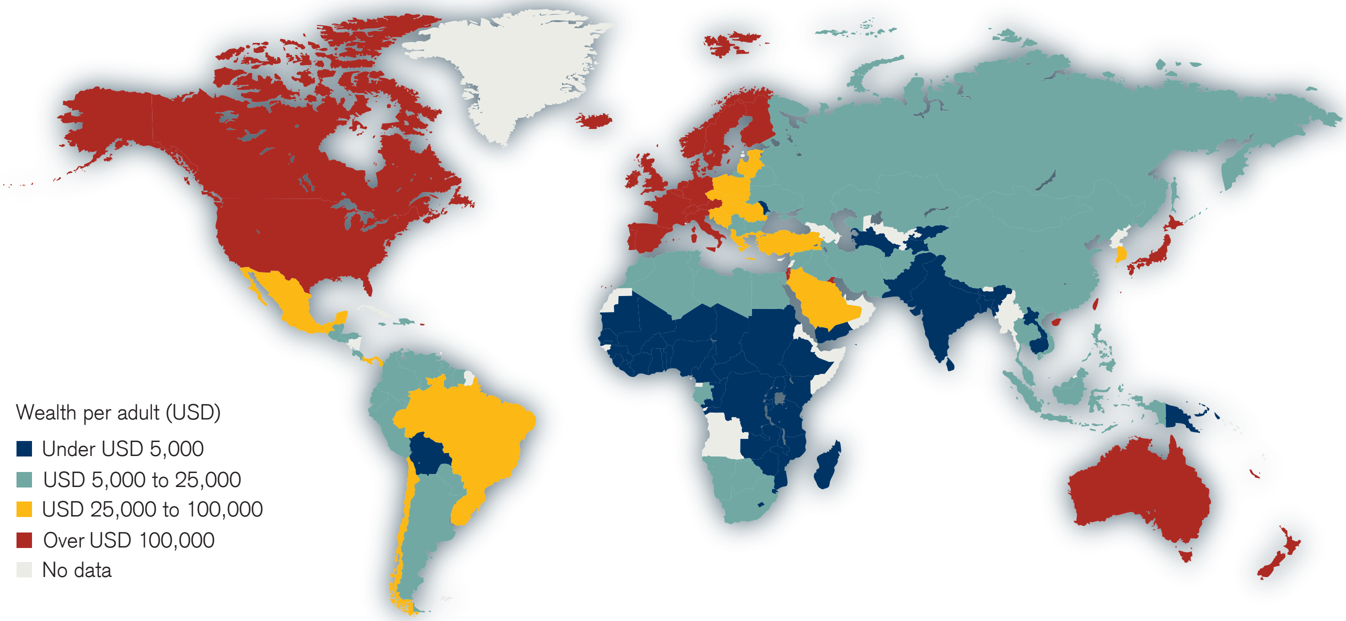
The experience of most countries has conformed to the global pattern over the decade, although there are exceptions, notably Iceland and Argentina, whose wealth fell by 30%. Unsurprisingly, the performance of Japan was also unremarkable, rising by only 5% in US dollar terms, all attributable to appreciation of the yen. The United States also had modest gains by international standards. At the other end of the scale, wealth per adult tripled in Australia, China, New Zealand, Poland and Romania, and is estimated to have risen by a factor of almost five in Indonesia and Russia.

Digging into more detail, the global figure for average wealth masks considerable variation across countries and regions (see Figure 2). The richest nations, with wealth in 2010 above USD 100,000 per adult, are found in North America, Western Europe, and among the rich Asian-Pacific and Middle East countries. They are topped by Switzerland, Norway, Australia, Singapore and France, each of which records wealth per adult above USD 250,000. Average wealth in other major economies such as the USA, Japan, the United Kingdom and Canada also exceeds USD 200,000.

Figure 2

World wealth levels

Source: Credit Suisse Global Wealth Databook, Shorrocks/Davies/Lluberas



Emerging wealth: The band of wealth from USD 25,000 to USD 100,000 covers many recent EU entrants (Poland, Hungary, Czech Republic, Slovakia, Latvia, Lithuania, Estonia, Cyprus) and important Latin American countries (Mexico, Brazil, Chile), along with a number of Middle Eastern nations (Lebanon, Saudi Arabia, Bahrain).

Frontier wealth: The main transition nations outside the EU, including China, Russia, Belarus, Georgia, Kazakhstan and Mongolia, fall in the USD 5,000 to USD 25,000 range, together with some of their Far East neighbors (Indonesia, Thailand) and most of Latin America (Colombia, Ecuador, Peru, El Salvador). The group also contains a number of African nations at the southernmost tip (South Africa, Botswana, Namibia) and on the Mediterranean coast (Morocco, Algeria, Tunisia, Egypt).

Finally, the category below USD 5,000 comprises almost all of South Asia, including India, Pakistan, Bangladesh and Nepal, and almost all of Central and West Africa.

The wealth of regions

The World Wealth map above highlights a number of pronounced regional differences. In particular, North America has higher average wealth than Europe, but the greater European population means that the ranking is reversed in terms of total wealth ownership. Residents of Europe own 32% of global wealth compared to 31% in North America and 22% in the Asia-Pacific countries (excluding China and India). The rest of world accounts for the remaining 15% of total household wealth, although it contains 58% of the global adult population.

What is wealth?

Our aim in this report is to provide a comprehensive global portrait covering not only the upper echelons of wealth, but the whole spectrum of wealth holdings from rich to poor. This report provides a detailed analysis of the level and pattern across countries and regions of household net worth. We define household net worth or "wealth" as the value of financial assets plus non-financial assets (principally housing) owned by individuals less their debts. The figures are obtained by applying cutting-edge techniques to data derived from a great variety of sources. In the larger Credit Suisse Wealth Databook that accompanies this shorter publication, we outline the methodology employed in more detail.

Because children rarely own much wealth, the results are expressed in terms of the global population of adults, which totaled 4.4 billion in 2010. Due to the size of their populations, China and India are treated separately from the "Asia-Pacific" region.

Why wealth?

Wealth is one of the key components of the economic system. It is valued as a source of finance for future consumption, especially in retirement, and for reducing vulnerability to shocks like unemployment, ill health or natural disasters. Wealth also enhances opportunities for informal sector and entrepreneurial activities, when used either directly or as collateral for loans. These functions are less important in countries that have adequate social safety nets, good public health care, high quality public education, generous state pensions and well-developed business finance. Conversely, the need to acquire personal assets is particularly compelling and urgent in countries that have rudimentary social insurance schemes and restricted options for business finance, as is the case in much of the developing world.

The composition of household portfolios is of considerable interest and varies widely and systematically across countries. Over the past decade, the average value of household financial and non-financial wealth globally has closely followed the trend in net worth, increasing up to 2007 and then falling back by approximately 10% before recovering slightly. At the start of the decade, financial assets accounted for most of the value of the household portfolio, but the share has been declining, as a result of which, the global portfolio is now equally split between financial and non-financial assets (mostly property).

On the liability side of the household balance sheet, average household debt rose by 80% between 2000 and 2007, and then fell back slightly. It now amounts to USD 8,400 per adult. Expressed as a proportion of household assets, average debt has moved in a very narrow range, rising over the period, but never exploding.

Examining how global wealth is spread across households and individuals – rather than just regions or countries – requires information on the pattern of wealth holdings within countries. All the available evidence indicates that wealth is more concentrated than income or consumption. In this study, we combine the available information on levels and patterns of household wealth across and within countries to allow us to estimate the global distribution of wealth.

How wealth is distributed

To be among the wealthiest half of the world, an adult needs only USD 4,000 in assets, once debts have been subtracted. However, each adult requires more than USD 72,000 to belong to the top 10% of global wealth holders and more than USD 588,000 to be a member of the top 1%. The bottom half of the global population together possess less than 2% of global wealth, although wealth is growing fast for some members of this segment. In sharp contrast, the richest 10% own 83% of the world's wealth, with the top 1% alone accounting for 43% of global assets.

Figure 4 shows how the regions of the world are represented amongst the wealth deciles. Unsurprisingly for example, North America and Europe together make up the lion's share of the top wealth decile (10%).

China has relatively few representatives at the very top and bottom of the global wealth distribution, but dominates the middle section, supplying more than a third of those in deciles 4–8. The sizeable presence of China in the middle section reflects not only its population size and moderate average wealth level, but also relatively low wealth inequality. China's position in the global picture has shifted upwards in the past decade as a consequence of a strong record of growth, rising asset values and the appreciation of the renminbi relative to the US dollar. China already has more people in the top 10% of global wealth holders than any country except for the USA, Japan and Germany, and is poised to overtake both Germany and Japan in the near future.

Future wealth

The obvious comparison between India and China is a core feature of the chart. While China and India together account for half of global citizens in deciles 4–8, India is heavily concentrated in the lower regions of the wealth distribution, hosting one quarter of individuals in the bottom half. However, high inequality in India means that it also has representatives in the top tail.

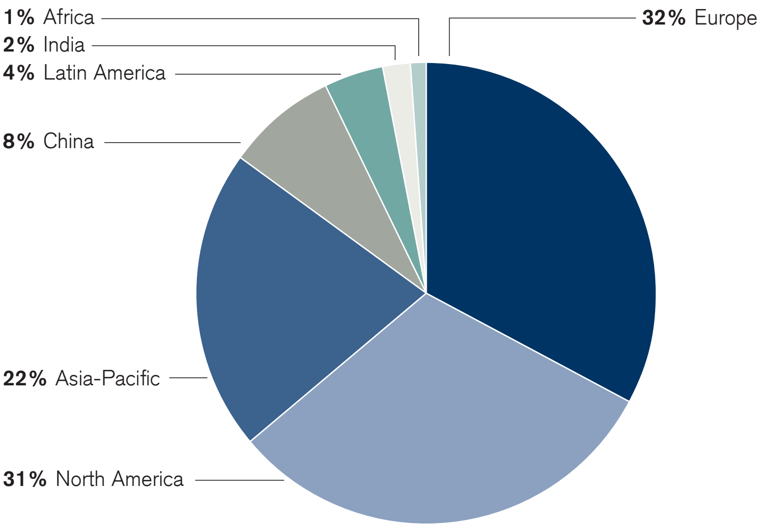
Taken together, the other Asia-Pacific nations are very evenly spread across the global wealth spectrum. However, this masks a substantial degree of polarization. Residents of high-income Asian countries (e.g. Japan, Singapore and Hong Kong) are heavily concentrated at the top end of the global wealth distribution: close to half the adults in high income Asian-Pacific countries are placed in the top global decile. In contrast, residents of lower income countries in Asia – a group including Indonesia, Bangladesh, Pakistan and Vietnam – tend to be found lower down the wealth distribution. In fact, the overall pattern within lower income Asia-Pacific countries resembles that of India, with both regional groupings contributing about one quarter of those on the bottom half of the wealth scale.

Africa is even more concentrated at the bottom end. Almost one third of African adults are placed

Figure 3

Wealth shares 2010 by region (%)

Source: Credit Suisse Global Wealth Databook, Shorrocks/Davies/Lluberas



in the bottom wealth decile. At the same time, wealth inequality within and across countries in Africa is so high that a sprinkling of individuals are found among the top 10% of global wealth holders, and even among the top 1%.

Latin America is another region whose wealth distribution closely mimics the global pattern, with individuals fairly evenly spread across the global distribution. North America and Europe are much more skewed towards the top deciles, together accounting for nearly two thirds of those in the top 10%. Europe alone is home to 36% of members of the top wealth decile, a figure which has risen considerably in the past decade due to appreciation of the euro against the US dollar. North America, Europe and Asia-Pacific together account for 88% of members of the top wealth decile, and an even higher fraction (93%) of the top percentile.

The world wealth spectrum

In summary, the Credit Suisse Wealth Report provides a comprehensive picture of world wealth – all parts of the wealth spectrum from rich to poor, across a wide range of countries and regions. We find that, despite a decade of near zero real returns on equities, several equity bear markets and the collapse of housing bubbles, that global wealth has risen by 72% since 2000. Strong economic growth and rising population levels in emerging nations have been important drivers of this trend.

The head of the wealth (per adult) league table is dominated by smaller, dynamic economies – Singapore, Switzerland, Norway as well as France and Australia. Argentina, Japan and Iceland are among the laggards. Notable cases of emerging wealth are found in the Czech Republic, Slovenia, Chile, Malaysia and South Africa, while "frontier" wealth is evident in Colombia, Indonesia, the United Arab Emirates and Kuwait.

Wealth is unevenly distributed. Our analysis finds some stark differences in the distribution of wealth. The bottom half of the global population possesses less than 2% of global wealth. In sharp contrast, the richest 10% own 83% of the world's wealth, with the top 1% alone accounting for 43% of global assets. Already we see signs that this is changing with very rapid growth in some low-wealth countries. In time, we expect and hope that the distribution of the world's wealth becomes more even, with China and India likely to be the catalysts toward such a trend.

Wealth is a vital but relatively under-researched cog in the economic system. It is valued as a source of finance for future consumption, especially in retirement, and for reducing vulnerability to shocks such as unemployment, ill health or natural disasters. Wealth also enhances opportunities for informal sector and entrepreneurial activities, when used either directly or as collateral for loans. In the next chapter we delve in more detail into the Wealth Pyramid.

Figure 4

Regional composition of global wealth distribution

Source: Credit Suisse Global Wealth Databook, Shorrocks/Davies/Lluberas

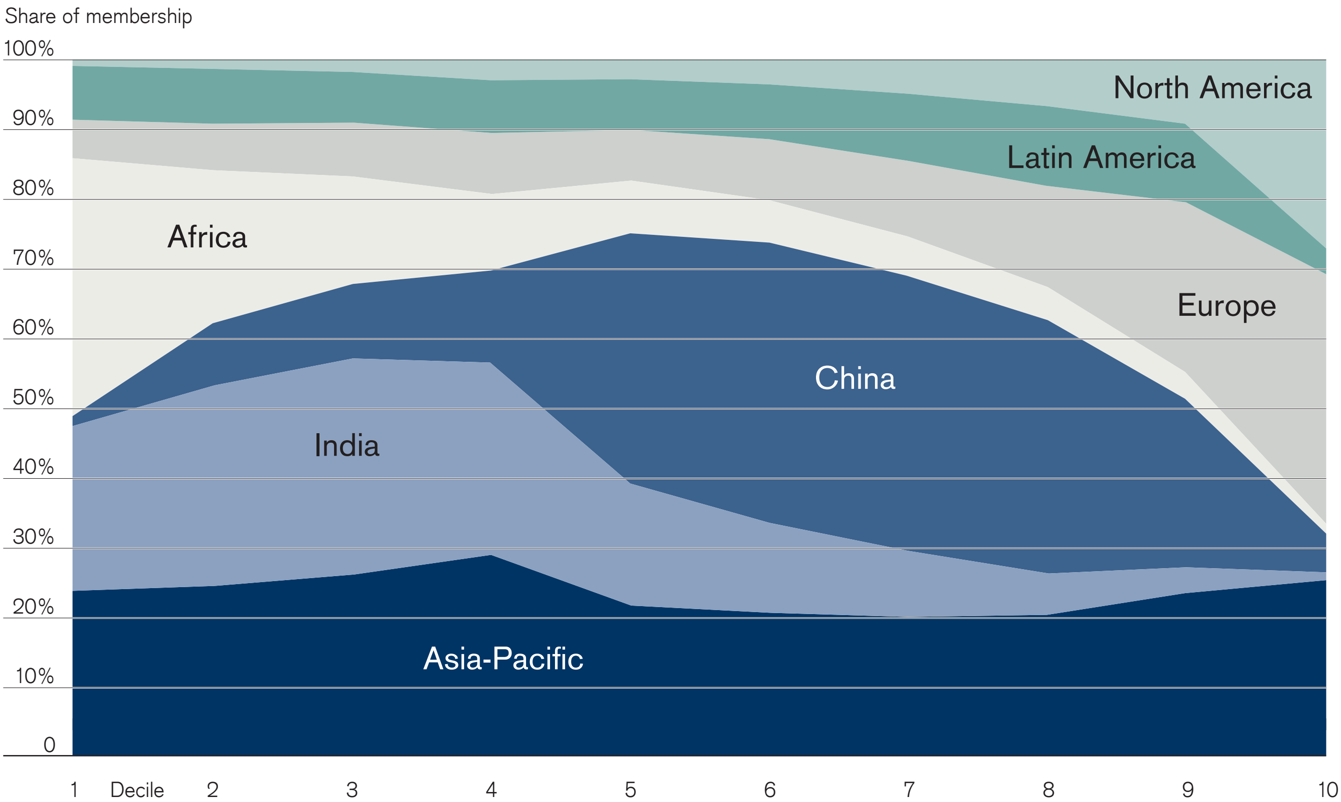


PHOTO: ISTOCKPHOTO.COM

PHOTO: ISTOCKPHOTO.COM

The global wealth pyramid

The previous chapter highlighted the divergence in wealth distribution globally and, in this context, it is not surprising that many people refer to the pattern of wealth ownership as a pyramid, though some studies focus on the top of the pyramid to the exclusion of the rest.

In the spirit of C.K. Prahalad's "The Fortune at the Bottom of the Pyramid," [1] we feel that there is great dynamism in the middle and base parts, where emerging wealth will drive new trends in consumption and industrial change. At the same time, the "top of the pyramid" segment will be the strong driver of private asset flows and investment trends.

World wealth is close to USD 200 trillion

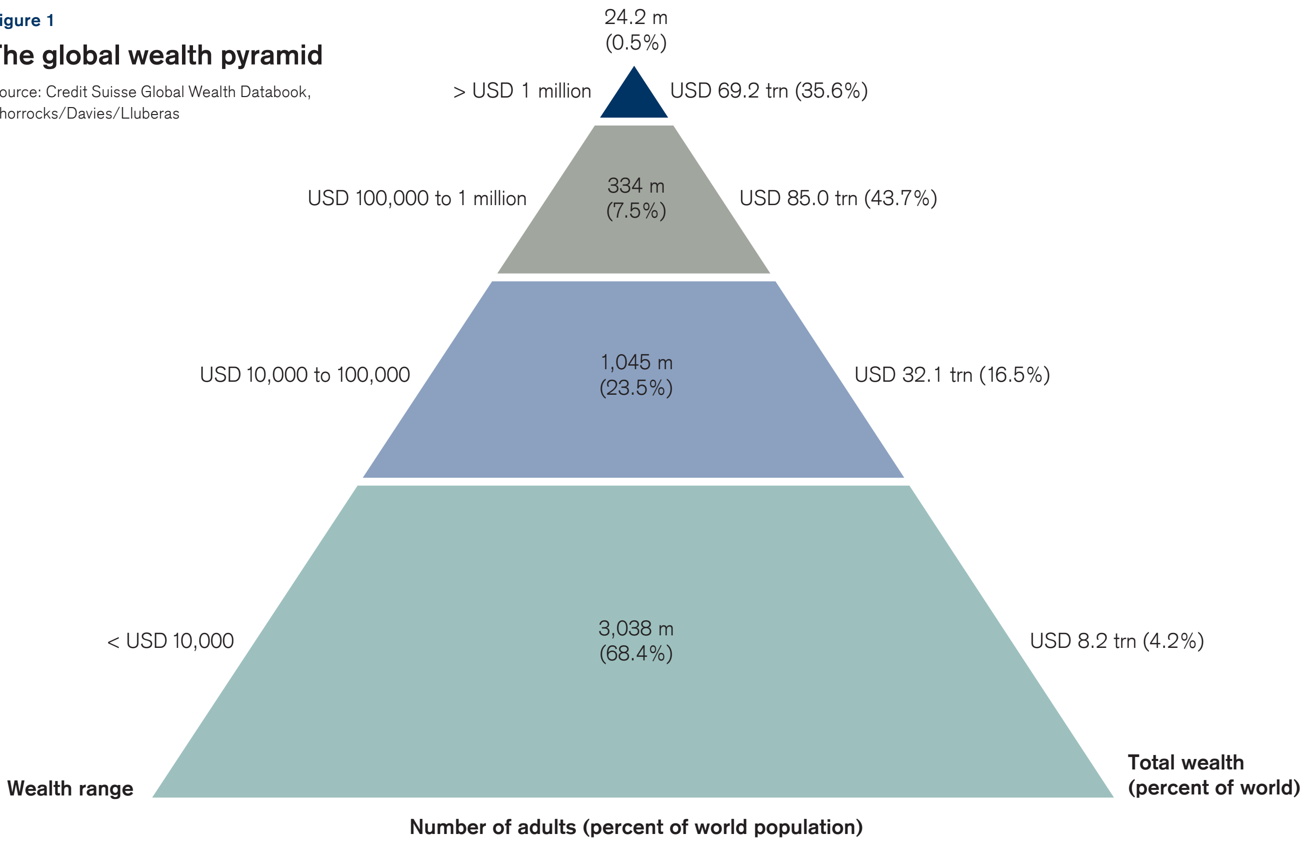
The middle and base segments of the pyramid have over USD 41 trillion in total wealth, which underlines the potential of this group for emerging consumption trends and the development of the financial services industry in growing economies. Moreover, wealth in "bottom of the pyramid" countries is currently limited, but growing quickly – in India, wealth is skewed to the bottom end yet has doubled over the past ten years, Indonesia has also seen spectacular growth and, in Latin America, absolute wealth today is approximately USD 8 trillion, as opposed to USD 3.3 trillion in 2000. By comparison, while North Americans dominate the top of the Wealth Pyramid, the rate of growth in US wealth has not been as stellar, moving from USD 42 trillion in 2000 to USD 60 trillion today.

[1] "The Fortune at the Bottom of the Pyramid", C. K. Prahalad, Wharton School Publishing, August 2004

Figure 1

The global wealth pyramid

Source: Credit Suisse Global Wealth Databook, Shorrocks/Davies/Lluberas



The wealth pyramid

Figure 1 shows "The global wealth pyramid" in striking detail. It is made up of a solid base of low wealth holders with upper tiers occupied by fewer and fewer people. We estimate that 3 billion individuals – more than two thirds of the global adult population – have wealth below USD 10,000.

A further billion adults (24% of the world population) are placed in the USD 10,000–100,000 range, leaving 358 million adults (8% of the world population) with assets above USD 100,000. Our figures for mid-2010 indicate that 24.2 million adults are above the threshold for dollar millionaires. While they make up less than 1% of the global adult population, they own more than a third of global household wealth. More specifically, individuals with wealth above USD 50 million are estimated to number 81,000 worldwide.

Bottom of the pyramid

The various tiers of the wealth pyramid have distinctive characteristics. The base level is spread broadly across countries. It has significant membership in all regions of the world, and spans a wide variety of family circumstances. The upper wealth limit of USD 10,000 is a modest sum in developed countries, excluding almost all adults who own houses, with or without a mortgage. Nevertheless, a surprisingly large number of individuals in advanced countries have limited savings or other assets. A high proportion are young people with little opportunity or interest in accumulating wealth. In fact, limited amounts of tangible assets combined with credit card debts and student loans lead many young people to record negative net worth. In Denmark and Sweden, for example, 30% of the population report negative wealth. This is an important and often overlooked segment, not least in the context of the credit crisis.

Low wealth is also a common feature of older age groups, particularly for those individuals suffering ill health and exposed to high medical bills. In fact, the means testing applied to many state benefits, especially contributions to the cost of residential homes, provides an incentive to shed wealth. Nevertheless, relatively few people in rich countries have net worth below USD 10,000 throughout their adult life. In essence, membership of the base section of the global wealth pyramid is a transient, lifecycle phenomenon for most citizens in the developed world.

The situation in low-income countries is different. More than 90% of the adult population in India and Africa fall in this band; in many low-income African countries, the fraction of the population is close to 100%. However, the cost of living is usually much lower. For a resident of India, for instance, assets of USD 10,000 would be equivalent to about USD 30,000 to a resident of the United States. In much of the developing world, this is enough to own a house or land – albeit possibly with uncertain property rights – and to have a comfortable lifestyle by local standards.

Middle of the pyramid

The billion adults in the USD 10,000–100,000 range form the middle class from the perspective of global wealth. With USD 32 trillion in total wealth, it certainly carries economic weight. This tier has the most regionally balanced membership, although China now contributes almost a third of the total. The wealth range would cover the median person over most of his adult life in high income countries. In middle income countries it would apply to a middle class person in middle age. However, in low-income countries only those in the top decile qualify, restricting membership to significant landowners, successful businessmen, professionals and the like.

High segment of the pyramid

When we consider the "high" segment of the wealth pyramid – the group of adults whose net worth exceeds USD 100,000 – the regional composition begins to change. With almost 358 million adults worldwide, this group is far from exclusive. But the typical member of the group is very different in different parts of the world. In high income countries, the threshold of USD 100,000 is well within the reach of middle-class adults once careers have been established. In contrast, residents from low-income countries would need to belong to the top percentile of wealth holders, so only the exceptionally successful, well endowed or well connected qualify.

The regional contrast shows up in the fact that North America, Europe and the Asia-Pacific regions account for 92% of the global membership of the USD 100,000+ group, with Europe alone home to 39% of the total. As far as individual countries are concerned, the membership ranking depends on three factors: the population size, the average wealth level, and wealth inequality within the country. Only 15 countries host more than 1% of the global membership. The USA comes top with 23% of the total. All three factors reinforce each other in this instance: a large population combining with high mean wealth and an unequal wealth distribution. Japan is a strong runner-up, the only country at present to seriously challenge the hegemony of the USA in the global wealth ranking. Although its relative position has declined since the year 2000 due to lackluster stock market and housing market performance, Japan is still home to 15% of individuals with wealth above USD 100,000.

Emerging wealth

The most populous EU countries – Germany, Italy, the UK and France – occupy the next four places in the global table, each contributing 5%–8%. China is also credited with 5% of members, a dramatic rise from the position in the year 2000, when China's representation in the top wealth percentile was too small to register. Korea, Brazil and Taiwan are

Figure 2

Regional membership of global wealth strata

Source: Credit Suisse Global Wealth Databook, Shorrocks/Davies/Lluberas

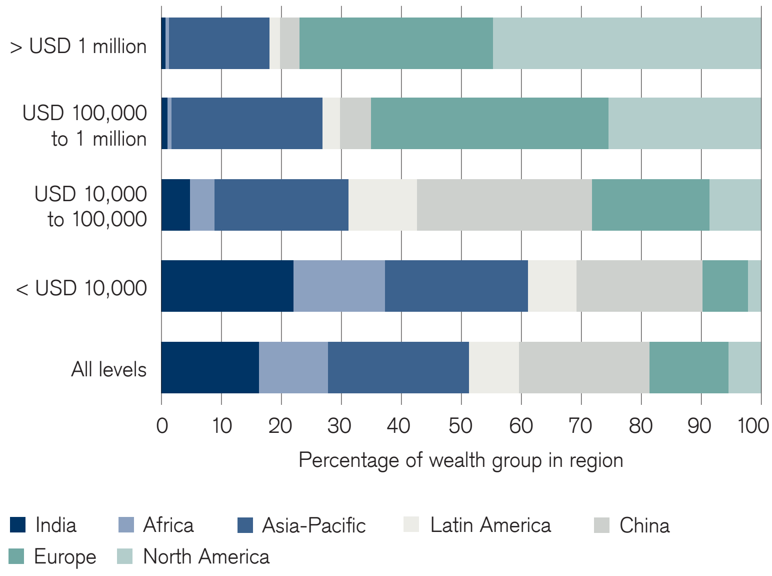


Figure 3

Membership of global wealth strata by region

Source: Credit Suisse Global Wealth Databook, Shorrocks/Davies/Lluberas

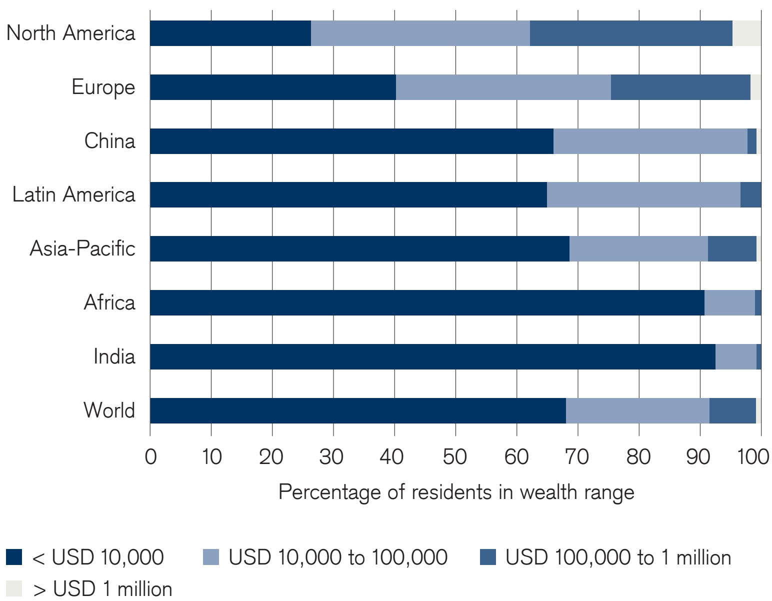


Figure 4

Owners of wealth above USD 100,000 by country of residence

Source: Credit Suisse Global Wealth Databook, Shorrocks/Davies/Lluberas

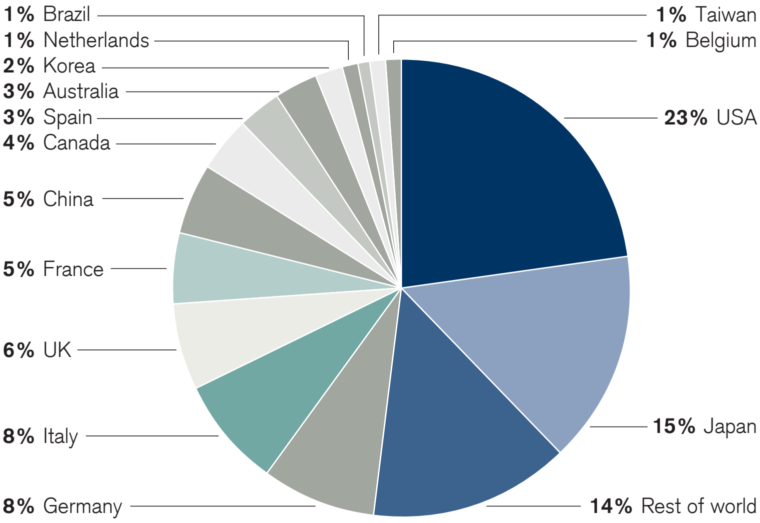
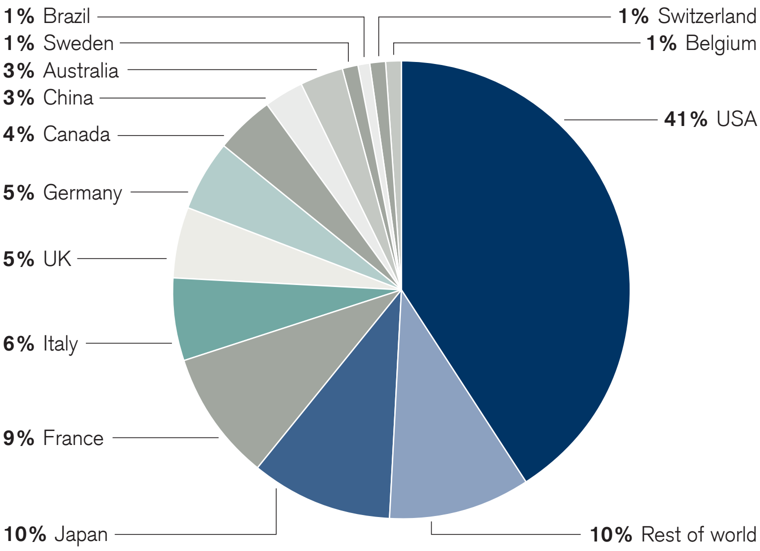


Figure 5

Dollar millionaires by country of residence

Source: Credit Suisse Global Wealth Databook, Shorrocks/Davies/Lluberas



other emerging market economies each estimated to host at least four million residents with net worth above USD 100,000.

Top of the pyramid

At the top of the pyramid, we find the world's millionaires, where we again witness a slightly different pattern of membership. The proportion of members from the United States rises sharply to 41%, and the share of members from outside of the North America, Europe and Asia-Pacific regions falls to just 6%. The relative positions of most countries move downwards, but there are exceptions. The French share is estimated to double to 9%, while Sweden and Switzerland are each now credited with more than 1% of the global membership.

Wealth analysis – the importance of data quality

To assemble details of the pattern of wealth holdings above USD 1 million requires a high degree of ingenuity. The usual sources of data – official statistics and sample surveys – become increasingly incomplete and unreliable at high wealth levels. A growing number of publications have followed the example of Forbes magazine by constructing "rich lists," which attempt to value the assets of particular named individuals at the apex of the wealth pyramid. But very little is known about the global pattern of asset holdings in the high net worth (HNW – greater than USD 1 million) and ultra high net worth (UHNW – from USD 50 million upwards) range.

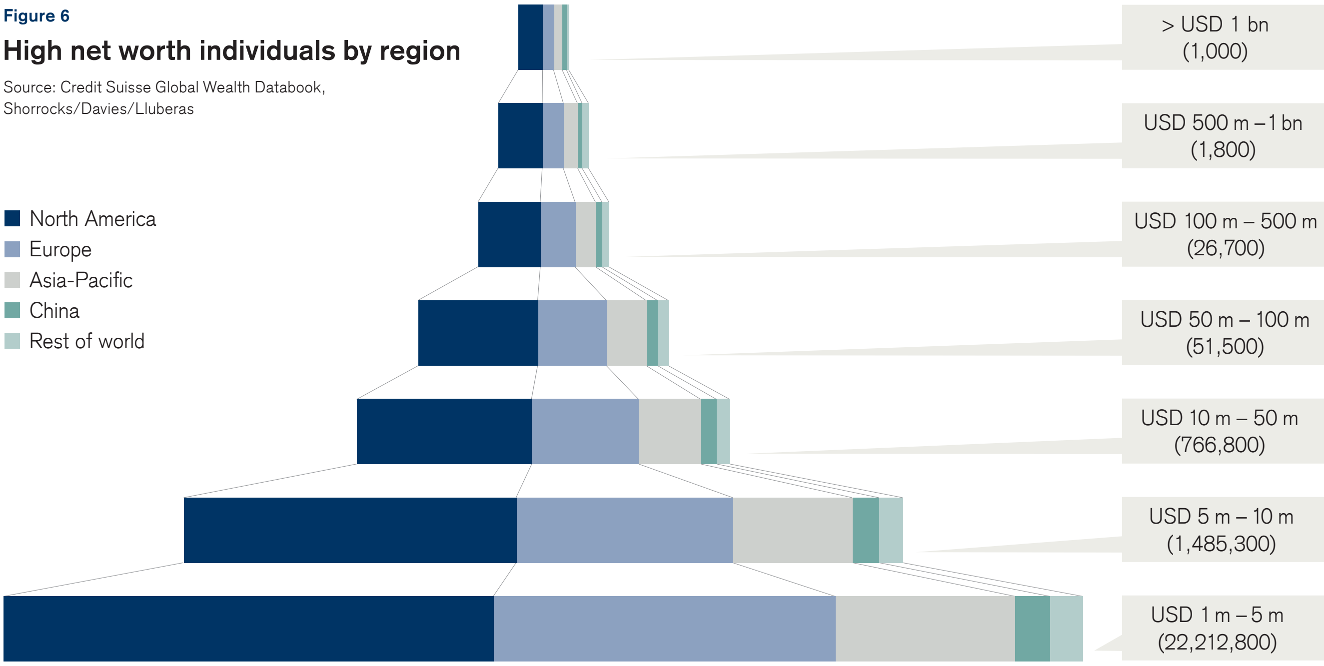
We bridge this gap by exploiting well-known statistical regularities in the top wealth tail. Using only data from traditional sources in the public domain yields a pattern of global wealth holdings in the USD 250,000 to USD 5 million range, which, when projected onward, predicts about 1000 dollar billionaires for mid-2010. Although not exactly comparable, this number is very close to the figure of 1,011 billionaire holdings reported by Forbes magazine for February 2010. Making use of the regional affiliation recorded in rich lists allows us to merge the top tail details with data on the level and distribution of wealth derived from traditional sources in order to generate a regional breakdown of HNW and UHNW individuals. At this time, we do not attempt to estimate the pattern of holdings across particular countries, except China and India which are treated as separate regions. However, as a rule of thumb, residents of the USA account for about 90% of the figure for North America.

The base of the wealth pyramid is occupied by people from all countries of the world at various stages of their lifecycle. In contrast, HNW and UHNW individuals are heavily concentrated in particular regions and countries, but the members tend to share a much more similar lifestyle, often participating in the same global markets for high coupon consumption items. The wealth portfolios of

Figure 6

High net worth individuals by region

Source: Credit Suisse Global Wealth Databook, Shorrocks/Davies/Lluberas



individuals are also likely to be similar, dominated by financial assets and, in particular, equity holdings in public companies traded in international markets. For these reasons, using official exchange rates to value assets is more appropriate, rather than using local price levels to compare wealth holdings.

Our figures for mid-2010 indicate that there were 24.5 million HNW individuals with wealth from USD 1 million to USD 50 million, of whom the vast majority (22 million) fall in the USD 1–5 million range. North America dominates the residence ranking, accounting for 11.1 million HNW individuals (45% of the total). Europe accounts for 7.8 million (31.7%) and 4.1 million reside in Asia-Pacific countries other than China and India. We estimate that there are now more than 800,000 HNW individuals in China, each worth between USD 1 million and USD 50 million (3.3% of the global total). India, Africa and Latin America together host the remaining 740,000 HNW individuals (3.0% of the total).

Ultra high net worth

Our figures indicate a global total of 81,060 UHNW individuals with net assets exceeding USD 50 million. Of these, nearly 30,000 are worth at least USD 100 million and 2,800 have assets above USD 500 million. North America again dominates the residence ranking, with 39,000 UHNW individuals (48%). Europe hosts 22,000 members (27%) and 13,000 (16%) reside in Asia-Pacific countries excluding China and India.

The recent fortunes created in China lead us to estimate that 4,000 Chinese (5% of the global total) now rank among the UHNW group along with a similar number (3,500, 4.4%) of members from India, Africa and Latin America.

Although comparable data on the past is sparse, the number of UHNW individuals appears to be considerably greater than a decade ago. The general growth in asset values accounts for some of the increase, along with depreciation of the US dollar against other currencies. However, it also appears that, notwithstanding the credit crisis, the past decade has been especially conducive to the establishment and preservation of large fortunes.

Changing fortunes

Wealth is often seen in terms of a pyramid, with millionaires on top and poorer nations at the base. Many surveys focus exclusively on the top part of the pyramid, which to our view excludes the fast-growing USD 41 trillion in the middle and base segments. Here, emerging wealth will drive new trends in consumption and industrial change. China, Korea, Brazil and Taiwan are countries that are already rising quickly through this part of the wealth pyramid, with Indonesia rising up and India growing fast from a low starting point.

At the same time, the ultra wealthy "top of the pyramid" segment will continue to be the strong driver of private asset flows and investment trends. Our figures for mid-2010 indicate that there were nearly 25 million HNW individuals with 4.1 million of these residing in Asia-Pacific countries other than China and India. We estimate that there are now more than 800,000 HNW individuals in China. At the top of the pyramid, there are over 81,000 individuals in the UHNW bracket.

The recent fortunes created in China lead us to estimate that 4,000 Chinese (5% of the global total) now rank among the UHNW group along with a similar number (3,500, 4.4%) of members from India, Africa and Latin America.

Composition of wealth portfolios

With country indebtedness a central investment theme in financial markets, the focus is very much on the health of country balance sheets. However, another key and often overlooked economic pillar is the strength of household balance sheets.

The size and composition of household balance sheets drives a wide range of economic trends – from spending on public goods like education and health care, and the sophistication of financial systems to the rise and fall of housing markets to name but a few.

We observe great variation in the assets and liabilities of household balance sheets on account of factors such as different personal circumstances, past opportunities and decisions, the vagaries of asset price changes and random forces. However, systematic variations are observed across wealth levels, age groups, gender and – most especially – countries.

Household balance sheets – financial and non-financial assets, and debt

Consider first the relative importance of financial versus non-financial assets, and the size of debt. Expressed as a percentage of gross household assets, the pattern clearly differs markedly between poorer and richer countries and regions. In developing countries (see Figure 1), for example India and Indonesia, it is common for 80% or more of total assets to be held in the form of non-financial assets, largely housing and farms.

A high proportion of real property is also evident in transition countries in Europe, reflecting in part the wholesale privatization of housing in the 1990s. As countries develop and grow, the importance of non-financial assets tends to decline, so that the share in China, for instance, is now close to half. In the richest countries, financial assets typically account for more than half of household wealth.

There are interesting exceptions to this general pattern. Recent robust house price rises have propelled the share of non-financial assets above 60% in France and some other major European countries. South Africa, on the other hand, is an outlier in the developing world, with exceptionally high holdings of financial assets: the figure of 80% exceeds the share found in both the United States and Japan.

Financial assets: equities, bonds or cash?

Figure 2 provides more detail, showing the breakdown of financial assets into three categories: currency and deposits, equities (all shares and other equities held directly by households), and other financial assets for selected countries. To add further detail, in most countries the reserves of life insurance companies and pension funds form the largest component of "other financial assets."

The composition of financial assets differs considerably across countries, especially with regard to the importance of shares and other equities. One interesting trend we note is that equities are not always a large component of household financial wealth, even in countries with very active financial markets. In the United Kingdom and Japan, for

Figure 1

Asset composition in selected countries

Source: Credit Suisse Global Wealth Databook, Shorrocks/Davies/Lluberas

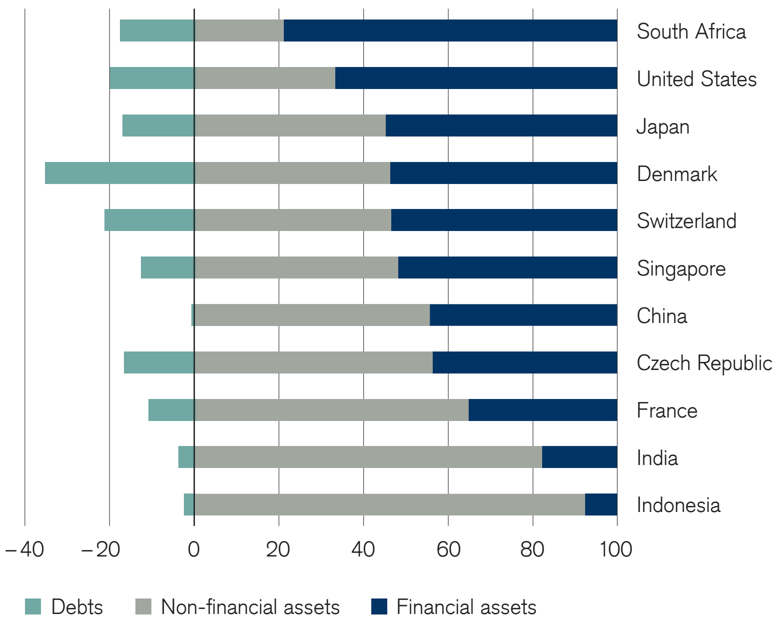
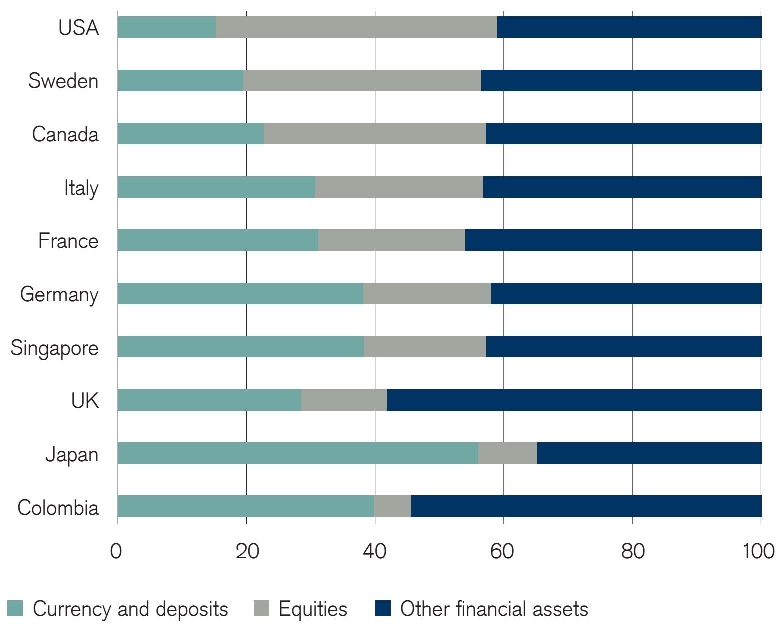


Figure 2

Composition of financial assets in selected countries

Source: Credit Suisse Global Wealth Databook, Shorrocks/Davies/Lluberas



example, equities account for just 13% and 9% of total financial assets respectively. In contrast, they make up 37% and 43% of financial assets in Sweden and the USA, respectively.

Broadly speaking, the relative importance of currency and deposits falls as that of bonds and equities increases. On the other hand, the portfolio share of "other financial assets" does not vary a lot, staying in the range of about 40%–45%. However, when we come to the UK, Japan and Colombia, which have the lowest portfolio share of equities, the pattern breaks down. The UK has a moderate currency and deposits share, but the largest "other financial assets" share, reflecting large life insurance and pension reserves. Colombia also has more in the form of "other financial assets" than is typical. Japan, on the other hand, which has a strong tradition of saving in deposit form, has a very large currency and deposits share and only a 35% share of "other financial assets."

Where is the debt?

Household debt is relatively low in developing and transition countries, less than 10% of total assets overall. This is in marked contrast with research showing a link between debt and poverty in richer countries. But less developed financial markets (and weak property rights) mean that household demand for credit is often not satisfied. As a consequence, the highest levels of debt are seen in developed countries with well functioning institutions and sophisticated credit markets. The typical level is 15%–20%, but household debt in Nordic countries like Denmark is higher, in part reflecting high levels of student debt with little incentive for early repayment.

The impact of the credit crisis

In the light of the global financial crisis, it is also interesting to examine how the overall composition of personal wealth and, in particular, the proportion of financial assets to total household assets has changed over the past decade. A decline in the relative importance of financial assets in 2008 is evident for Singapore and, most especially, China. In other countries, the credit crisis tended to depress both property prices and share values, so the share of financial assets is more stable.

Longer term, the share of financial assets seldom appears to have changed dramatically. In France, a decade of strong property price increases has reduced the share from 45% to 35%. The USA also showed a relative decline in financial assets from 2000 to 2005, but the booming stock market then improved the share until brought to a halt by the global financial crisis.

Japan shows a rise in the proportion of financial assets during 2000–2006, but the subsequent decline means that the share is now back to the level of 2001. Among the developing nations, the trend in the financial asset share in Indonesia is almost flat, but the trend is upwards in India, with a noticeable jump in 2009.

Household debt levels have risen in the USA and UK

Debt trends show more variability across countries. Much of the developing world escaped the trend toward rising household debt in recent years, so nations with a low level of debt often show a fairly stable profile. However, the apparent stability disguises a rise in the debt ratio from 1.9% to 2.6% in Indonesia and from 2.8% to 4.1% in India.

The share of debt rose in most other countries. Debt increased in the USA from 15.7% of gross assets in 2000 to peak at 23.4% in 2008 before falling back to 20.4% in 2010. The UK exhibited a very similar pattern, with the debt ratio rising from 13.2% to 19% between 2000 and 2008, then dropping to 15.3% in 2010. By contrast, debt was very stable in Japan, and rose only gradually in Italy over the 2000–2010 period from a low initial level. Debt rose sharply in Denmark, this time from a high starting point. Both South Africa and the Czech Republic exhibited very erratic movements, with no strong trend in either direction. One of the few countries to buck the trend was Singapore, where the ratio of debt to gross assets fell almost continuously from 19.8% in 2000 to 12.8% in 2010.

The significance of components of wealth

The composition of household balance sheets is a very important driver of trends in consumption and investment, and in many ways a reflection of the financial development of individual countries. For instance, debt as a proportion of total household assets tends to be low in developing countries because financial intermediation and property rights are underdeveloped, while debt levels in European countries are relatively high, reflecting a much more developed financial system.

Our analysis splits household balance sheets into financial and non-financial assets and debts. In general, non-financial assets like housing and land make up a relatively large proportion of developing world assets. A similar trend is evident in developed countries like France, where house prices have risen steadily in the past decade. On the other hand, financial assets form a much greater proportion of balance sheets in countries like the USA, Japan and Switzerland, with cash deposits and "other" (i.e. pension funds) the preferred asset classes in general. We also note that, in the rise up to and through the credit crisis, household debt levels have risen in both the USA and the UK.

Although the proportion of financial assets relative to total assets held by households tends not to vary greatly over time, the credit crisis appears to have brought a halt to trends in rising financial assets in the USA and property ownership in France.

Figure 3

Financial assets as percentage of gross assets, by year

Source: Credit Suisse Global Wealth Databook, Shorrocks/Davies/Lluberas

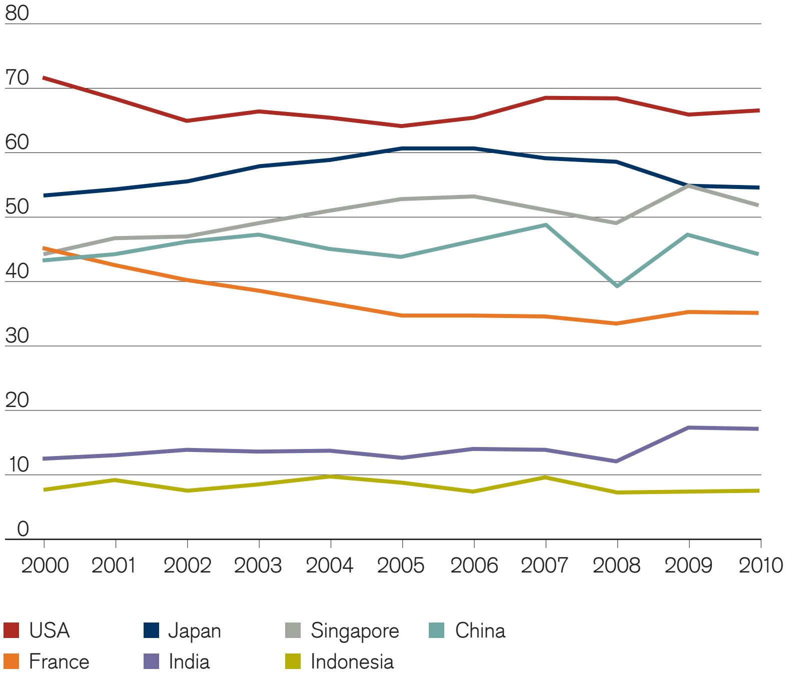
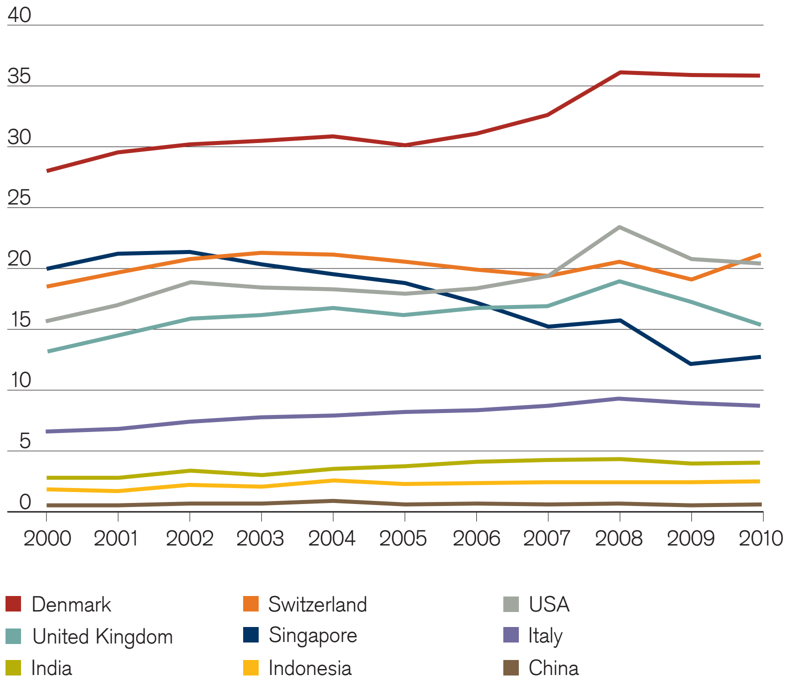


Figure 4

Debt as percentage of gross assets, by year

Source: Credit Suisse Global Wealth Databook, Shorrocks/Davies/Lluberas



Gender dimensions of wealth holdings

Gender equality in income is an important and widely debated issue. Gender and wealth distribution receives much less attention, but is arguably just as significant an issue. In the future, with the rise of more and more female entrepreneurs and executives, the gender aspect of wealth generation will grow in importance.

Historically, because of the many restrictions placed on their ability to work and access capital, women had two main routes to wealth – especially great wealth – inheritance and marriage. In most countries, men still have higher incomes than women on average, and are more likely to be active in business. Female life expectancy is everywhere greater than that of men, so they remain more likely to acquire wealth through inheritance.

Female share of wealth is growing

Against this backdrop, some of the evidence is pleasantly surprising. Data for the United States and the United Kingdom suggests that, in both countries, the share of wealth held by women rose from the 1920s onwards until the female share was close to one-half by the 1960s. More prevalent joint ownership of marital assets and changes in the division of wealth within the family for tax purposes are two reasons offered for the upward movement.

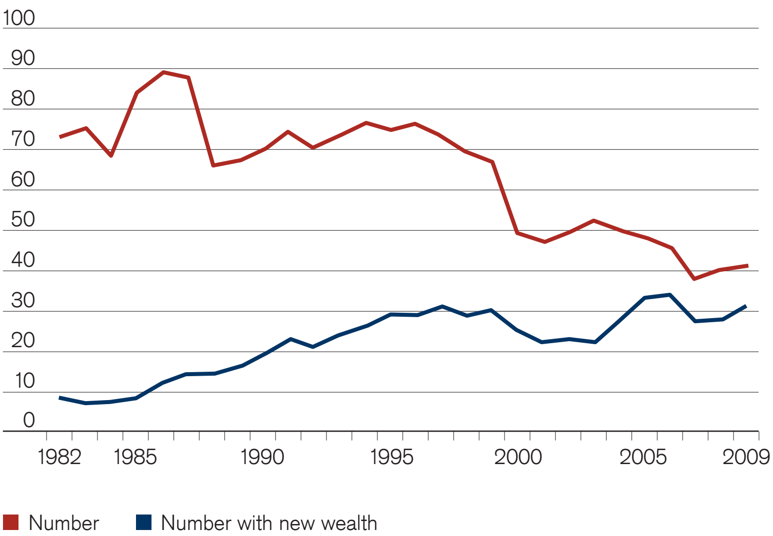
In the period since 1970, gender differences in earnings and savings seem to have eroded further in many developed countries. Joint ownership within marriage has become more common, and legal changes have strengthened the property rights of married women. All of these factors tend to reduce the wealth gap between men and women. It is therefore surprising that the share of women among the very wealthy in the USA seems to have peaked in the late 1960s and then declined to about one third in the late 1990s. It has been suggested that this reflects a reduction in the importance of inherited wealth, as waves of entrepreneurship, deregulation and technological change since 1970 have led to a rise in wealth mobility.

Data from Forbes magazine support this hypothesis. Forbes provides a list of the 400 richest people in the USA each year, and also indicates the source of their wealth. There has been a decline in the number of women in this ultra-select group from a peak of 89 in 1986 to just 41 in 2009. But, importantly, there has been an increase in the number of women whose source of wealth is not reported as inheritance – from just eight in 1982 to 31 in 2009.

Figure 1

Women in the Forbes 400, USA, 1982–2009

Source: Forbes magazine, Credit Suisse Global Wealth Databook, Shorrocks/Davies/Lluberas



What drives gender differences in wealth?

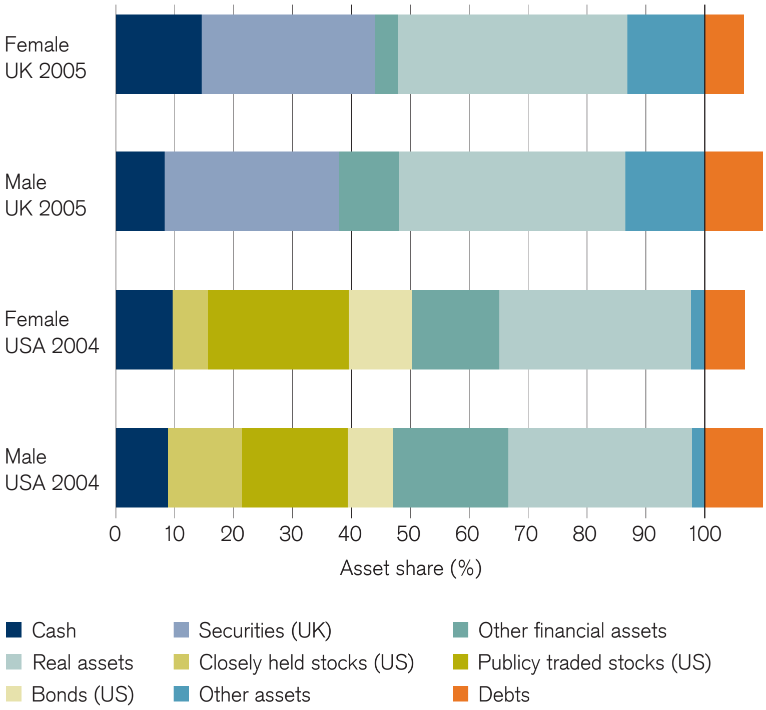
Two core determinants of the gender division of wealth are the marital property regime, and inheritance laws and practices. These differ radically across countries and over time, and are influenced by culture, religion and history. In the past, the property rights of married women were widely restricted, for example in Anglo-Saxon countries, which did not recognize wives as legal persons.

Nowadays the interaction of custom, religion and law leads to complex property rights in many countries, particularly with respect to land. In some parts of sub-Saharan Africa, for example, wives own the crops they raise, but not the land on which

Figure 2

Composition of assets by gender

Source: Credit Suisse Global Wealth Databook, Shorrocks/Davies/Lluberas



they are grown. The right to sell the land may lie with their husbands. In other instances, ownership may only change hands through inheritance.

The gender division of wealth is also affected by customs regarding the division of estates. For example, the historical practice in much of Europe of leaving the bulk of large estates to the eldest son tended to concentrate wealth in the hands of wealthy males (France has been the exception here, where wealth is divided equally between siblings). In English-speaking countries, people remain free to divide estates as they wish, within certain bounds, though equal division among offspring regardless of sex is the most common pattern. Under Islamic law, daughters always had the right to inherit, although their share was half that of sons. Thus, through much of history, daughters in the Muslim world had stronger formal rights of inheritance than in the West.

In many Asian and African countries, much wealth passes to the younger generation on marriage. In contrast, it is customary in the West for most of a family's wealth to remain in the parents' hands, with the bulk going to the surviving spouse on the death of the first parent. Since the husband dies first in about two thirds of marriages, this creates an important source of women's wealth. As a result of these practices, Western countries have large populations of older women with significant wealth.

Tax systems play a role, first by reducing the amount received from bequests, which tends to reduce the share of wealth held by women. In contrast, tax exemptions for inter-spousal bequests tend to favor women as the surviving spouses, as does progressive taxation of inheritances, which creates an incentive for more equal division of estates.

A final institution whose gender importance needs to be recognized is pensions. Broadly speaking, both private and public pension wealth reflect lifetime earnings, which continue to be higher for men. As a consequence, the average pension wealth of women is one-third to one-half smaller than that of men. This source of inequality is compensated to some degree by survivors' pension rights and by the inclusion of pension assets in divorce settlements.

Data limitations make it difficult to assess the precise impact of these factors on gender differences in wealth holdings. Household surveys typically record the assets of households rather than individuals, and "rich lists" tend to report family wealth under the name of the husband, although beneficial ownership may be different, as divorce courts frequently confirm. Special-purpose surveys of asset holding within the family are not very informative on the whole. This leaves estate taxes as the best source of information on the gender division of non-pension wealth in developed countries.

In the USA, among the wealthy, female net worth is 98% of that of males

The most recent US data derived from estate taxes refer to adults with gross assets above USD 1.5 million. Women form 43% of this high asset group and their average net worth is 98% of that of the

men in the group. However, there are important variations by age and size of wealth. The female fraction rises quite strongly with age, from 38% of those aged less than 50 to 55% for those aged over 85. And while there are approximately equal numbers of men and women in the wealth range of USD 1.5–5 million, the female fraction drops above that point, falling to 38% above USD 20 million, possibly reflecting the greater importance of "self-made" wealth versus inherited wealth in the highest wealth ranges in the USA.

The corresponding UK data yields some information on the gender breakdown at all levels of wealth, but excludes property held jointly by married couples. The female fraction in the high wealth group rises more sharply with age than in the USA – perhaps reflecting greater importance of inheritances. However, the relationship with the level of wealth is not monotonic. The female fraction rises with wealth, peaking at 53% in the GBP 150,000–200,000 range, before dropping to 43% in the GBP 500,000 to GBP 1 million range and to 35% above that level.

Do women hold riskier portfolios?

There is very little reliable information on gender differences in the composition of asset portfolios. The limited data that exist for the USA and the UK suggests that women tend to be more risk averse, when other factors like age are held constant. However the evidence is not conclusive. Data for wealthy individuals in the USA show that more women hold publicly traded stock than men (81% versus 74%), and that stocks form 24% of their total assets compared to 18% for men. Women also participate at a high rate in "other real estate" (55% versus 57% for men), which is relatively risky. The fact that women are less likely to be active in business shows up in the lower incidence of closely held stock (18% versus 30% for men) and non-corporate business assets (18% versus 28%).

For the UK population as a whole, women hold more of their wealth in houses and cash, while men have a greater share of all other types of assets. For those with wealth above GBP 1 million, women are more likely to hold securities than men (echoing the situation in the USA), slightly less likely to own houses, and a little more inclined to own "other buildings and land."

Overall, data from the USA and UK show that wealthy women are on average older than wealthy men and more likely to have gained their assets through inheritance. Their portfolios are more in stocks and bonds than those of men, who are more likely to be actively involved in business. Gender differences in wealth have tended to decline over time due to greater equality in property rights for married people, increased incidence of joint ownership of property within marriage, and tax incentives. Until about 1970, this led to a decline in the gender gap between men and women, but the gap has widened since the late 1960s in the USA, and large gender differences in pension wealth are observed in many countries.

PHOTO: ISTOCKPHOTO.COM

Introduction to the country pages

Wealth of nations

Countries differ greatly in the levels and pattern of wealth holdings. The following pages provide a picture of the variety of country circumstances and the range of experiences during the past decade.

While data quality is good in the rich countries that have most of the world's wealth, when we look more broadly, quality is far from uniform. On the following pages, we highlight some of the most interesting countries. All of these have data on the mean level of household wealth and a reasonable way to estimate the distribution of wealth across the population.

Data quality is rated as no worse than "fair," meaning that there is at least a recent household survey on wealth. In most of the selected countries quality is "good," meaning that there is an official household sector balance sheet as well as an acceptable way to estimate wealth distribution. A "satisfactory" rating is given when the underlying data are good but somewhat out of date.

The accompanying charts summarize some of the most important facts, giving wealth values on a per adult basis and mainly in terms of US dollars (using official exchange rates).The first chart shows changes in mean wealth over 2000–2010. Since exchange-rate fluctuations can alter the apparent trend, for each country, we provide an alternative series using its average USD exchange rate over the ten years. A typical pattern is a mild decline in mean wealth from 2000 to 2002, an increase to 2006 or 2007, a drop in 2008 and then incomplete recovery. Generally, wealth in 2010 is higher than in 2000, but lower than in 2007. Also, since most currencies appreciated against the US dollar over the period, growth of a country's wealth usually appears stronger using the average exchange rate.

Countries that show typical features over 2000–2010 include the United States itself (except there is no exchange rate issue), Canada, Denmark, France, and the United Kingdom. Some countries, notably China, India and Indonesia, show significantly above-average growth. At the other extreme, Japan shows little growth in US dollars and a slow decline in yen. Experiences after 2007 vary, with the United Kingdom for example showing a very large drop, and Switzerland no decline in 2008 in US dollars.

Our second chart shows countries' breakdown of assets between financial and real (non-financial) forms, as well as mean debt and net worth. On average internationally, financial assets are about 45% of total assets, and debt is about 17%. There are several countries, however, where financial assets are more important – notably the United States and Japan. At the other extreme, real assets dominate heavily in India and Indonesia, and in Australia and France among rich countries.

Our last chart shows wealth distribution. There are some interesting contrasts. For example, 43% of adults in India have less than USD 1,000, whereas this fraction is only 7% in China. Also, some developed countries have significant percentages in the very low wealth ranges, while others have very few. This reflects such factors as availability of credit including student loans, as well as how many young adults live separately from their parents, making their low wealth more apparent.

United States

Weathering the crisis

For the United States the past decade has seen fluctuating wealth levels. Average wealth was close to USD 200,000 at the start of the decade and rose fairly steadily until 2006, before correcting as a result of the financial crisis (Figure 1). There has subsequently been a recovery, but wealth per adult still remains below the 2006 level.

The United States is unusual in having a very high proportion of wealth held in the form of financial assets, partly due to the strength of its financial sector and the high proportion of individuals who are investors. Compared with many other rich countries the United States also has more economic activity in the private rather than public sector, and more outward foreign investment — both of which rely partly on financing by households through their ownership of bonds, stocks and other financial instruments. Debts of USD 60,000 per person are not extreme by international standards.

Compared to the wealth distribution in the rest of the world, the US distribution has a high proportion of the population with wealth above USD 100,000. The fraction with wealth at higher levels is even more disproportionate. The United States has by far the greatest number of members of the top 1% global wealth group, accounting for about 40% of those with wealth exceeding USD 10 million and a higher fraction of the world's billionaires.

Country summary 2010

Population	318	million
Adult population	231	million
GDP	65,593	USD per adult
Mean wealth	236,213	USD per adult
Median wealth	47,771	USD per adult
Total wealth	54.6	trillion USD
Dollar millionaires	9,940	thousand
Top 10% of global wealth holders	103,230	thousand
Top 1% of global wealth holders	14,610	thousand
Quality of wealth data	☆☆☆☆☆	good

Figure 1
Wealth per adult over time

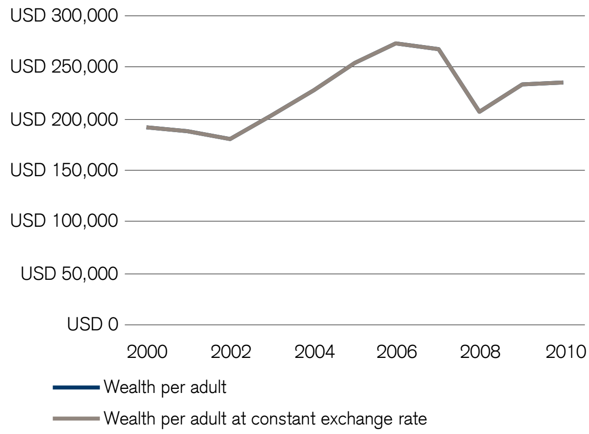


Figure 2
Composition of wealth per adult

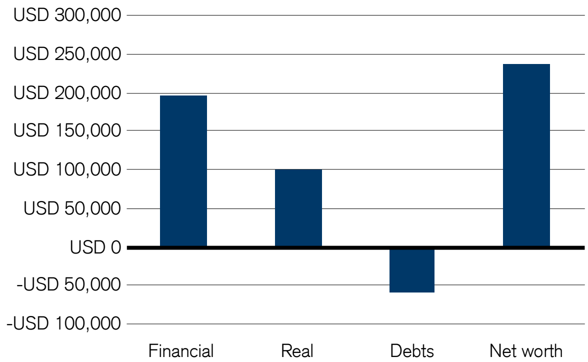
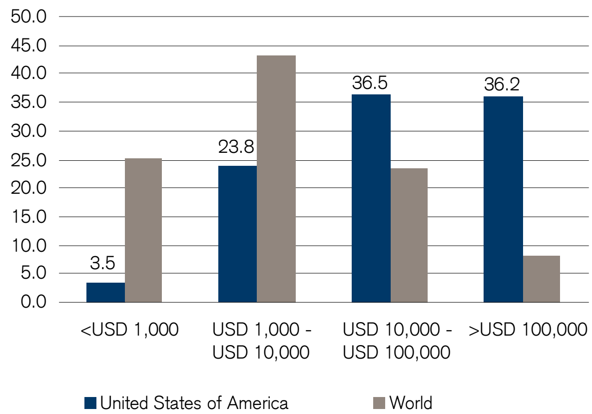


Figure 3
Wealth distribution relative to world (in %)



Source: James Davies and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2010

Japan

Uninspiring decade

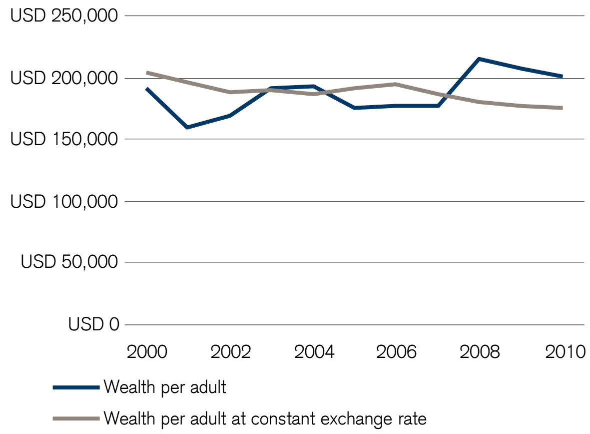
In terms of changes, Japan has had the least impressive wealth record of any G7 country in recent years. It began the decade with wealth per adult of USD 190,000, almost the highest level in the world. Average wealth today is almost unchanged in US dollar terms, and about 10% lower when measured in Japanese Yen. This is due to the combined effect of a small increase (3%) in the adult population, lackluster performance of equities, low interest rates, and a housing market which has been on a downward trend since the 1990s.

The decline in property values means that financial wealth is now the major component of household assets. Debts amount to 21% of net worth, about average for the developed world.

Japan has a relatively equal wealth distribution by international standards, which together with its high average wealth means that very few individuals have assets below USD 1000. The proportion of the population with wealth above USD 100,000 is more than six times the global average. At the start of the decade the number of Japanese in the top 10% and top 1% of global wealth holders was a close second to the number of US members. Japan still retains second place, but no longer rivals the hegemony of the United States.

Country summary 2010		
Population	127	million
Adult population	104	million
GDP	50,414	USD per adult
Mean wealth	201,387	USD per adult
Median wealth	102,946	USD per adult
Total wealth	21.0	trillion USD
Dollar millionaires	2,380	thousand
Top 10% of global wealth holders	68,286	thousand
Top 1% of global wealth holders	5,335	thousand
Quality of wealth data	☆☆☆☆☆	good
Population	127	million

Figure 1
Wealth per adult over time



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Composition of wealth per adult

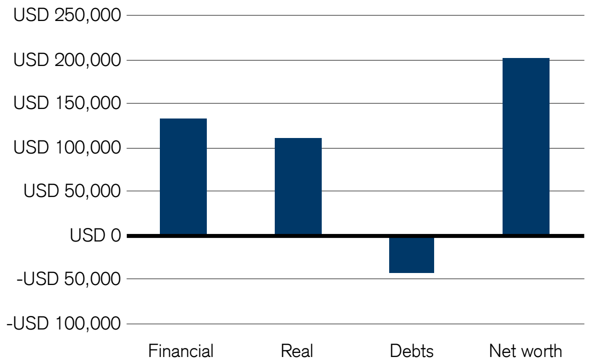
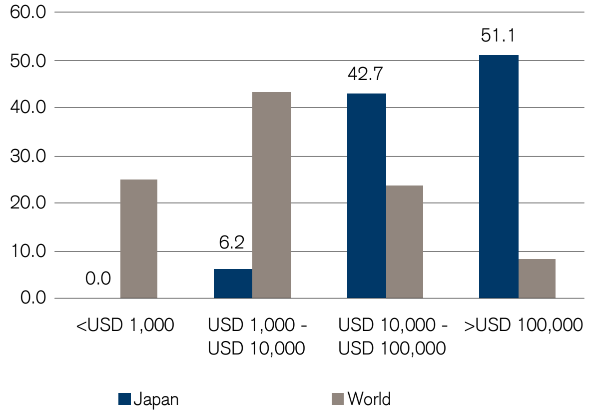


Figure 3
Wealth distribution relative to world (in %)



Source: James Davies and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2010

China

Prosperous dragon

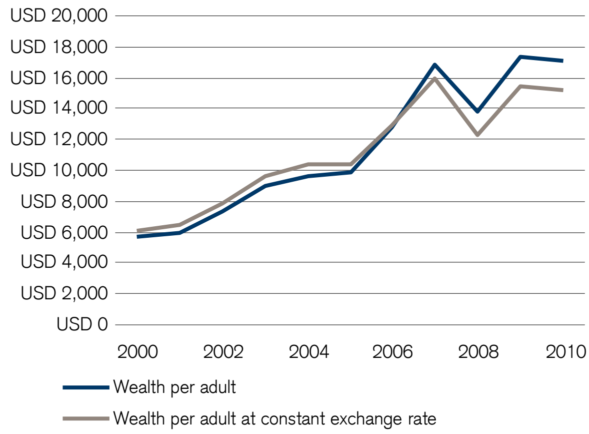
Wealth per adult in China grew robustly over the past decade, tripling from USD 6000 in the year 2000 to USD 18,000 in 2010. Wealth fell by approximately 20% as a result of the financial crisis, but has subsequently recovered to close to the pre-crisis peak. Wealth has risen somewhat more in US dollars than in yuan, due to the slow appreciation of China's currency, but by far the greatest source of wealth increase is growth in real terms.

China's total household wealth is now the third highest in the world, about 20% behind Japan and 35% ahead of France (in fourth place). Due to a high savings rate and relatively well developed financial institutions, a high proportion (44%) of Chinese assets are in financial form compared with other major developing or transition countries. At the same time, privatized housing, new construction and rural land are very important forms of wealth in China, accounting for much of the USD 9,600 in real assets per adult. Mean debt is just USD 136, too small to be noticeable in our chart. The extremely low apparent debt is largely due to most loans being netted out against their corresponding assets in the Chinese data.

Although significant wealth inequality is created by the strong urban-rural divide in China alone, overall wealth inequality is low — both by broad international standards and in comparison to other transition countries. This is due to such factors as the virtual absence of inherited fortunes, and relatively equal division of both rural land and privatized housing. Wealth inequality has been rising, however, with the increasing wealth of successful entrepreneurs, professionals, and investors.

Country summary 2010		
Population	1,331	million
Adult population	962	million
GDP	5,535	USD per adult
Mean wealth	17,126	USD per adult
Median wealth	6,327	USD per adult
Total wealth	16.5	trillion USD
Dollar millionaires	805	thousand
Top 10% of global wealth holders	25,815	thousand
Top 1% of global wealth holders	1,580	thousand
Quality of wealth data	☆☆☆	fair

Figure 1
Wealth per adult over time



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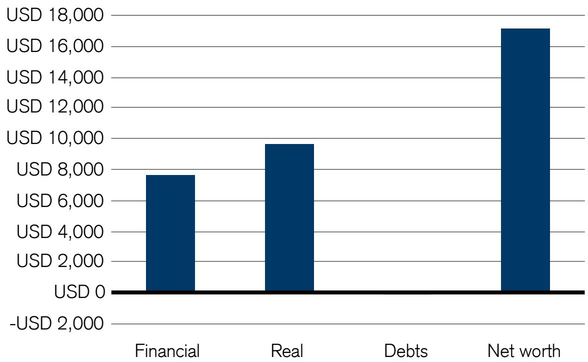

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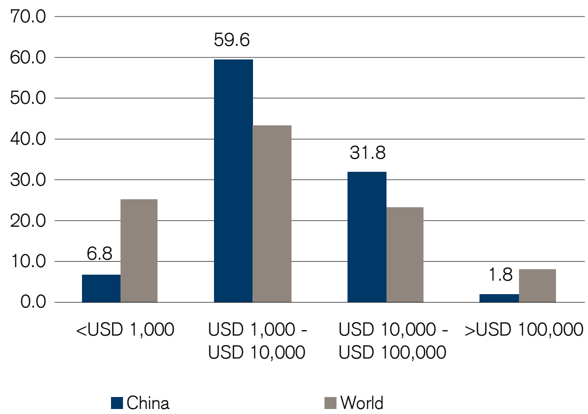


Source: James Davies and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2010

India

Unlocking wealth

Wealth in India has grown strongly over the past decade with wealth per adult more than doubling from USD 2000 in the year 2000 to USD 4900 in 2010. Given the 26% rise in adult population, aggregate wealth has grown by 204%. In US dollar terms, there was a significant contraction in 2008, although much of this was due to changes in the rupee exchange rate. When this is taken into account, wealth growth in India has been fairly steady.

Along with most countries in the developing world, in India personal wealth is heavily skewed towards real property which makes up more than 90% of estimated household assets. Personal debts are recorded at only USD 212 per head. However it has been claimed that the large and well-established household survey on which the data for India are based suffers from significant under-reporting of debt.

Relative to the rest of the world, the distribution of wealth in India is heavily biased towards the lower end, with the proportion of adults having wealth below USD 1000 roughly double the world figure. This reflects the fact that wealth has not grown equally for everyone in India, and that the country has persistent poverty. At the other end of the scale, a very small proportion of the population (just 0.4%) own assets whose value exceeds USD 100,000. While numbers at the top end are still small, they have been increasing fairly quickly in recent years, and the rate of increase can be expected to rise in the future if India's economy continues to grow at its current rate.

Country summary 2010		
Population	1,214	million
Adult population	719	million
GDP	1,899	USD per adult
Mean wealth	4,910	USD per adult
Median wealth	1,300	USD per adult
Total wealth	3.5	trillion USD
Dollar millionaires	170	thousand
Top 10% of global wealth holders	4,220	thousand
Top 1% of global wealth holders	315	thousand
Quality of wealth data	☆☆☆	fair

Figure 1
Wealth per adult over time

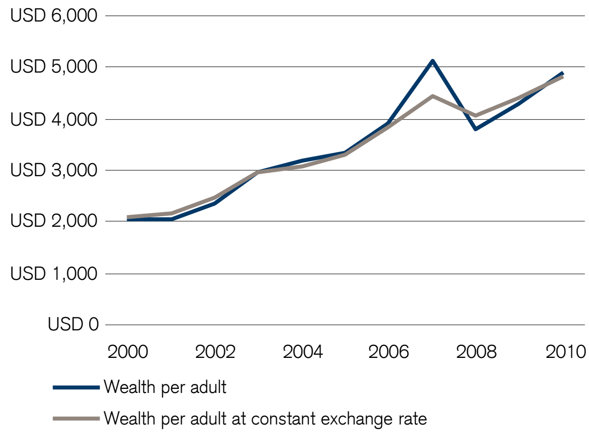


Figure 2
Composition of wealth per adult

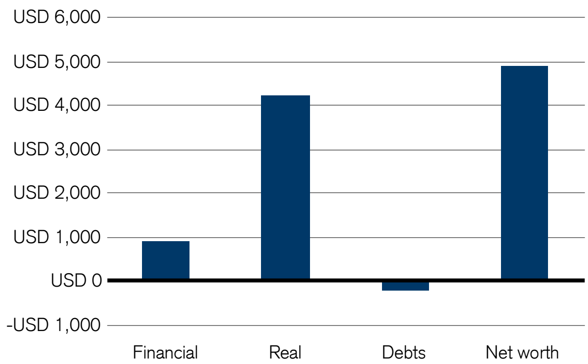
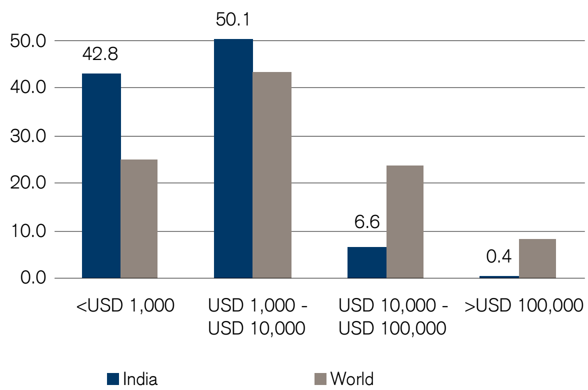


Figure 3
Wealth distribution relative to world (in %)



Source: James Davies and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2010

France

Strong track record

Wealth per adult has grown very strongly in France since the year 2000, tripling in value between 2000 and 2007 before dropping back by 15%. Much of the rise can be attributed to appreciation of the euro against the dollar, a factor which has affected all euro zone countries. However France also experienced a rapid rise in house prices, as a result of which real property now accounts for two thirds of household assets. Personal debts are little more than 10% of household assets, a relatively low ratio in developed economies.

Still, in euro and USD terms, the total wealth of French households is very sizeable. Although it has just 1.1% of the world's adults, France ranks fourth among nations in aggregate household wealth – behind China and just ahead of Germany. Europe as a whole accounts for 35% of the individuals in the global top 1%, but France itself contributes a quarter of the European contingent. This reflects not only high average assets in France, but also the somewhat greater inequality of wealth than is seen in most other EU countries.

Very few households in France are recorded as having less than USD 1000 per adult. The proportion with assets over USD 10,000 is double the world average, and the proportion with more than USD 100,000 is four times the global figure.

Country summary 2010		
Population	63	million
Adult population	47	million
GDP	56,052	USD per adult
Mean wealth	255,156	USD per adult
Median wealth	66,521	USD per adult
Total wealth	12.1	trillion USD
Dollar millionaires	2,220	thousand
Top 10% of global wealth holders	22,291	thousand
Top 1% of global wealth holders	4,045	thousand
Quality of wealth data	☆☆☆☆☆	good

Figure 1
Wealth per adult over time

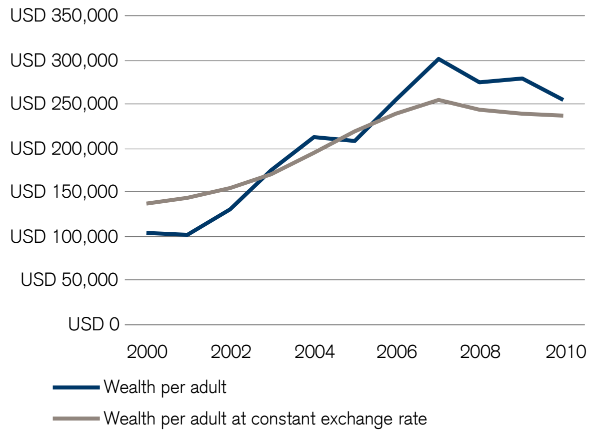


Figure 2
Composition of wealth per adult

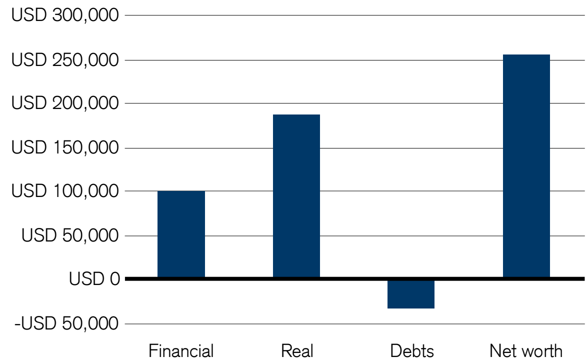
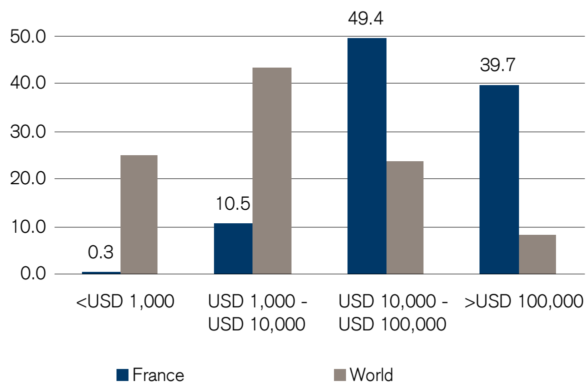


Figure 3
Wealth distribution relative to world (in %)



Source: James Davies and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2010

United Kingdom

Tradition and stability

The construction of personal sector balance sheets was pioneered in the United Kingdom, which also developed the methods of estimating household wealth from estate tax records. As a consequence, the United Kingdom has data on wealth holdings which date back more than a century. These data capture the trends in personal wealth during the course of the 20th century, most especially the substantial drop in wealth concentration between 1900 and 1970 that has been attributed to the effects of the two world wars, taxation, more equal division of estates on death, and the spread of popular assets like consumer durables and owner-occupied housing. In the last few decades, wealth has grown more quickly and wealth inequality has increased moderately.

The past decade has been one of considerable fluctuations in average wealth fuelled by a robust housing market up to the year 2007 and a subsequent fall in both real property and financial assets. Expressed in terms of US dollars, wealth per adult in 2010 is above that in the year 2000, but remains far below the peak of USD 320,000 in 2007. However, much of the fluctuation is attributable to exchange-rate movements. Expressed in terms of UK pounds, the series is much more stable and average wealth in 2010 is only slightly below the 2007 figure. Real assets now make up about 60% of household assets, while debts account for about 20%.

Relatively few people are recorded as having wealth below USD 10,000 and close to half the population have wealth exceeding USD 100,000. The very low figure for the percentage with wealth below USD 1,000 may in part reflect a reliability problem in our data for the extreme lower range in the United Kingdom. There are indications that a significant number of UK adults have negative, or close to zero net worth.

Country summary 2010		
Population	62	million
Adult population	47	million
GDP	46,857	USD per adult
Mean wealth	229,940	USD per adult
Median wealth	78,765	USD per adult
Total wealth	10.9	trillion USD
Dollar millionaires	1,230	thousand
Top 10% of global wealth holders	23,594	thousand
Top 1% of global wealth holders	3,355	thousand
Quality of wealth data	☆☆☆☆☆	good

Figure 1
Wealth per adult over time

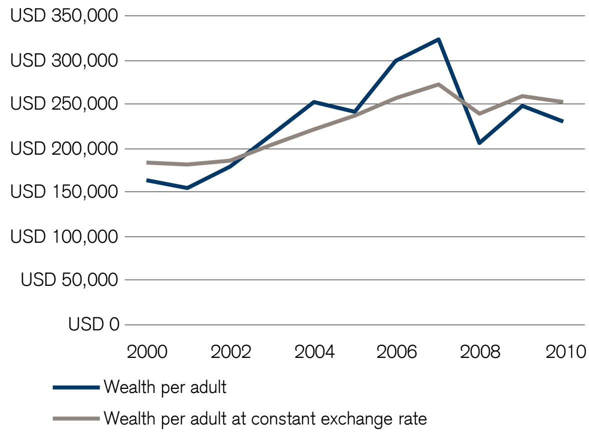


Figure 2
Composition of wealth per adult

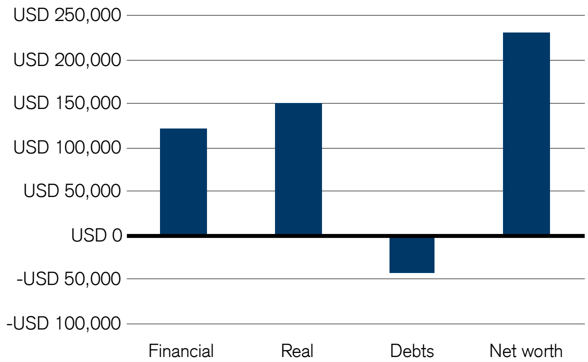
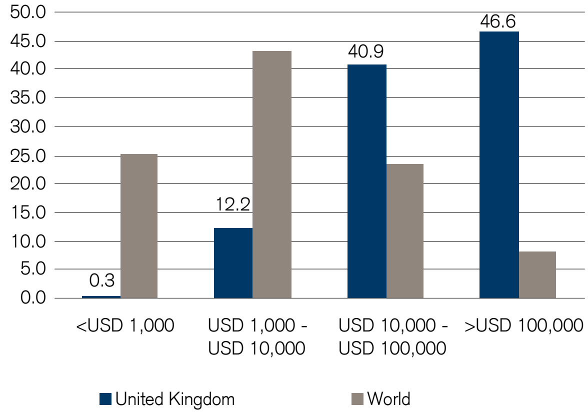


Figure 3
Wealth distribution relative to world (in %)



Source: James Davies and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2010

Switzerland

Highest average wealth

Average wealth in Switzerland was amongst the highest in the world in the year 2000. Expressed in US dollars, it has since almost doubled and Switzerland now tops the world ranking. However, almost all of the rise in wealth during the past decade was due to appreciation of the Swiss franc against the US dollar. Measured instead in Swiss francs, household wealth showed almost no trend.

Given the strength of the Swiss financial sector, it is not surprising that most household wealth is held in financial assets, although real property is not far behind. Debts average USD 100,000 per adult, one of the highest levels in the world, again reflecting the strength of the domestic currency.

Alone amongst about a half dozen advanced countries with long time series on wealth distribution, Switzerland has displayed only a small decrease in wealth inequality over the past century. As a consequence, a large proportion of the Swiss population is found in the upper echelons of the world distribution. Fully 1% of the global top 1% are Swiss, remarkable for a country with just 0.1% of world population. More than 80% of Swiss adults have assets above USD 10,000 and 30% of the population is more than USD 100,000.

Country summary 2010		
Population	8	million
Adult population	6	million
GDP	88,590	USD per adult
Mean wealth	372,692	USD per adult
Median wealth	41,547	USD per adult
Total wealth	2.2	trillion USD
Dollar millionaires	230	thousand
Top 10% of global wealth holders	2,226	thousand
Top 1% of global wealth holders	445	thousand
Quality of wealth data	☆☆☆☆☆	good

Figure 1

Wealth per adult over time

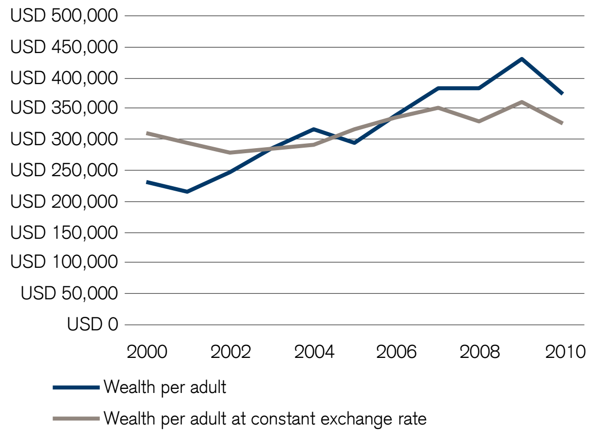


Figure 2

Composition of wealth per adult

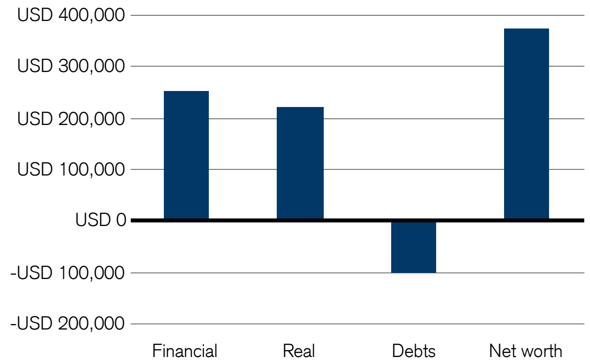
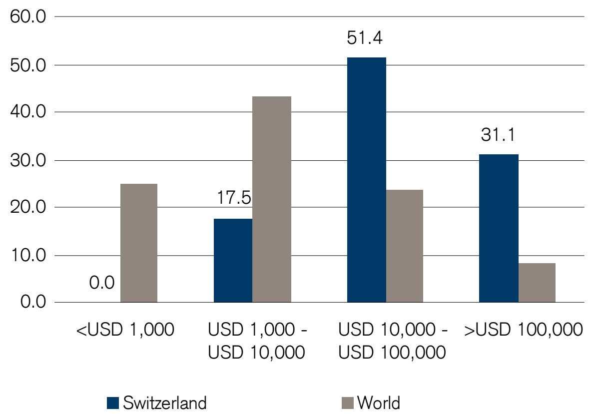


Figure 3

Wealth distribution relative to world (in %)



Source: James Davies and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2010

Denmark

Typical Nordic experience

Denmark shares many of the characteristics of its Nordic neighbors, Finland, Norway and Sweden. All of these countries experienced strong growth of wealth over the past decade, so that average wealth levels are among the highest in the world. Norway now ranks second in the world, Sweden is placed sixth, and Denmark itself is thirteenth.

In Denmark, average wealth doubled over the period 2000 to 2010, despite a significant setback caused by the financial crisis. However, much of the increase in household wealth was due to appreciation of the Danish Krone, which is pegged to the euro, against the US dollar. Measured in the domestic currency, average wealth rose by just 3% per year.

Household wealth in Denmark is split almost equally between financial and real assets. One unusual feature is the very high level of personal debt, which amounts to over USD 120,000 per person, about ten times the global average. While debt may be underestimated in some other countries, this gap certainly also reflects ease of access to credit in Denmark and the lack of urgency in repayment of student loans.

Relative to the rest of the world, the distribution of wealth in Denmark shows an unusually large proportion of the population with wealth below USD 1000, which at 30% is slightly above the world average. However Denmark also records four times the world average for the proportion of individuals with wealth exceeding USD 100,000. The high proportion of people with very low or negative net worth may reflect a range of factors, including high debt and low home ownership in some sections of the population, and also more young people being counted separately from their parents in the data than in other countries.

Country summary 2010

Population	5	million
Adult population	4	million
GDP	75,213	USD per adult
Mean wealth	204,703	USD per adult
Median wealth	10,900	USD per adult
Total wealth	0.8	trillion USD
Dollar millionaires	115	thousand
Top 10% of global wealth holders	1,450	thousand
Top 1% of global wealth holders	290	thousand
Quality of wealth data	☆☆☆☆☆	good

Figure 1

Wealth per adult over time

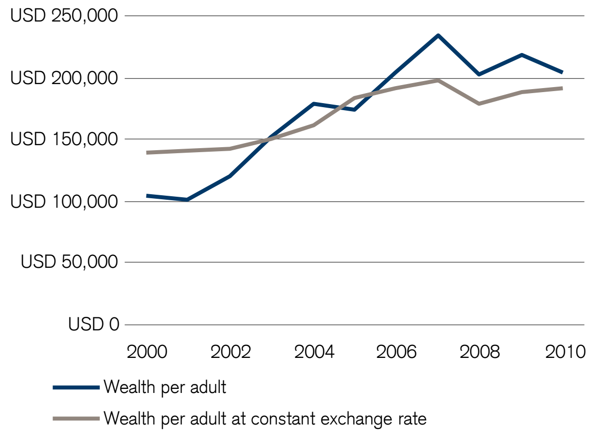


Figure 2

Composition of wealth per adult

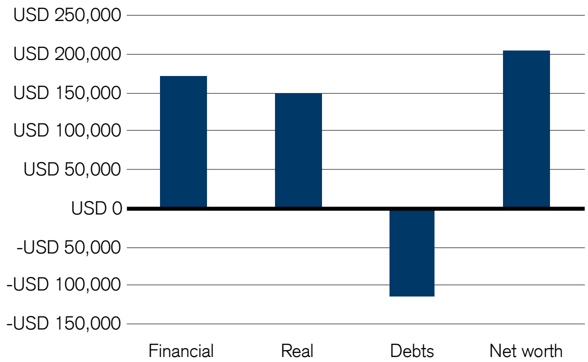
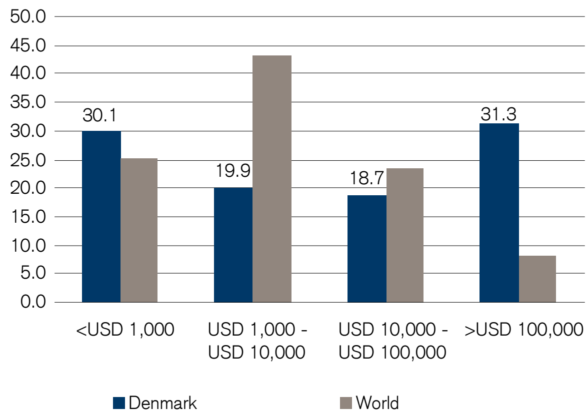


Figure 3

Wealth distribution relative to world (in %)



Source: James Davies and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2010

Indonesia

Rising personal wealth

The rise of personal wealth in Indonesia has been spectacular during the past decade, with average wealth growing by a factor of five. This may partly reflect depressed asset values in the year 2000 lingering from the Asian financial crisis of 1997. In dollar terms, the global financial crisis caused a small setback, but growth recovered quickly and wealth per adult is now well above the pre-crisis level. When exchange rate fluctuations are taken into account, no drop in wealth is observed in 2007–2008.

The comparison between Indonesia and India is interesting. They had very similar wealth per adult at the start of the decade, but the figure for Indonesia is now more than double that for India. However, the composition of wealth is very similar to India, with a heavy bias towards real property assets which comprise more than 90% of household wealth. Personal debts are very low on average, although the figure of USD 208 may well be an underestimate, reflecting the use of household sample surveys as the principal source of information on personal household wealth.

Indonesia has 25% of its population with wealth less than USD 1,000, which is very close to the figure of 26% for the world as a whole. Indeed, up to USD 100,000 the distribution of wealth in Indonesia is not too different from the global distribution. However, only 2% of its people have wealth over USD 100,000, compared with 8% for the whole world.

Country summary 2010		
Population	233	million
Adult population	150	million
GDP	4,430	USD per adult
Mean wealth	12,112	USD per adult
Median wealth	3,311	USD per adult
Total wealth	1.8	trillion USD
Dollar millionaires	60	thousand
Top 10% of global wealth holders	4,260	thousand
Top 1% of global wealth holders	145	thousand
Quality of wealth data	☆☆☆	fair

Figure 1
Wealth per adult over time

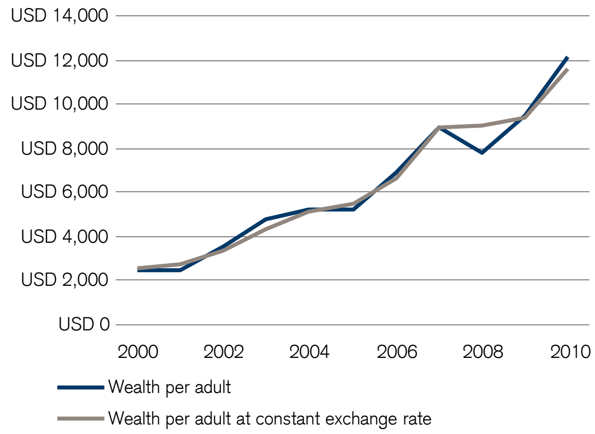


Figure 2
Composition of wealth per adult

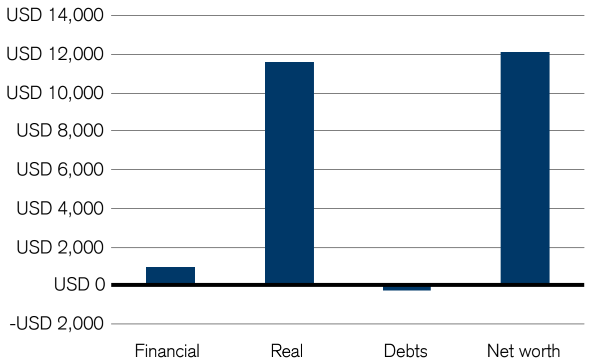
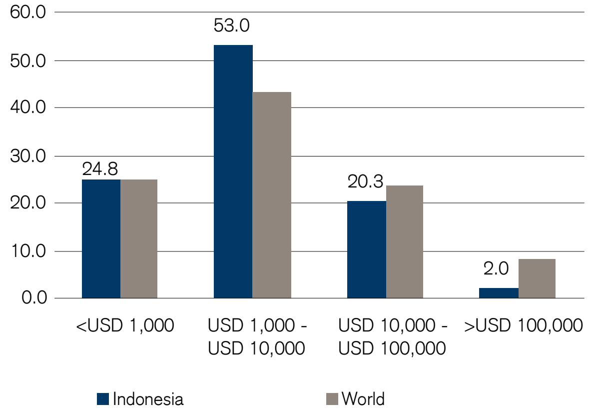


Figure 3
Wealth distribution relative to world (in %)



Source: James Davies and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2010

Taiwan

Successful Asian Tiger

Taiwan is a prime example of a successful Asian Tiger economy. Its average level of wealth, at USD 119,000, is well above that of even the most successful developing and transition countries, and more than half that of many countries in Western Europe. The past decade saw a modest rise in wealth from USD 105,000 in the year 2000 to USD 128,000 in 2007, after which the dip and subsequent recovery were similar to those seen in many other countries. Unlike many other countries, however, there was little exchange rate effect on household wealth in Taiwan over the decade.

Reflecting a high saving rate and well-developed financial institutions, the composition of household wealth is skewed towards financial assets which comprise 60% of total assets. Average debt equals 17% of total assets or 20% of net worth, which is about average.

Compared to the rest of world, wealth distribution in Taiwan is skewed towards the high end, with about double the proportion owning more than USD 10,000, and three times the number owning more than USD 100,000. This reflects Taiwan's high average wealth, rather than high wealth inequality.

Country summary 2010		
Population	23	million
Adult population	18	million
GDP	22,717	USD per adult
Mean wealth	119,152	USD per adult
Median wealth	38,106	USD per adult
Total wealth	2.2	trillion USD
Dollar millionaires	195	thousand
Top 10% of global wealth holders	5,640	thousand
Top 1% of global wealth holders	360	thousand
Quality of wealth data	☆☆☆☆	satisfactory

Figure 1
Wealth per adult over time

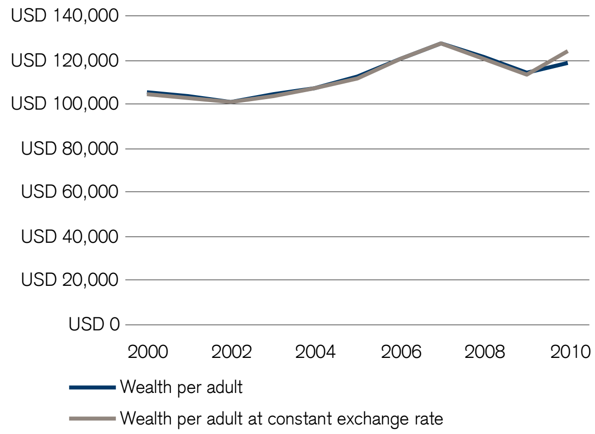


Figure 2
Composition of wealth per adult

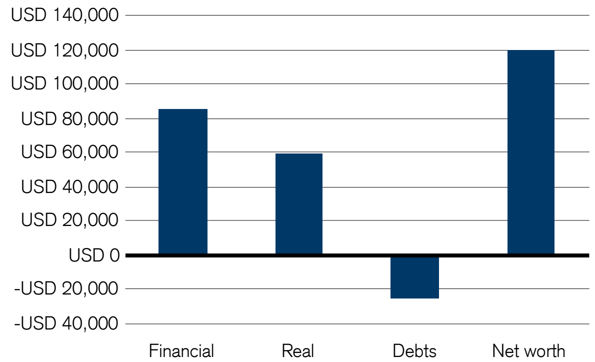
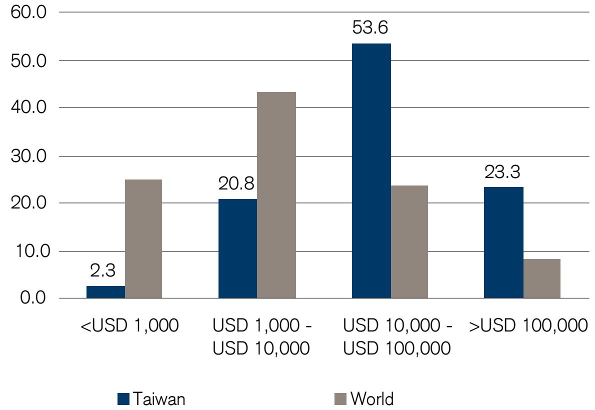


Figure 3
Wealth distribution relative to world (in %)



Source: James Davies and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2010

Czech Republic

Transition economy

The Czech Republic is among the most successful of the former socialist nations in Eastern Europe, but has many features in common with other transition economies. Average wealth grew robustly from USD 12,000 in the year 2000 to USD 35,000 in 2007, after which the level dropped back to USD 32,000. However a good proportion of the growth is attributable to an appreciation of the Czech koruna against the dollar: when this is taken into account, wealth per head grew just 5% per annum over the decade. This is about average for European transition countries — faster growth than seen in Slovakia and the Baltic transition countries, but slower than estimated for Poland and Russia.

In many European transition economies real property — especially housing — is the dominant component of household wealth. This aspect is not so pronounced in the Czech Republic, where the privatization of housing did not proceed as far as in most other transition countries (the current home ownership rate is only about 50%), but real property still accounts for 56% of total assets. Household debt amounts to USD 6,900 per adult, and rose quickly over the past decade, a feature common to transition economies.

Compared to the rest of the world, a higher proportion of Czech citizens are found in the USD 10,000–100,000 range, and a lower proportion have wealth above USD 100,000. We estimate that the country nevertheless has 10,000 millionaires and 20,000 members of the world's top 1% of wealth holders.

Country summary 2010		
Population	10	million
Adult population	8	million
GDP	23,836	USD per adult
Mean wealth	31,845	USD per adult
Median wealth	15,975	USD per adult
Total wealth	0.3	trillion USD
Dollar millionaires	10	thousand
Top 10% of global wealth holders	675	thousand
Top 1% of global wealth holders	20	thousand
Quality of wealth data	☆☆☆☆☆	good

Figure 1
Wealth per adult over time

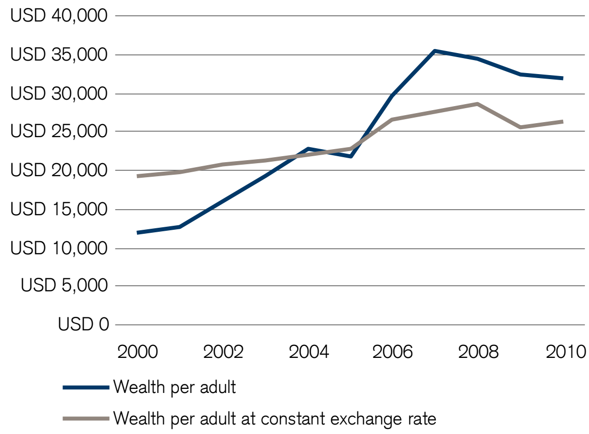


Figure 2
Composition of wealth per adult

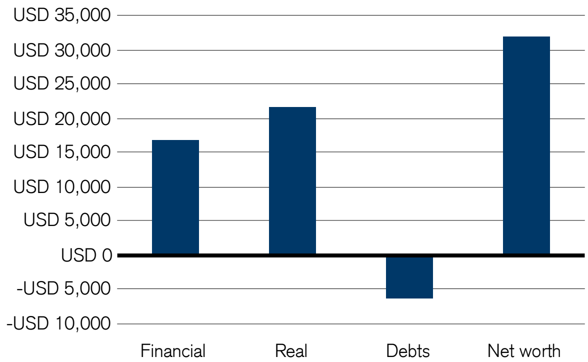
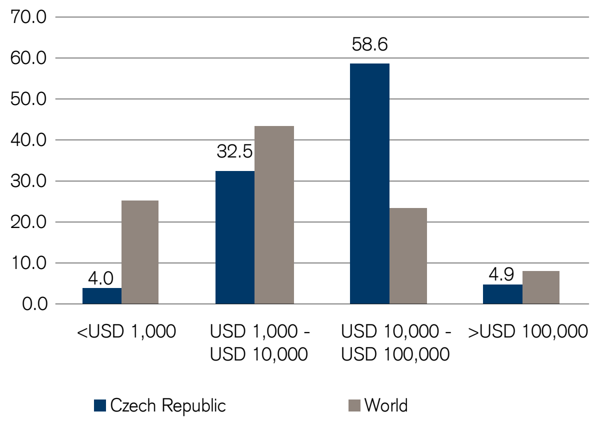


Figure 3
Wealth distribution relative to world (in %)



Source: James Davies and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2010

Australia

Robust and resilient

Along with its Pacific neighbor, New Zealand, Australia experienced very robust growth, with wealth per adult tripling over the past decade. This was due in part to the appreciation of the Australian dollar, but wealth almost doubled even when this is taken into account. In 2010 average wealth in Australia, at USD 321,000, was third highest in the world — after Switzerland and Norway.

A noticeable feature is the composition of wealth, which is heavily skewed towards real property, which amounts on average to USD 261,000 and forms 64% of total household assets. In fact, the level of real assets per adult in Australia is now the second highest in the world, after Norway. In part, this reflects a sparsely populated country with a large endowment of land and natural resources, but it also is affected by high urban real estate prices.

Compared to the rest of the world, very few Australians have net worth less than USD 1000. This reflects such factors as relatively low credit card and student loan debt. The proportion of those with wealth above USD 100,000 is almost six times the world average. With 1,340,000 people in the global top 1%, Australia accounts for 3.1% of the members of that wealthy group, despite having just 0.4% of the world's total population.

Country summary 2010

Population	22	million
Adult population	16	million
GDP	72,414	USD per adult
Mean wealth	320,909	USD per adult
Median wealth	124,234	USD per adult
Total wealth	5.1	trillion USD
Dollar millionaires	740	thousand
Top 10% of global wealth holders	10,230	thousand
Top 1% of global wealth holders	1,340	thousand
Quality of wealth data	☆☆☆☆☆	good

Figure 1
Wealth per adult over time

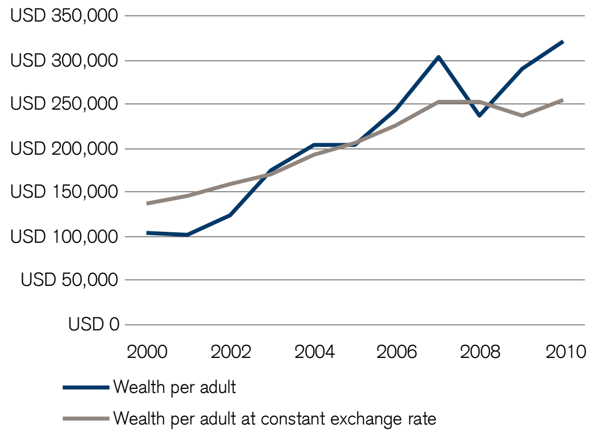


Figure 2
Composition of wealth per adult

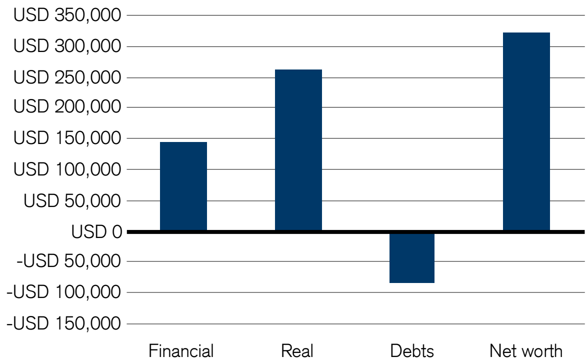
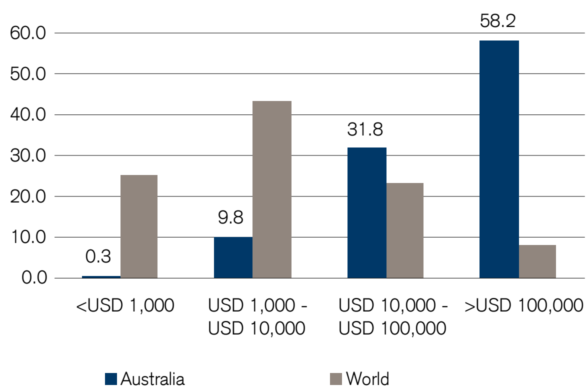


Figure 3
Wealth distribution relative to world (in %)



Source: James Davies and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2010

South Africa

African model

In many respects, South Africa is viewed as the economic model for many other African countries. Wealth per adult grew vigorously over the decade, almost tripling in value from USD 8,500 at the start to USD 24,000 by mid-2010. There were, however, noticeable fluctuations during this period. When wealth is expressed in terms of US dollars, the financial crisis appears to have caused a significant setback, from which South Africa has now fully recovered. However, when measured in South African rand, the 2008 trough is quite mild and the major fall occurred in 2001–2003.

Unusually for a developing country, household wealth is largely comprised of financial assets, which contribute more than 75% to the household portfolio. This reflects a vigorous stock market and sophisticated life insurance and pension industries. Average real assets of USD 4,200 are only slightly above the average level of debt, in part the result of relatively low real estate prices. South Africa is also unusual among developing countries in having an official household sector balance sheet, which provides the basis for the wealth composition numbers.

Like Indonesia, the distribution of wealth in South Africa is similar to the distribution for the world as a whole, except that somewhat fewer individuals have wealth above USD 100,000 and correspondingly more are in the second-highest wealth group. Nevertheless we estimate that there are 65,000 USD millionaires in the country, and that 120,000 South Africans are members of the global top 1% of wealth holders.

Country summary 2010		
Population	50	million
Adult population	30	million
GDP	11,051	USD per adult
Mean wealth	24,080	USD per adult
Median wealth	4,440	USD per adult
Total wealth	0.7	trillion USD
Dollar millionaires	65	thousand
Top 10% of global wealth holders	1,580	thousand
Top 1% of global wealth holders	120	thousand
Quality of wealth data	☆☆☆	fair

Figure 1
Wealth per adult over time

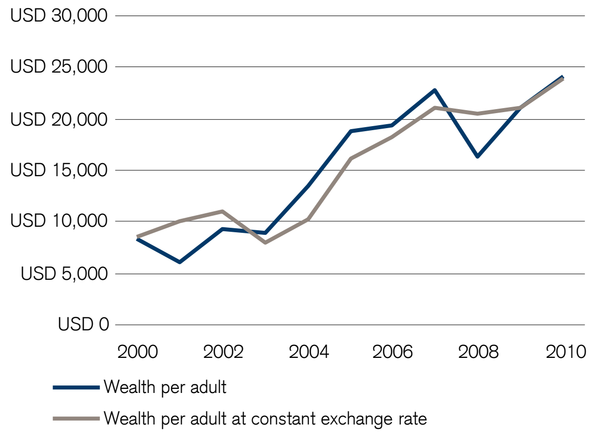


Figure 2
Composition of wealth per adult

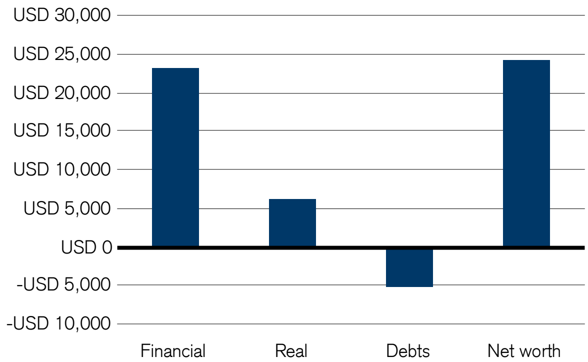
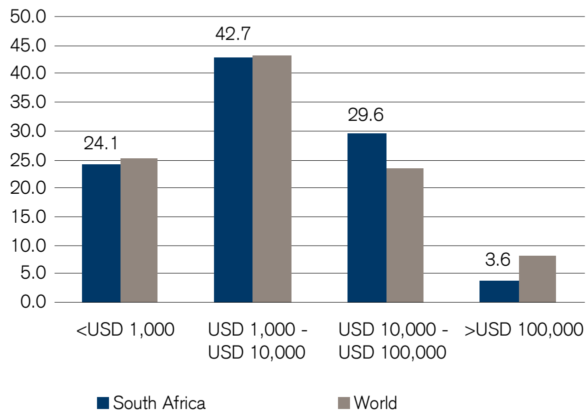


Figure 3
Wealth distribution relative to world (in %)



Source: James Davies and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2010

Singapore

Capturing growth

Household wealth in Singapore grew steadily and vigorously during the past decade, rising from USD 105,000 at the outset to more than USD 250,000 at the end. Most was due to domestic growth and asset price increases rather than favorable exchange rate movements. As a consequence, Singapore now ranks fourth in the world in terms of average personal wealth.

Household assets are divided about equally into financial and real assets, in part reflecting strong government encouragement for both saving and home ownership. Average debts of USD 37,600 are relatively low, equaling just 13% of total assets. Singapore has recently begun to produce official household balance sheet data, so the information is more reliable than that for other countries in the region which lack these high quality data.

The distribution of wealth in Singapore shows relatively small numbers of people with wealth below USD 1,000, and about two and a half times the global average of those with wealth above USD 100,000. Considering its very high average wealth, the country's representation at top wealth levels is lower than might be expected. The country's 110,000 members form just 0.3% of the global top 1%, while its overall population is 0.1% of the world total. This contrasts with other wealthy countries where the share of the top 1% may be ten times the population share. Part of the explanation may lie with public ownership of a number of large enterprises.

Country summary 2010		
Population	5	million
Adult population	4	million
GDP	52,568	USD per adult
Mean wealth	255,488	USD per adult
Median wealth	30,092	USD per adult
Total wealth	0.9	trillion USD
Dollar millionaires	65	thousand
Top 10% of global wealth holders	1,060	thousand
Top 1% of global wealth holders	110	thousand
Quality of wealth data	☆☆☆☆☆	good

Figure 1
Wealth per adult over time

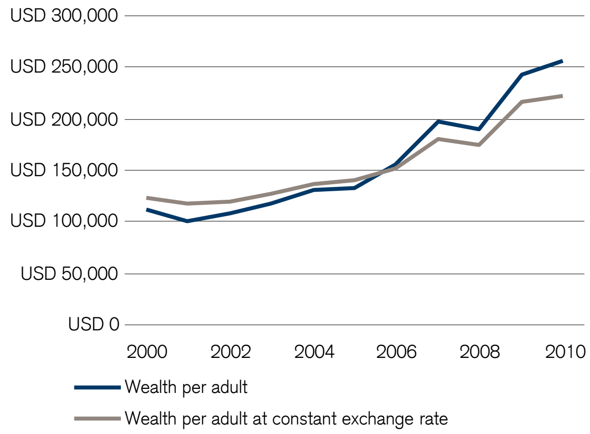


Figure 2
Composition of wealth per adult

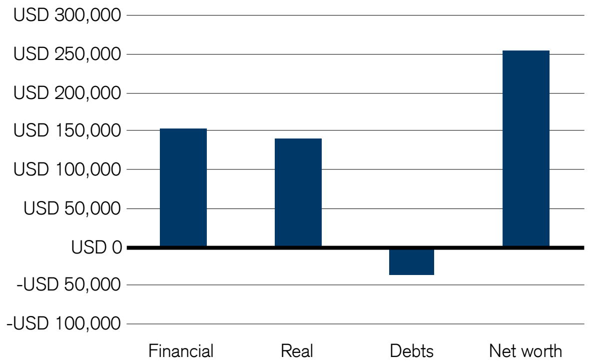
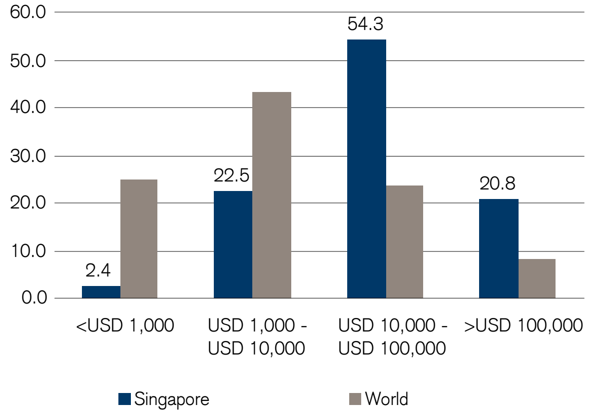


Figure 3
Wealth distribution relative to world (in %)



Source: James Davies and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2010

Chile

Sustained high growth

Average wealth in Chile grew steadily over the decade, more than doubling from USD 10,000 per head in 2000 to USD 25,000 in 2010. Exchange rate changes had little effect on the overall trend, although the noticeable setback due to the financial crisis almost vanishes when wealth is measured in Chilean pesos. Either way, wealth per adult is now above the pre-crisis level recorded in 2007.

One noticeable feature is the very low proportion of financial assets. Most household wealth is held in the form of real property with financial assets accounting for just 10% of gross assets, even less than personal debts. The low figure for financial assets may reflect the fact that the portfolio composition data come from a household survey: unless extensive corrections are made, such surveys typically under-record financial assets. While we do make a correction, based on comparisons of survey and independent balance sheet totals in other countries, it is possible that a larger adjustment is needed

The reported distribution of wealth in Chile differs from that in the world as a whole by having more people in the USD 10,000–100,000 range and fewer in the USD 1,000–USD 10,000 range, as well as a slightly lower proportion of individuals with wealth either below USD 1,000 or above USD 100,000.

Country summary 2010		
Population	17	million
Adult population	12	million
GDP	16,550	USD per adult
Mean wealth	25,122	USD per adult
Median wealth	12,350	USD per adult
Total wealth	0.3	trillion USD
Dollar millionaires	5	thousand
Top 10% of global wealth holders	705	thousand
Top 1% of global wealth holders	10	thousand
Quality of wealth data	☆☆☆	fair

Figure 1
Wealth per adult over time

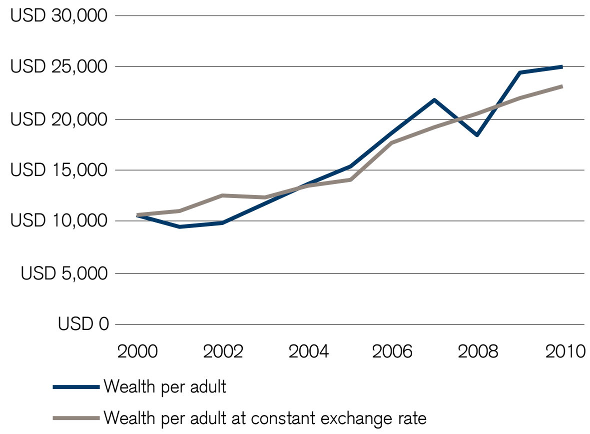


Figure 2
Composition of wealth per adult

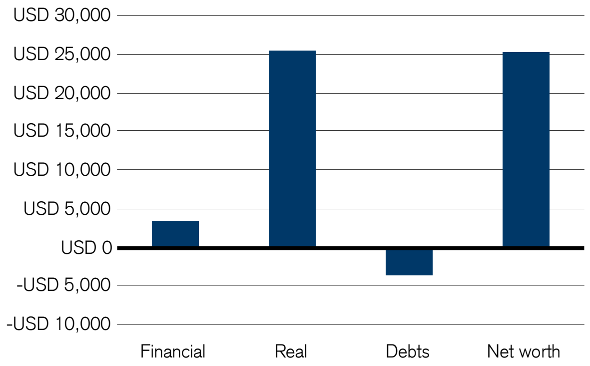
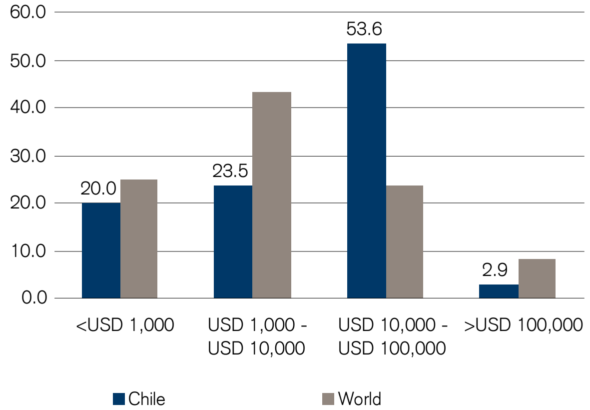


Figure 3
Wealth distribution relative to world (in %)



Source: James Davies and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2010

Italy

High wealth, low debt

Italy has some of the best data on wealth holdings of any country. In addition to official household balance sheet data it has a well-developed household wealth survey. It ranks among the countries with the highest levels of wealth in the world. Growth over the 2000–2010 period is also impressive, despite the financial crisis, with mean wealth approximately doubling.

Real assets in Italy account for 60% of household assets, about midway between the ratios for the UK (55%) and France (65%). Average debt, at USD 21,000, is just 9% of total assets, which is well below the average for developed countries. Italy has historically had one of the lowest debt levels among OECD countries. Low debt is partly the result of relatively strict mortgage requirements.

Compared to the rest of the world, very few Italians are recorded with wealth below USD 1000. The proportion above USD 100,000 is four times the global average, and there is a large contingent of Italians (almost three million) in the top 1% of the global wealth distribution.

Country summary 2010		
Population	60	million
Adult population	49	million
GDP	43,495	USD per adult
Mean wealth	226,423	USD per adult
Median wealth	115,182	USD per adult
Total wealth	11.0	trillion USD
Dollar millionaires	1,415	thousand
Top 10% of global wealth holders	29,799	thousand
Top 1% of global wealth holders	2,810	thousand
Quality of wealth data	☆☆☆☆☆	good

Figure 1

Wealth per adult over time

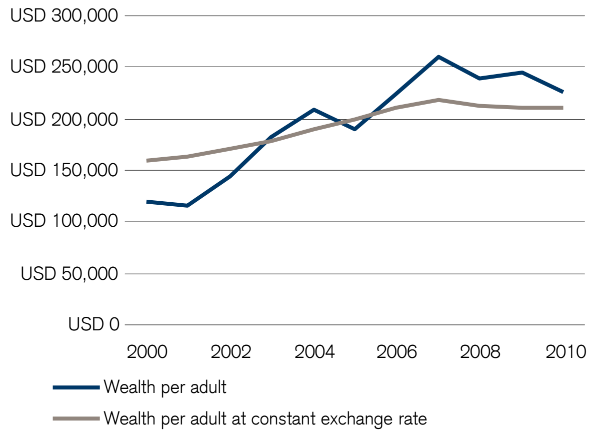


Figure 2

Composition of wealth per adult

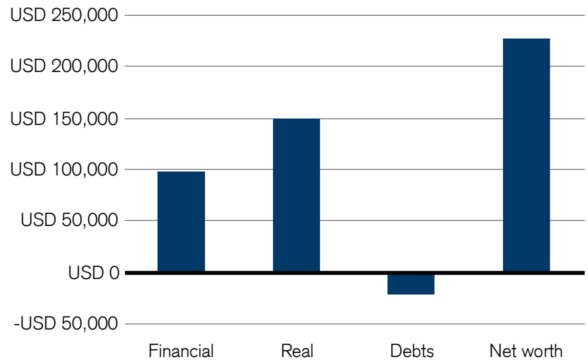
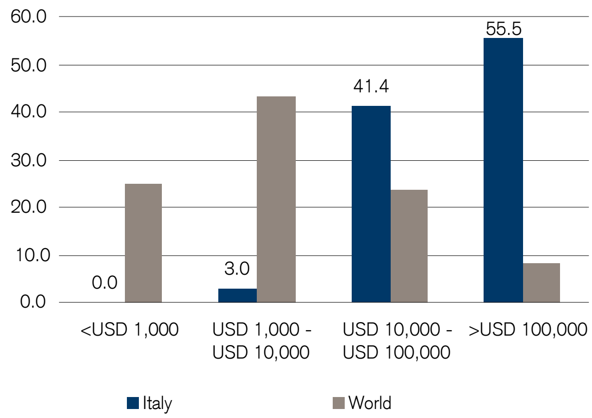


Figure 3

Wealth distribution relative to world (in %)



Source: James Davies and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2010

Canada

Modest rise in wealth

Despite its relatively small population, Canada ranks eighth in the world in terms of aggregate household wealth and tenth in wealth per adult. Its current wealth level, at USD 226,000, is very close to the USD 236,000 figure for the United States, as might be expected given the strong links between the two economies and their other similarities.

Measured In terms of US dollars, household wealth grew significantly during the past decade, more than doubling between 2000 and 2010. When exchange rate changes are excluded, the rise in wealth is more modest. The contraction in household wealth due to the financial crisis — almost 30% in US dollar terms — is also much less evident when wealth is expressed in Canadian dollars. While US wealth per person is still 12% below the 2007 level, Canada's wealth in domestic currency has returned to 98% of the 2007 figure. This reflects the fact that Canada's financial institutions and housing market did not suffer a collapse during the global financial crisis.

Canada is similar to the United States in having more than half of its household wealth in financial assets, although the fraction of assets in financial form, at 56% is less than in the United States, where they make up 67% of total assets. The wealth distribution differs from that of the United States, having both a larger fraction with wealth less than USD 1,000 and a larger percentage with wealth over USD 100,000. Canada, however, has a smaller proportion of millionaires in its adult population (3.5%) than the United States (4.3%).

Country summary 2010		
Population	34	million
Adult population	26	million
GDP	59,233	USD per adult
Mean wealth	225,896	USD per adult
Median wealth	94,700	USD per adult
Total wealth	5.9	trillion USD
Dollar millionaires	905	thousand
Top 10% of global wealth holders	14,549	thousand
Top 1% of global wealth holders	1,780	thousand
Quality of wealth data	☆☆☆☆☆	good

Figure 1
Wealth per adult over time

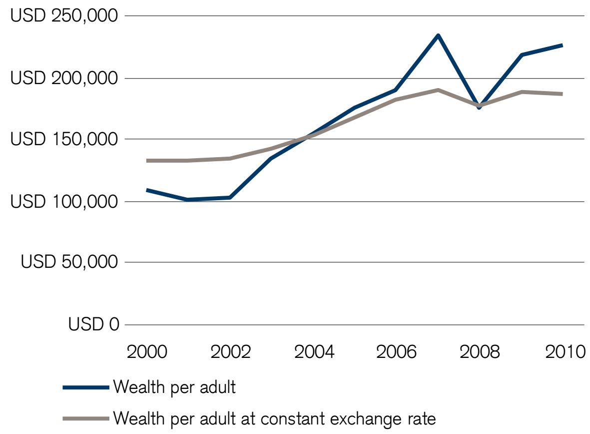


Figure 2
Composition of wealth per adult

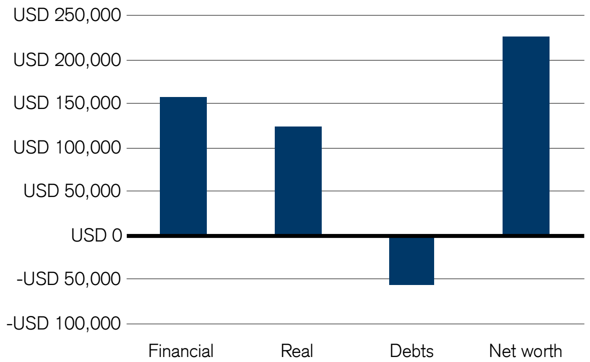
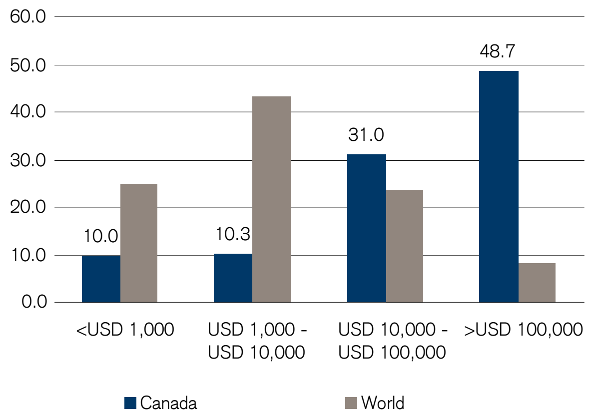


Figure 3
Wealth distribution relative to world (in %)



Source: James Davies and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2010

About the authors

Anthony Shorrocks was Director of the World Institute for Development Economics Research of the United Nations University (UNU-WIDER) in Helsinki from 2001 to 2009. 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. He was elected a Fellow of the Econometric Society in 1996.

He has published widely on income and wealth distribution, inequality, poverty and mobility. 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 2010).

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 has been the director of the Economic Policy Research Institute at UWO since 2001. Jim received his PhD from the London School of Economics in 1979. He recently completed a five-year term as managing editor of Canadian Public Policy. From 2006 to 2008 he was the director of an international research program on Personal Wealth from a Global Perspective for the UN University's World Institute for Development Economics Research (WIDER), culminating in a volume he edited, published by Oxford University Press in 2008. Jim has authored two books and over 60 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.

Rodrigo Lluberas is currently studying for a PhD in Economics at Royal Holloway College, University of London. He holds an MSc in Economics from University College London and a BA in Economics from Universidad de la Republica, Uruguay. Prior to undertaking his MSc, he worked for 3 years as an economic analyst at Watson Wyatt Global Research Services and more recently as a research assistant at NESTA. His main areas of experience are pensions, consumption and wealth.

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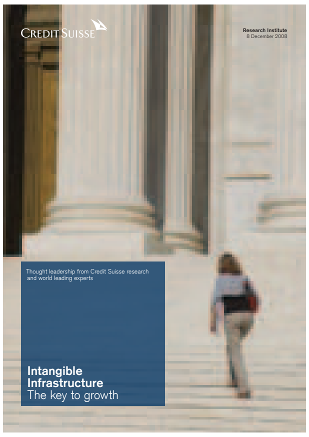

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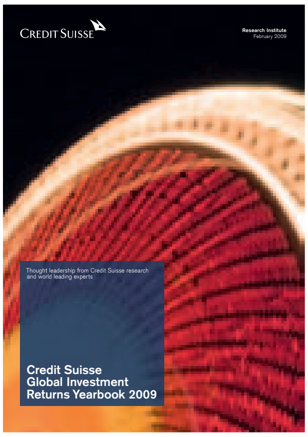

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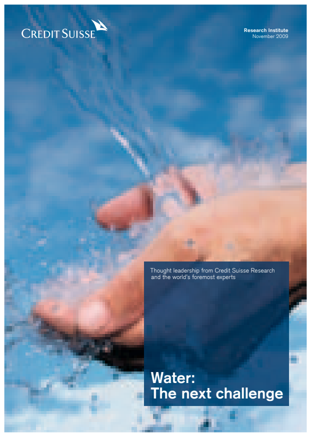

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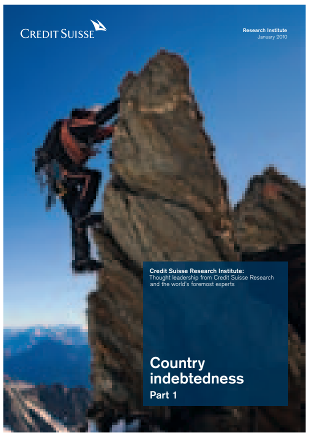

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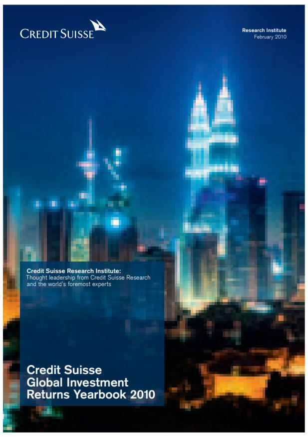

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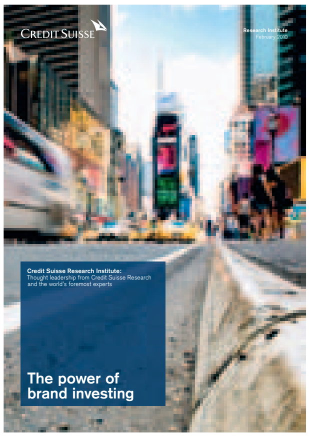

The power of brand investing
February 2010

Imprint

PUBLISHER
CREDIT SUISSE GROUP AG
Credit Suisse Research Institute
Paradeplatz 8
CH-8070 Zurich
Switzerland

Production Management
Global Research Editorial & Publications
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Editorial deadline
20 September 2010

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RCE 1542514 10/2010