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BILLIONAIRE CENSUS 2019

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BILLIONAIRE CENSUS 2019



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EXECUTIVE SUMMARY

THE GLOBAL BILLIONAIRE POPULATION AND ITS WEALTH DECLINED IN 2018.

Amid a slowdown in global growth, persistent trade tensions and a late-year slump in equity markets, billionaire wealth declined by 7% to \$8.6trn; while the billionaire population declined by 5.4% to 2,604, only the second time it suffered an annual fall since the financial crash a decade ago.

NORTH AMERICA WAS THE ONLY REGION TO RECORD AN INCREASE IN ITS BILLIONAIRE POPULATION. Following dynamic growth a year earlier, the decline in the global billionaire population in 2018 was led by Asia-Pacific, which registered a fall of 13%. The number of billionaires in the EMEA region dropped by 5%, but there was a modest expansion of the billionaire class in the Americas (+1%), driven by a 3% increase in North America.

BILLIONAIRE WEALTH FELL IN ALL REGIONS, WITH THE LARGEST DECLINE IN ASIA-PACIFIC. A weak equity market performance on the back of slowing growth, tariff disputes and emerging-market volatility resulted in a 9% drop in billionaire net worth in Asia-Pacific, outpacing falls of 7% in EMEA and 6% in the Americas.

AT A COUNTRY LEVEL, BILLIONAIRE PERFORMANCES DIVERGED IN 2018. Among the top 15 countries by billionaire population, all saw a fall in the number of such individuals apart from the US and three European countries — the UK, Russia and France. All the major Asia-Pacific billionaire countries — China, Hong Kong, India and Singapore — declined in population and total wealth. Meanwhile, despite positive equity markets and expanding economies, billionaires' fortunes worsened in Saudi Arabia and the UAE.

BILLIONAIRES ARE INCREASINGLY CONGREGATING IN A CLUSTER OF CITIES. The top 15 billionaire cities accounted for almost 30% of the global billionaire population in 2018, with a total of 773 billionaires. Despite a year-on-year fall in number, the share of the top 15 cities increased by more than 1%. New York continues to be the dominant billionaire city, while Los Angeles and São Paulo were the only cities to experience a rise in their rankings within the top 15. In terms of billionaire density, San Francisco is the clear leader.

BILLIONAIRES HAVE CREATED THEIR WEALTH THROUGH A WIDE VARIETY OF INDUSTRIES. While no single industry dominates, banking/finance and industrial conglomerates accounted for a third of the global billionaire population's primary industry focus in 2018. In eighth position, with 125 individuals, the not-for-profit sector has, over time, become a major area of focus for billionaires. Many individuals, once they have consolidated their fortunes, make the full-time transition toward building a philanthropic legacy.

PHILANTHROPY IS THE LEADING PASSION OR HOBBY AMONG BILLIONAIRES. More than half of all billionaires are known to be actively involved in philanthropic endeavors. Within this context, there is also an increasing expectation from society for billionaires to give back. Other interests include sports, politics and art — all of which see high-profile involvement by numerous billionaires across the world.

INTRODUCTION

Our latest edition, the *Wealth-X Billionaire Census 2019*, analyzes the status of the world's billionaires, who, despite being modest in number — and falling in 2018 — hold immense wealth and wield a significant influence over the global economy.

We explore the drivers behind this fall in the global billionaire population, the role of financial markets and the impact of key political and economic developments on billionaire net worth. We examine regional trends, from the significant decline in billionaire numbers and wealth in Asia-Pacific, to a more variable performance in the US. We draw on our extensive knowledge base to rank the leading billionaire countries and cities of the world.

We analyze the main asset holdings, industry concentration, gender distribution and sources of wealth in the global billionaire class. The report also delves into the interests and passions of the world's billionaire population, mining data to highlight the diversity among billionaires of differing wealth levels, and undertaking a particular focus on philanthropy and sport.

The *Billionaire Census 2019* also examines the key characteristics of four archetypal groups based around geography: those from the US, China and Germany, the top three billionaire countries. This deep-drill reveals contrasting trends across the selected billionaire groups.

Wealth-X's comprehensive database of billionaires (as defined by net worth) provides an unrivaled insight into the status of the world's wealthiest individuals, their characteristics and what makes them tick; and the issues that will have an impact on their future wealth creation.

GLOBAL BILLIONAIRE MAP

2018
Billionaire
population and
total wealth

↓ -5.4%

% Change in population
from 2017

2,604

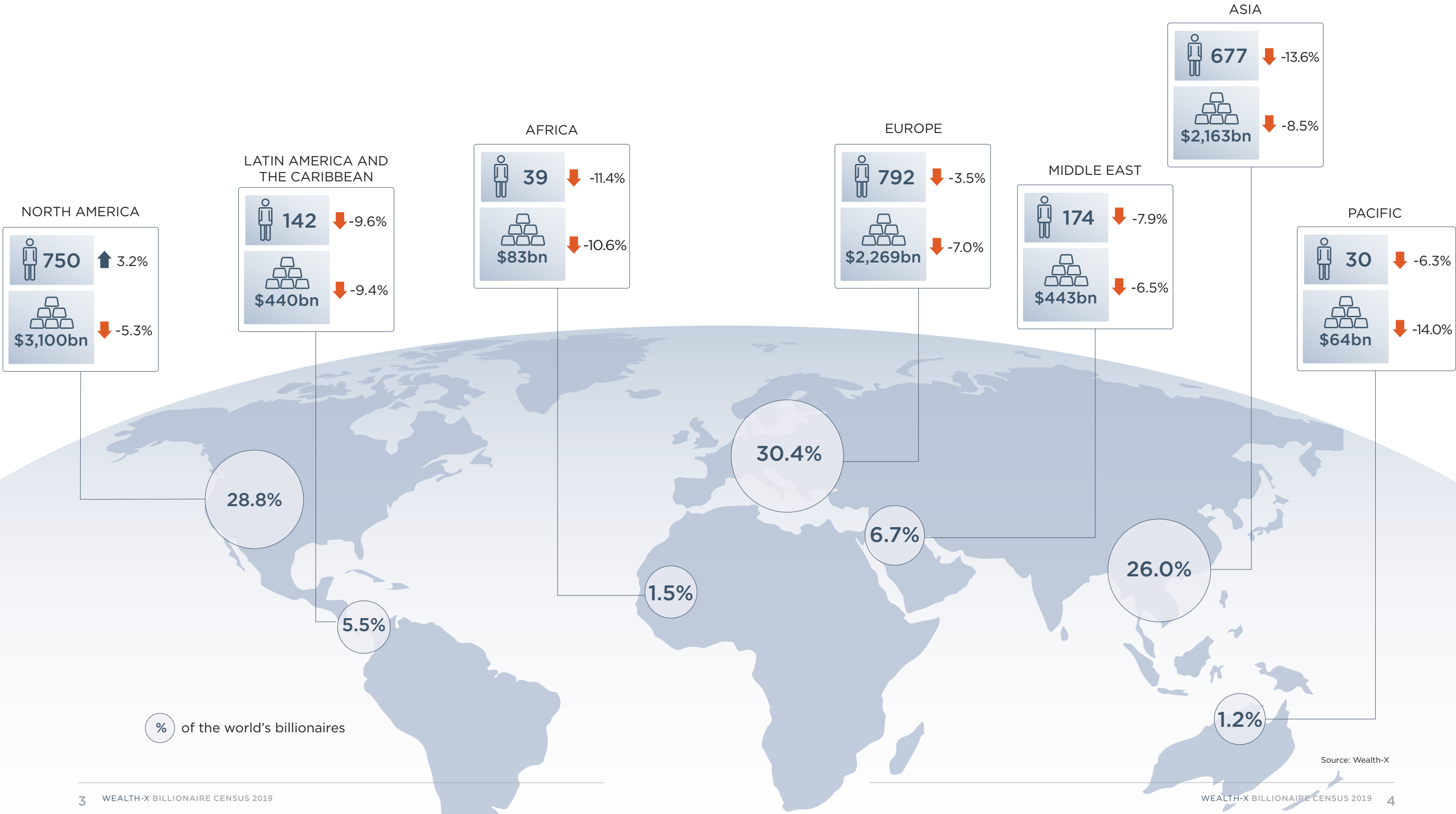
Number of
billionaires

↓ -7.0%

% Change in wealth
from 2017

\$8,562

Total wealth
(\$bn)



Source: Wealth-X

BILLIONAIRE PERFORMANCE IN 2018

THE RETURN OF VOLATILITY

In contrast to the buoyant wealth gains enjoyed in 2017, when almost every major asset class delivered strong returns, the year 2018 proved more challenging for the global billionaire class. The total number of billionaires declined by 5.4% to 2,604 individuals, only the second annual fall since the financial crash a decade ago. Against a backdrop of heightened market volatility, global trade tensions and a slowdown in economic growth, the combined wealth of the world's billionaires dropped by 7% to \$8.6trn.

Region	2018		2017		% Change	% Change
	Number of billionaires	Total wealth (\$bn)	Number of billionaires	Total wealth (\$bn)	Change in population	Change in wealth
World	2,604	8,562	2,754	9,205	↓ -5.4%	↓ -7.0%
Asia-Pacific	707	2,228	816	2,440	↓ -13.4%	↓ -8.7%
EMEA	1,005	2,795	1,054	3,007	↓ -4.6%	↓ -7.1%
The Americas	892	3,540	884	3,758	↑ 0.9%	↓ -5.8%

Source: Wealth-X

This weaker performance should be placed in context, as it followed a year of unprecedented wealth creation in 2017, when the global billionaire population surged to an all-time high. The number of billionaires today, and their combined fortunes, remain well above the levels of two years ago. However, there was a loss of momentum in the world economy and asset markets over the second half of 2018, which culminated in sharp falls in equities and investor sentiment in the final quarter. The MSCI World Index ended the year down 10%, with commodities and Asian stocks among the worst hit. Key drivers were the broadening trade war between the US and China, which weighed on demand across Asia, and tightening global liquidity conditions, as major central banks continued a gradual withdrawal from the post-crisis monetary excess. A related strengthening of the US dollar encouraged capital outflows from emerging markets, triggering currency volatility and risk aversion. Added to the mix

were a sharp fall in global technology shares and disruption in the automotive sector from new emissions regulations. Meanwhile, geopolitical instability was ever present, amid rising anti-elite and anti-immigrant sentiment, an increasingly isolationist US, a torturous Brexit process in the UK, a populist shift in South America, and international tensions with Saudi Arabia and Iran.

The Americas fared the best of the three main regions, recording a slight rise in the number of billionaires.

BUMPY RIDE

The Americas fared the best of the three main regions, recording a slight rise in the number of billionaires. This was due almost exclusively to a 3.7% increase in the billionaire population of the US — consolidating its position as the world's dominant billionaire country — which more than offset falls elsewhere in the region, including in Canada, Mexico and Brazil. Average billionaire net worth declined, however, as all countries in the Americas saw a reduction in their billionaire wealth, including a 4.9% drop in the US. Some support for wealth creation came from a stronger US dollar, lifted by quarterly interest-rate hikes by the US Federal Reserve, and from the major tax reform package approved in late 2017, which boosted corporate earnings. However, despite solid GDP and employment gains, these factors were overridden by the headwinds of weakening global demand, escalating trade tensions and increased investor concern at the pace of monetary tightening. A late-year spike in the Vix index, the 'fear gauge' commonly used in financial markets, accompanied an equity sell-off, which dragged the tech-heavy NASDAQ index into 'bear market' territory.

Viewed on an annual basis, however, the US stock market still outperformed most of its peers, which helped to limit the decline in combined billionaire wealth across North America. Emerging-market turbulence, weaker commodity markets and shifting political tides all took their toll in Latin America and the Caribbean, which saw approximately 10% falls in its billionaire population and combined net worth. New governments with different policy directions entered office in the two largest economies, Brazil and Mexico; while Argentina suffered a mid-year currency slump that led to renewed IMF intervention.

Across the **Asia-Pacific** region as a whole, the billionaire population declined by 13.4%, with its combined wealth down by 8.7%. Asia's billionaire class recorded the largest drop, driven by substantial falls in the billionaire populations of China, India and Singapore. Although these only partially offset the huge gains of a year earlier, the total number of Asian billionaires (677) fell back below that of North America (750). Their combined wealth declined by 8.5%, slightly more than the world average, with Asia's share of global billionaire wealth edging down to 26%.

China's tariff conflict with the US was a major factor, weighing on demand, sentiment and returns across Asia, which were compounded by a cyclical slowdown in growth, capital outflows, a lending clampdown in China's banking sector and currency weakness against the US dollar. This deteriorating economic environment more than offset support for wealth creation from ongoing policy reforms and higher infrastructure spending, underlining the importance of asset and currency markets to the development of billionaire wealth. As elsewhere, Asian equities tumbled in late 2018, with the Shanghai Composite Index down by 25% in local currency terms over the year as a whole, and Japan's Nikkei down 12% lower.

Within the Asia-Pacific region, Asia's billionaire class recorded the largest drop, driven by substantial falls in the billionaire populations of China, India and Singapore.

The region with the largest billionaire population, **Europe, the Middle East and Africa (EMEA)**, recorded a much slower rate of decline in billionaire numbers (-4.6%) than Asia-Pacific, but a fall in combined wealth of 7.1% was only slightly lower, implying larger average losses. Performance varied across the region, with the billionaire population in Europe registering the smallest falls, whereas the Middle East saw the slowest pace of decline in billionaire net worth. Overall, the region accounted for 33% of global billionaire wealth, unchanged from a year earlier.

In Europe, a fall of 7% in combined billionaire net worth was twice the rate of the decline in billionaire numbers, with the UK a major contributor to this pattern. The government's unpredictable Brexit negotiations with the EU, weakening trends in UK growth, equities, its housing market and investor sentiment contributed to a 17% slump in combined billionaire wealth. At the same time, increased volatility and uncertainty presented new channels

of wealth creation, with the UK's billionaire population rising in size. Elsewhere, a loss of momentum in eurozone growth gathered pace over the second half of 2018, with Germany's export-oriented economy, in particular, hit by the slowdown in global demand, alongside political tensions in France and Italy. Financial markets lost ground as the European Central Bank delivered on its pledge to cease its asset-purchase program of monetary stimulus at year's end, despite the weakening outlook. Russia was a notable 'outperformer' in the region, buoyed in part by higher commodity production.

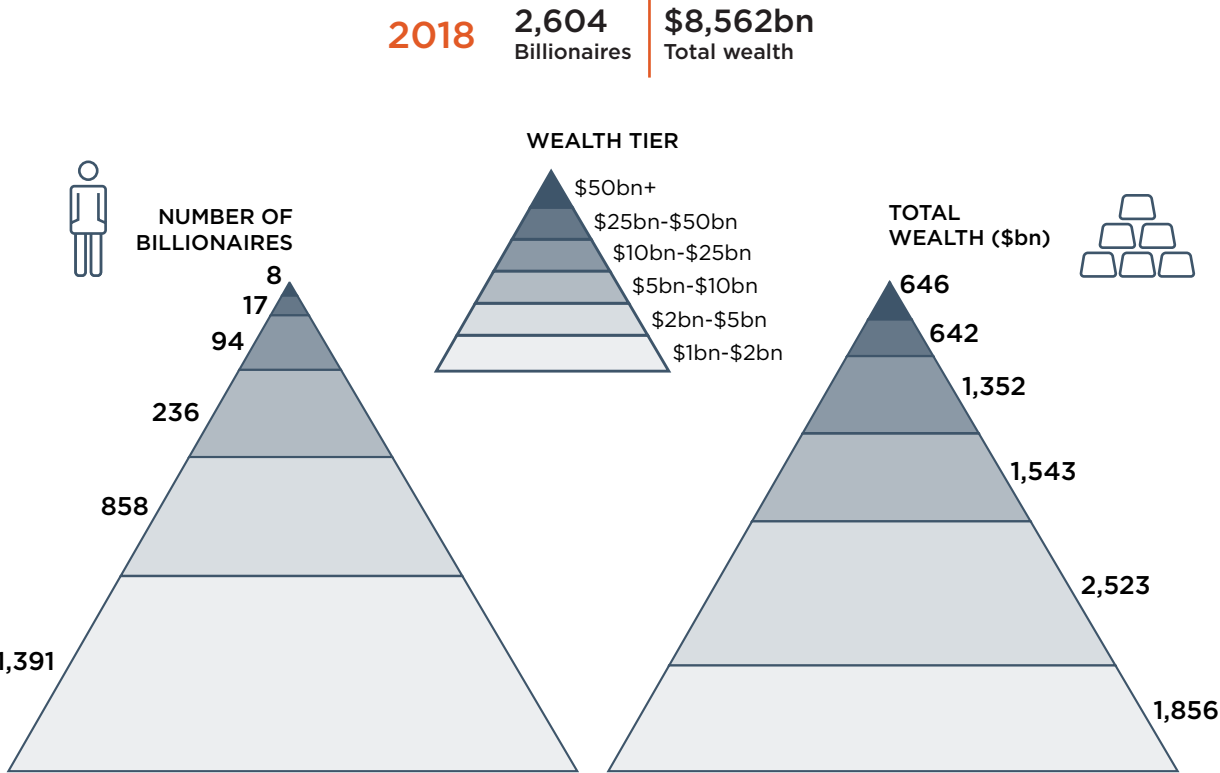
In Europe, a fall of 7% in combined billionaire net worth was twice the rate of the decline in billionaire numbers, with the UK a major contributor to this pattern.

The Middle East experienced a 7.9% fall in billionaire numbers, which translated to a 6.5% drop in its collective wealth, marginally better than the global average. Support from gradually rising oil prices reversed sharply in late 2018, when commodity markets slumped amid the broader global slowdown. Equities fared better than in most other regions, but geopolitical risks, the weaker trend across emerging markets and some investor caution over political developments in Saudi Arabia — the region's largest billionaire country — constrained opportunities for wealth creation. There were double-digit rates of decline in Africa's billionaire population and combined net worth in 2018, driven mainly by oil-price volatility and currency weakness.

BILLIONAIRE WEALTH TIERS

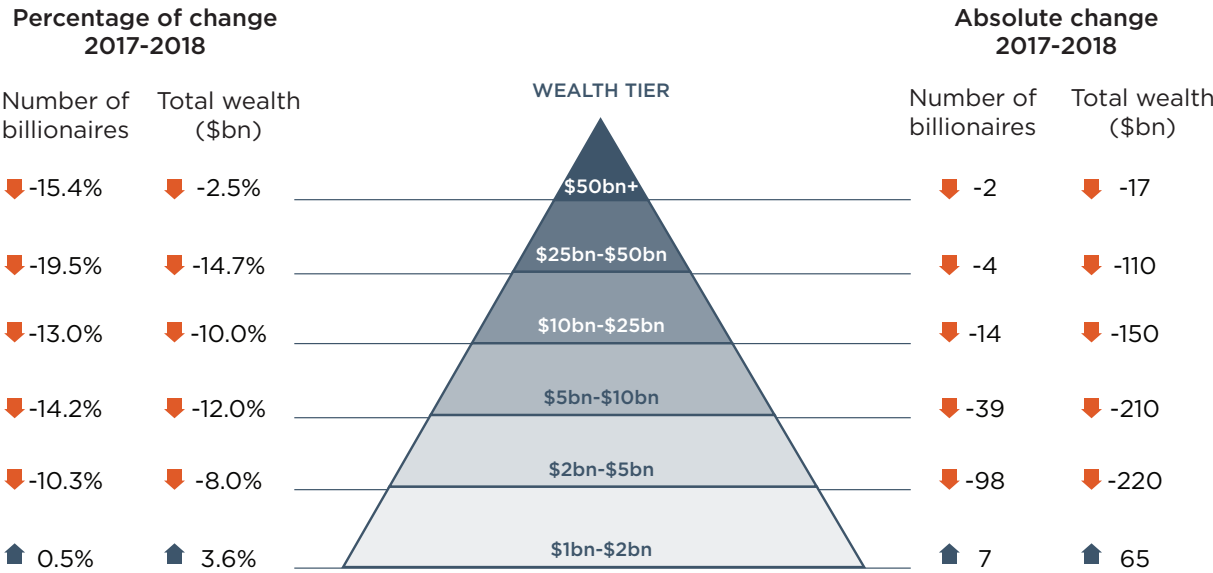
In 2018, billionaires accounted for just 1% of the global Ultra High Net Worth (UHNW: those with \$30m+ in net worth) population, but held almost 28% of its combined wealth. As with wealth across the public at large, the distribution of net worth among billionaires is highly skewed.

Some 86 of every 100 billionaires reside in the two ‘lowest’ wealth brackets — of \$1bn–\$2bn and \$2bn–\$5bn — but they account for only just over half of all billionaires’ combined wealth. At the upper end, there were a select group of 25 individuals each with a net worth of over \$25bn in 2018. Together, they controlled a 15% share of total billionaire wealth, amounting to \$1.3trn, equivalent to the market value of the entire economies of Spain or Australia, for example.



Source: Wealth-X

In contrast to the broad-based gains seen a year earlier, only the lowest wealth tier registered a rise in billionaire numbers and combined wealth in 2018. The increases were modest in scale, with the \$1bn–\$2bn bracket gaining an additional seven members (among a total of 1,391) and \$65bn in wealth (raising combined net worth to \$1.9trn). Billionaire wealth declined in most countries over the course of the year, with some of the largest falls recorded in Asia, and this pushed a significant number of billionaires into a lower tier. All of the other five wealth brackets saw declines of at least 10% in their billionaire populations, with those in the \$25bn–\$50bn tier falling by 20%. This differed sharply from 2017, when all but one tier experienced robust growth in billionaire numbers and combined wealth.



Source: Wealth-X

Since the publication of our first *Billionaire Census* in 2013, the overall distribution among the billionaire class has changed remarkably little, with each wealth tier’s proportion of population and wealth varying by less than 1%–2%. However, billionaire wealth has increased substantially as a share of UHNW wealth, from around 22% to over 30%, while the billionaire population as a share of the UHNW population has remained largely stable — an indication of the increasing influence of this exclusive club. During this period, the world’s largest companies have increased substantially in size, and transitioned from a focus on energy, infrastructure and financial services to technology dominance, with the latter reaping the gains of scalability and globalization.

TOP 15 BILLIONAIRE COUNTRIES

Rank (change in rank)	Country	Number of billionaires	Total wealth (\$bn)	Change in population (%)	Change in wealth (%)
1	United States	705	3,013	▲ 3.7	▼ -4.9
2	China	285	996	▼ -15.7	▼ -7.8
3	Germany	146	442	▼ -3.9	▼ -5.1
4 (+2)	Russia	102	355	▲ 6.3	▲ 1.1
5 (+3)	United Kingdom	97	209	▲ 7.8	▼ -16.6
6 (-1)	Switzerland	91	240	▼ -8.1	▼ -9.6
7	Hong Kong*	87	259	▼ -6.5	▼ -17.5
8 (-4)	India	82	284	▼ -21.2	▼ -4.9
9	Saudi Arabia	57	147	▼ -8.1	▼ -13.2
10 (+1)	France	55	195	▲ 1.9	▼ -6.1
10 (-1)	United Arab Emirates	55	165	▼ -11.3	▼ -1.6
12 (-1)	Brazil	49	154	▼ -3.9	▼ -10.2
13 (-2)	Italy	47	141	▼ -13.0	▼ -8.3
14	Canada	45	87	▼ -4.3	▼ -17.2
15	Singapore	39	84	▼ -11.4	▼ -8.8

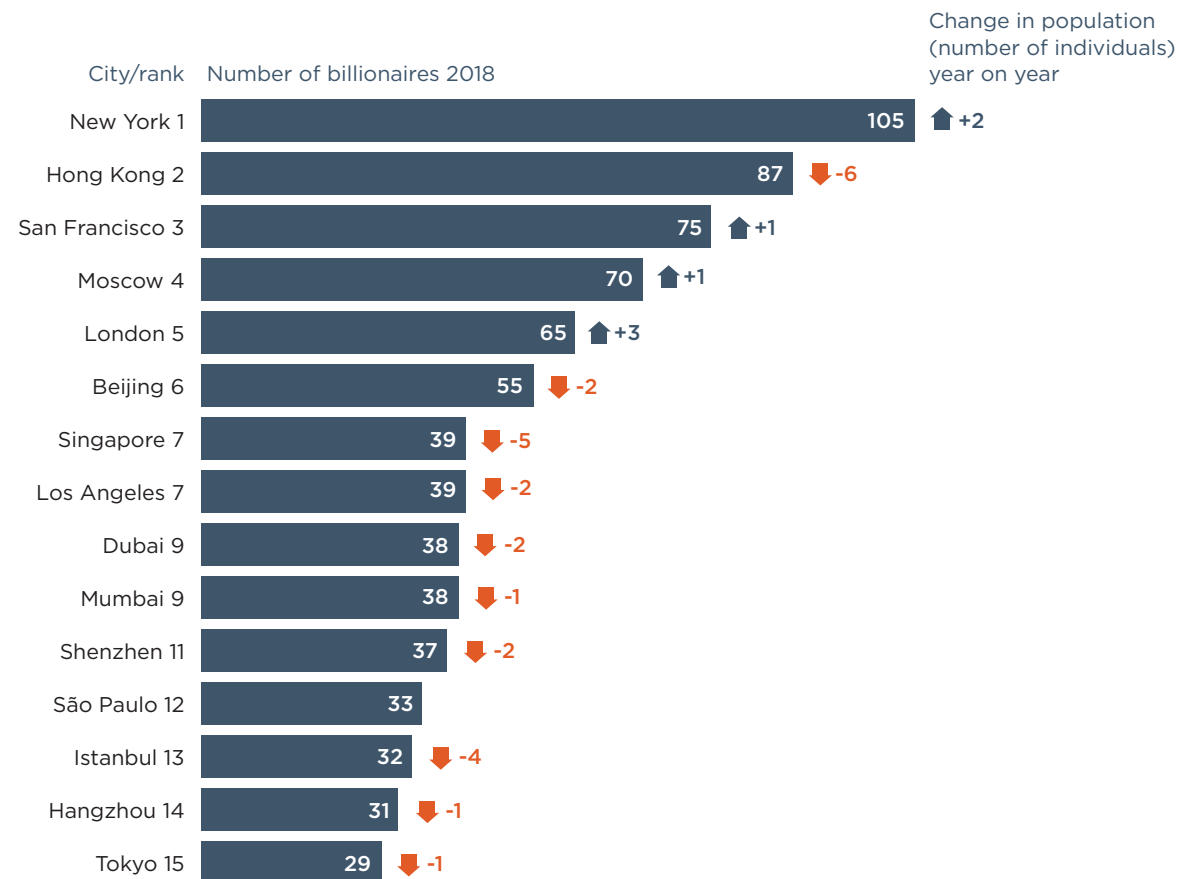
*Hong Kong is a semi-autonomous, special administrative region of China
Source: Wealth-X, 2018

The combined net worth of US billionaires exceeds the total billionaire wealth of the next eight highest-ranked countries.

Looking at the top 15 countries ranked by the number of billionaires, there are some notable findings, analyzed below:

- The top 15 countries dominate in billionaire population and wealth.** The top 15 countries accounted for 75% of the global billionaire population and 79% of global billionaire wealth in 2018 — up very slightly from a year earlier. In absolute terms, there were 84 fewer billionaires in the top 15 countries (a total of 1,942) compared with 2017, with combined net worth falling by an annual \$489bn to \$6.8trn.
- The majority of countries are in the EMEA region.** Eight of the top 15 countries were in the EMEA region, with four in Asia-Pacific and three in the Americas. Most recorded a decline in their billionaire population, with the exceptions being the US and three countries in Europe: the UK, Russia and France.
- The US remains the dominant billionaire country.** The number of billionaires in the US rose by almost 4% to 705, accounting for 27% of the global billionaire population and holding 35% of total billionaire wealth. The combined net worth of US billionaires exceeded the total billionaire wealth of the next eight highest-ranked countries. The US was not immune to the late-year slump in global markets; but over 2018 as a whole, US equities outperformed relative to most other developed countries' stock markets. Robust corporate earnings growth was a contributory factor, supported by earlier tax cuts and solid domestic demand. While this helped to shield the billionaire class from some of the global headwinds, total wealth nevertheless declined by 5%.
- All the top Asia-Pacific countries declined in 2018.** In contrast to the previous year, China, Hong Kong, India and Singapore all recorded falls in their billionaire population and net worth. Equity markets declined across the board, with severe falls in China and Hong Kong, reflecting the fallout from the US-China trade war, softer Chinese demand, emerging-market volatility and weakening global growth. Despite a 16% drop in its billionaire population, China's total of 285 remained well above Germany in third place and accounted for 12% of global billionaire wealth.
- Billionaires in major European countries saw a mixed performance.** Buffeted by a poor equity performance, subdued corporate earnings and the fairly rapid tapering of an earlier solid cyclical expansion in the region, Germany, Switzerland and Italy all saw declines in their billionaire population, with political instability also a factor in the above-average 13% fall in Italy. The number of billionaires in France rose slightly, by 2%. One notable development was an increase in the UK's billionaire population, from 90 in 2017 to 97 in 2018 — its ranking improving by three places, more than any other top 15 country. This was partly a reflection of a slightly stronger exchange rate against the US dollar off the back of Brexit-related weakness in 2016-17 (although sterling did weaken later in the year). The Brexit process is also likely to have created new channels for wealth creation. Overall, however, combined billionaire wealth in the UK continued to decline, by a significant 16%, amid weakening asset markets and bemused investors.
- Both Saudi Arabia and the UAE saw falls in billionaire population and wealth.** Despite moderately positive equity markets and a growing economy, billionaires' fortunes worsened in these two countries in 2018. The richest continue to be affected by Saudi Arabia's anti-corruption purge, which began in 2017. Russia, meanwhile, saw a rise in its billionaire population and wealth, which have benefited from the economy's modest recovery and higher commodity output — despite volatile energy prices and ongoing geopolitical tensions. It rose two places in the top 15 ranking.

TOP 15 BILLIONAIRE CITIES



Source: Wealth-X

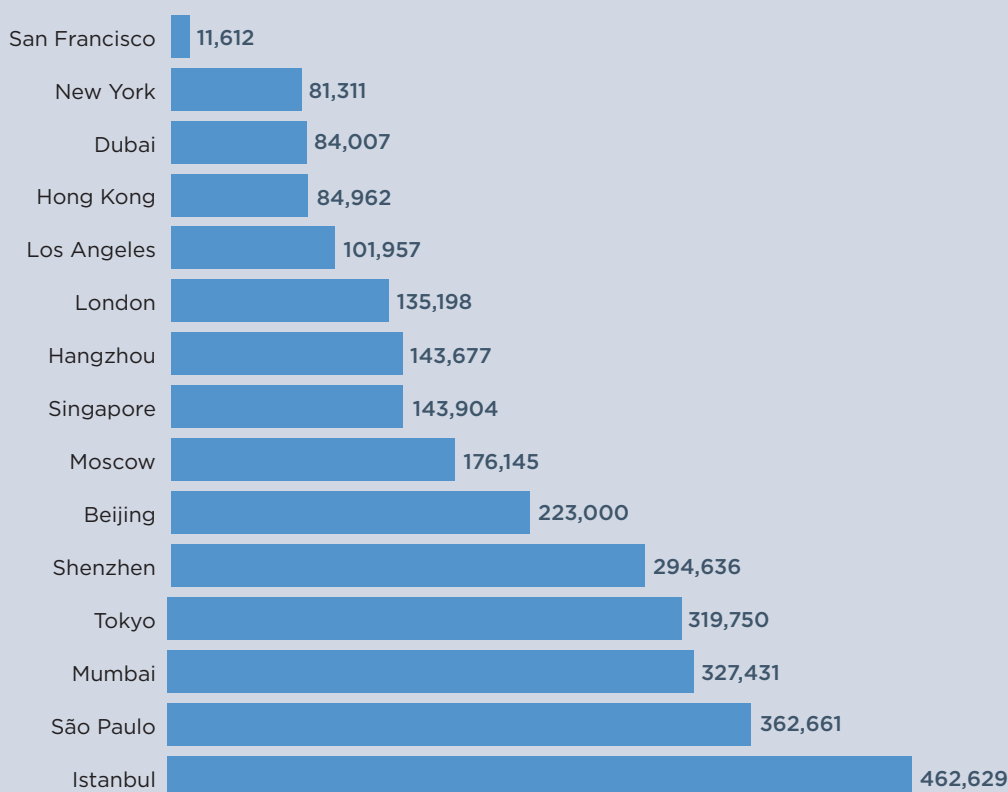
Billionaires are increasingly congregating in a cluster of cities. The top 15 billionaire cities accounted for almost 30% of the global billionaire population in 2018.

Many of the world's billionaires congregate in cities. While billionaires in cities are certainly impacted by the country they are based in, cities also tend to have their own dynamics at play, which affect the billionaire population. Looking at the top 15 by population in 2018, there are a number of notable findings:

- The top 15 cities account for almost 30% of the global billionaire population.** In line with the overall fall in billionaire numbers in 2018, these 15 cities recorded a net decline of 16 billionaires, to a total of 773 (equivalent to a 2% drop). However, these cities' share of the global billionaire population rose by more than 1%, signaling that the ultra-wealthy are gradually increasing in concentration in certain key locations.
- New York continues to be the dominant billionaire city.** New York has the largest billionaire population globally (105 individuals), and has 18 more billionaires than the second-ranked city, Hong Kong. Indeed, New York is home to more billionaires than in almost every country in the world, with the exception of China and Germany. Hong Kong, with a total of 87 billionaires in 2018, lost ground to its main rival, recording a decline of six in its billionaire population. In contrast to a year earlier, the region's close ties with China and its status as a leading global financial center served to hinder wealth creation (and wealth preservation), amid a tumultuous year for Asian equities and global trade flows.
- In third and fourth place, San Francisco and Moscow saw little change.** San Francisco and Moscow added one billionaire each to their populations in 2018, and saw no change in their ranks (third and fourth, respectively). San Francisco has risen steadily in the city rankings over recent years, driven by enormous wealth gains across the technology sector. Although 2018 was a less auspicious year for tech stocks, amid slower demand and a modest push-back from the public and governments to the actions of certain high-profile firms, wealth creation was still supported by broadly favorable economic conditions in the US and the continuing growth of digitalization around the world. The Russian economy fared slightly better than expected in 2018, with rising investment and higher oil prices (for a time) helping to underpin returns for the highly concentrated billionaire population in Moscow. This was despite the imposition of new US sanctions that dampened the value of the ruble.
- Despite diverging performances, London, Beijing and Singapore kept their top 10 places in the rankings.** Supported in part by exchange rate developments within its large financial sector, London added three billionaires, representing a 4.8% increase on its billionaire population in 2017 and the largest expansion among the top 15 cities. By contrast, the number of billionaires in Singapore declined by five, or by 11%, which was the biggest fall across the leading cities in relative terms. A negative equity market performance was a major driver, and this was also a factor behind the modest fall in the billionaire population in Beijing, which retained its sixth-placed ranking.

- Los Angeles and São Paulo were the only cities to rise up the rankings.**
 Los Angeles, despite only adding one individual to its billionaire population in 2018, saw its rank rise by four (from 11th to 7th place). This was partially due to the negative performance of other cities such as Dubai (-1), Mumbai (-1) and Shenzhen (-2). São Paulo also saw its ranking go up by one (from 13th to 12th), despite experiencing no change in the actual number of billionaire individuals. This was due largely to Istanbul, which suffered significant currency depreciation (against the US dollar) and negative equity prices in 2018, losing four billionaires.
- Billionaires in Hangzhou and Tokyo were less impacted than other major Asia cities.**
 Hangzhou and Tokyo both saw their billionaire populations drop by one individual but saw no change in their ranks (14th and 15th, respectively). Both cities were impacted by negative stock market movements in China and Japan, though to a lesser extent than Hong Kong, Singapore or Shenzhen.
- Tokyo leads in having the largest share of its country's billionaire population.**
 At a striking 81%, four in five Japanese billionaires are in Tokyo. Other cities which have a high share include Moscow and Dubai (both 69%), London and São Paulo (both 67%).
- San Francisco has significantly more billionaires per inhabitant than any other top city.** Testamont to the size and scale of the tech sector in a city of less than one million inhabitants, San Francisco is the clear leader when it comes to billionaire density — with one billionaire for approximately every 11,600 residents. New York, Dubai and Hong Kong follow in 2nd to 4th place respectively, with around one billionaire per 80,000-85,000 inhabitants.

BILLIONAIRE DENSITY (NUMBER OF INHABITANTS PER BILLIONAIRE AMONG THE TOP 15 CITIES)



Note: Globally comparable city-level population data is not available. We have targeted 'city proper' population data as opposed to larger urban agglomerations and metro areas. We have used the United Nations as the primary source; otherwise we have relied on national statistics offices.

Source: Wealth-X, 2018

PROFILING TODAY'S BILLIONAIRES ASSET HOLDINGS, INDUSTRY, GENDER AND WEALTH SOURCE

A breakdown of the global billionaire population by their asset holdings, industry focus, gender and wealth source — and an analysis of the changes that occurred in 2018.

ASSET ALLOCATION

	2018	2017
Private holdings	35.0%	33.3%
Public holdings	36.4%	41.5%
Liquid assets (cash)	26.4%	22.9%
Real estate and luxury assets	2.2%	2.3%

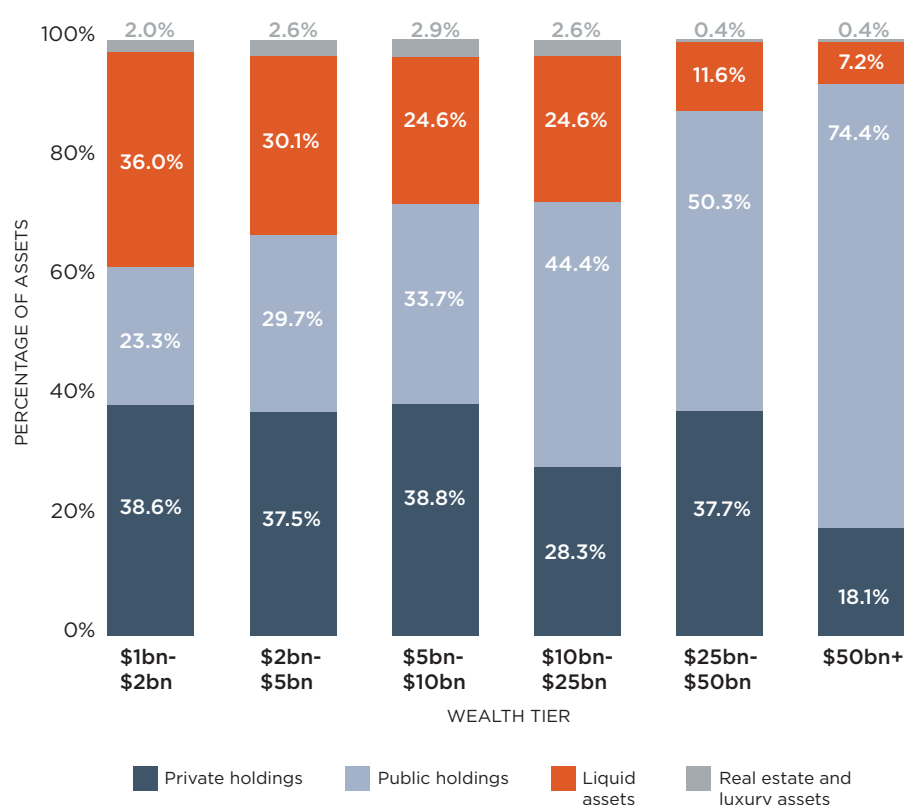
Source: Wealth-X

The year 2018 saw a small reversal of recent trends in asset allocation among the billionaire class. Public holdings remained the most popular type of asset in their portfolios, accounting for a 36.4% share. However, this was down by more than five percentage-points from a year earlier, equating to almost \$700bn, as billionaires adjusted initially to a gradual tightening of monetary policy via higher interest rates; and then sought protection by shifting some of their assets out of equities in response to weakening global growth and the rocky performance of most stock markets over the second half of the year. The S&P 500 fell by 6.2% over the year, while the FTSE 100 was down by 12.5% and the MSCI Emerging Markets Index closed over 16% lower.

As a result of the move away from public holdings, a gradual withdrawal of global liquidity and the more bearish outlook for the world economy, cash holdings hit a five-year high, accounting for more than one-quarter of billionaire portfolios. Shifting regional composition of global billionaire wealth may also have been a factor, reflecting differing attitudes toward liquid assets based on culture, as well as access to finance.

Billionaires' holdings in one or more privately owned businesses rose slightly, to 35%, which also partially reversed a recent downward trend and reflected the broader structural shift of billionaires' portfolios toward safety. The proportion of billionaire wealth held in real estate and luxury assets (such as yachts, airplanes, cars, jewelry and art) remained virtually the same in 2018, at 2.2%, equivalent to about \$71m in luxury holdings per individual.

ASSET ALLOCATION BY WEALTH TIER 2018



Source: Wealth-X

Asset allocation differs markedly across billionaire wealth tiers. The proportion of billionaires' wealth in public holdings rises steadily the higher up the wealth tier. Those in the higher tiers have often founded and currently hold major shares in now-public businesses, which in many cases have evolved into large, multinational companies. The pattern of private holdings is not quite as linear, but still broadly shows an opposite trend, with billionaires reducing the share in their portfolios as they become wealthier. This can be attributed in part to the likely divestment of a business or an initial public offering (IPO) as their primary company

becomes larger, and a wealth diversification strategy that usually follows such events. There are exceptions to this rule, however, with major global businesses remaining privately and family owned, such as Tata Sons (India), Ferrero International (Italy) and the Dole Food Company (US), to name a few.

Holdings of liquid assets, as well as real estate and luxury assets, follow the same pattern, with the share in portfolios declining as billionaires' fortunes grow. Although wealthier billionaires hold a larger absolute amount of cash and luxury assets than their relatively less well-off counterparts, this represents a smaller proportion of their wealth. There is also a natural point at which the utility of holding ever greater amounts of such assets diminishes.

PRIMARY INDUSTRY 2018

	Percentage of billionaires	Number of billionaires	Billionaire wealth (\$bn)	Average wealth (\$bn)
Banking and finance	20.7%	538	1,704	3.2
Industrial conglomerates	13.1%	341	1,168	3.4
Real estate	7.6%	197	547	2.8
Food and beverages	5.8%	152	496	3.3
Manufacturing	5.8%	151	389	2.6

Note: We have updated our primary industry methodology, meaning that previous years' publications are no longer directly comparable.

Source: Wealth-X

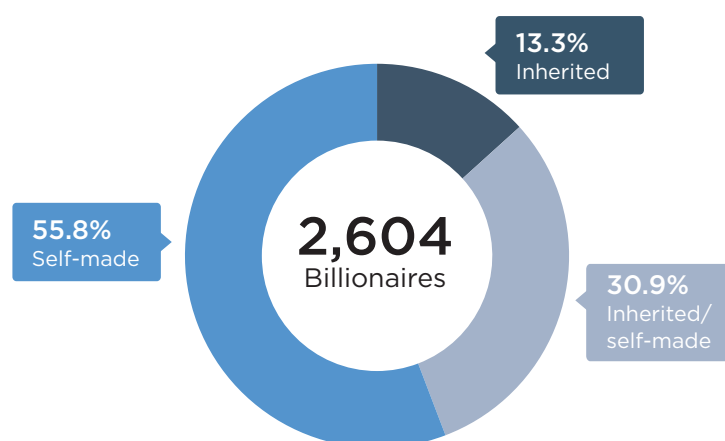
Billionaires have created their wealth via a wide array of industries, from pharmaceuticals to food products and asset management. No single area dominates, but two industry sectors — banking and finance, and industrial conglomerates — have together accounted for a third of the global billionaire population's primary industry focus in 2018.

Real estate, food and beverages, and manufacturing comprise the remaining top five primary industries; together accounting for a fifth of all billionaires. All have benefited from long-term global population growth, the continued trend towards urbanization, the rapid expansion of the middle class in many emerging markets, and the recent shift in consumer demand toward greater convenience, spurred by the increasing adoption of digitalization around the world.

As a result of a methodological change in how we calculate primary industries, technology no longer appears in the top five ranking, although its 5.1% share of billionaires' industry focus in 2018 was broadly similar to a year earlier. Technology billionaires' average net worth, at almost \$6bn each, is far greater than in all other industries, though this figure is heavily skewed by a select group of extremely wealthy individuals at the very top end, including the world's richest person, Jeff Bezos, founder of Amazon, who, in March 2019, had an estimated net worth of \$131bn. Five of the 10 richest billionaires have created the majority of their wealth via the tech sector — evidence of the huge gains that can be made in a sector that can cross borders fairly easily, has comparatively low barriers to entry, and can increase in scale much more rapidly than traditional industries.

In eighth position, accounting for 125 billionaires' primary industry, the not-for-profit sector has, over time, become a major area of focus for billionaires. Once they have made their fortunes, many make the full-time transition toward creating a philanthropic legacy (see pages 23–26, the billionaire interests, passions and hobbies section).

WEALTH SOURCE 2018



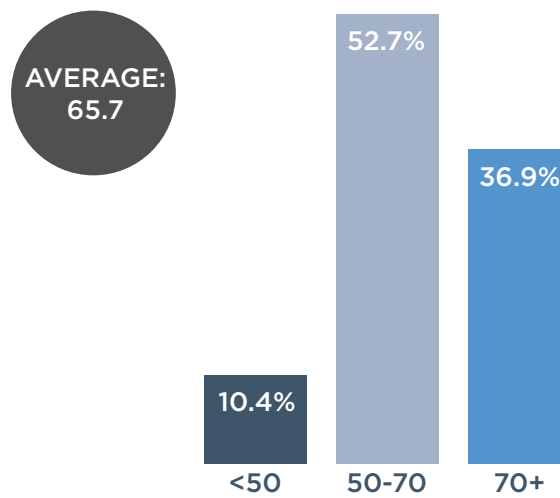
Source: Wealth-X

The year 2018 saw a continuation of the long-term trend in the gradual increase in the proportion of self-made billionaires, accounting for well over half of the global population; this, despite a broad weakening of asset markets and more subdued global growth prospects, highlights the growing importance of entrepreneurship in creating and preserving substantial wealth.

Almost a third of billionaires' fortunes come from a combination of inheritance and self-made wealth. This proportion grew very slightly in 2018, an indication that as a means of entering this exclusive wealth tier, an initial boost of capital can make a significant difference. Meanwhile, the proportion of billionaires who inherited their fortunes remained stable and fairly small in number.

For the vast majority, it takes time to accrue wealth. With an average age of 65.7, the billionaire population is no exception. Businesses usually need many years to grow to the point where their main shareholder(s) become billionaires; and in the case of inheritance, this usually happens when individuals are in their 50s or 60s. Over half of all billionaires are between 50 and 70 years of age, and only a 10th of them are below 50.

AGE 2018



Source: Wealth-X

Over half of all billionaires are between 50 and 70 years of age, and only a 10th of them are below 50.

Age does differ by region, however. In North America and Europe, over a third to one-half of their billionaires are over 70 years of age — Spain and Italy lead these two regions in terms of having a very high proportion of billionaires over 70. Emerging-markets billionaires tend to be younger (although, given the relatively small numbers in this exclusive group and the nature of longstanding family businesses, there will be exceptions). This is the case for China, in particular, where only 5% of the billionaire class are aged above 70 and over a fifth are under 50. These younger markets are now undergoing their first major intergenerational wealth transfer, presenting billionaires — and their families — with complex legacy issues to deal with: from deciding what to do with their businesses, to wealth protection and philanthropy.

TOP COUNTRIES WITH THE HIGHEST PERCENTAGE OF BILLIONAIRES, BY AGE 2018

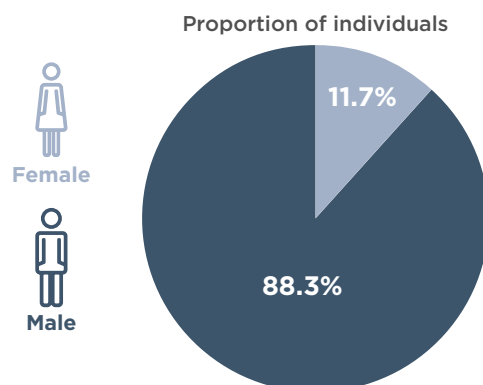
<50		50-70		70+	
Norway	33.3%	Russia	84.8%	Indonesia	64.0%
China	22.2%	Luxembourg	81.0%	Australia	62.5%
Sweden	21.7%	China	72.8%	Spain	59.5%
South Korea	19.4%	Israel	70.0%	Italy	56.9%
Saudi Arabia	18.6%	Philippines	64.7%	Chile	52.6%

Note: Countries with billionaire populations of less than 15 were excluded.

Source: Wealth-X

The billionaire population remains heavily male dominated, with just over one female for every nine men. The ratio is only slightly lower among the ultra-wealthy population. There was virtually no change in this share over 2018 — given the very small number of individuals in the billionaire population, and the extreme levels of wealth required to reach this tier, this is not altogether surprising. Growth in the female population among the High Net Worth (HNW: those with \$1m+ in net worth) and UHNW populations has been outpacing that of males, but this will take many years to filter up to the level of billionaires.

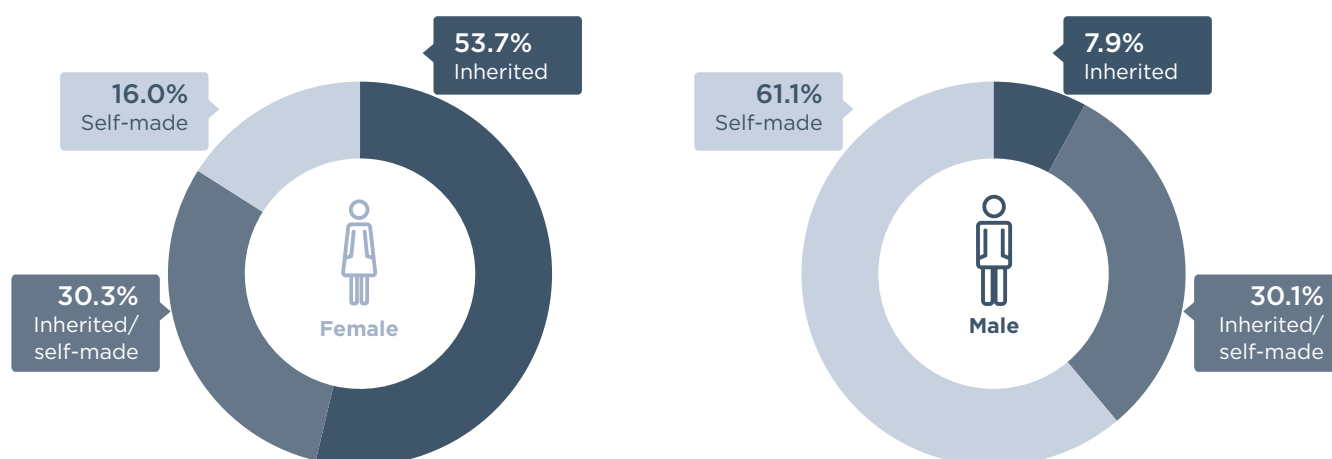
GENDER 2018



Source: Wealth-X

Wealth source by gender continues to show large disparities. Whereas the majority of female billionaires inherited their wealth, less than a 10th of their male counterparts did. The differences come down to self-created wealth, with six in every 10 male billionaires creating their own fortunes compared with 16% of women. The proportion who achieved billionaire status via a combination of inheritance and their own efforts was similar across the two genders, at around a third. Nevertheless, the share of self-made female billionaires has been rising steadily, from 9% in 2012. Across all levels, women are taking a greater role in entrepreneurialism, particularly in Asia and other emerging markets.

WEALTH SOURCE BY GENDER 2018



Source: Wealth-X

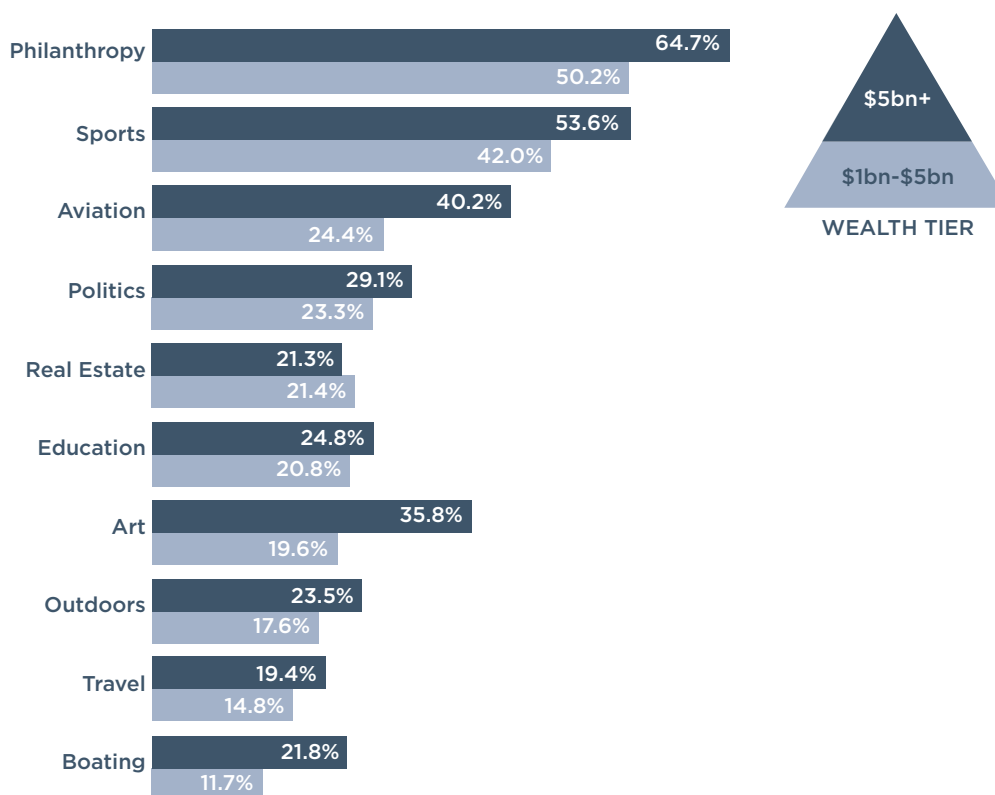
BILLIONAIRE INTERESTS, PASSIONS AND HOBBIES

Billionaire status affords individual freedom to enjoy almost any pursuit — and examining the interests, passions and hobbies of this population allows us to gain a better sense of what makes them tick.

Philanthropy is the leading hobby among billionaires — more than half of all billionaires are known to be actively involved in philanthropic giving, either through charitable organizations that they have established for this purpose or through other means. There is also an increasing expectation from society for billionaires and the very ultra-wealthy to give back, not least within the context of socioeconomic inequality and global environmental issues. Other interests include sports, politics and art — all of which see high-profile involvement by numerous billionaires across the world.

There is nevertheless variation among billionaires of differing wealth tiers. Philanthropy and art, for example, are more popular among billionaires with a net worth of \$5bn or more, compared with those in the lower wealth tier of \$1bn–\$5bn. This may be more a question of scale, whereby those in the higher billionaire tier take on philanthropic ventures or invest in art collections at corporate/institutional and not just personal levels. Aviation, too, is more popular among the more well-heeled group of billionaires. With time at such a premium for the world's wealthiest individuals, having the freedom to go where and when they want is a relatively small price to pay for such an outlay. Many own private jets via their businesses, though many also make use of charter services.

TOP INTERESTS, PASSIONS AND HOBBIES BY WEALTH TIER 2018



Note: More than one interest, passion or hobby is possible, so the numbers do not add up to 100%.

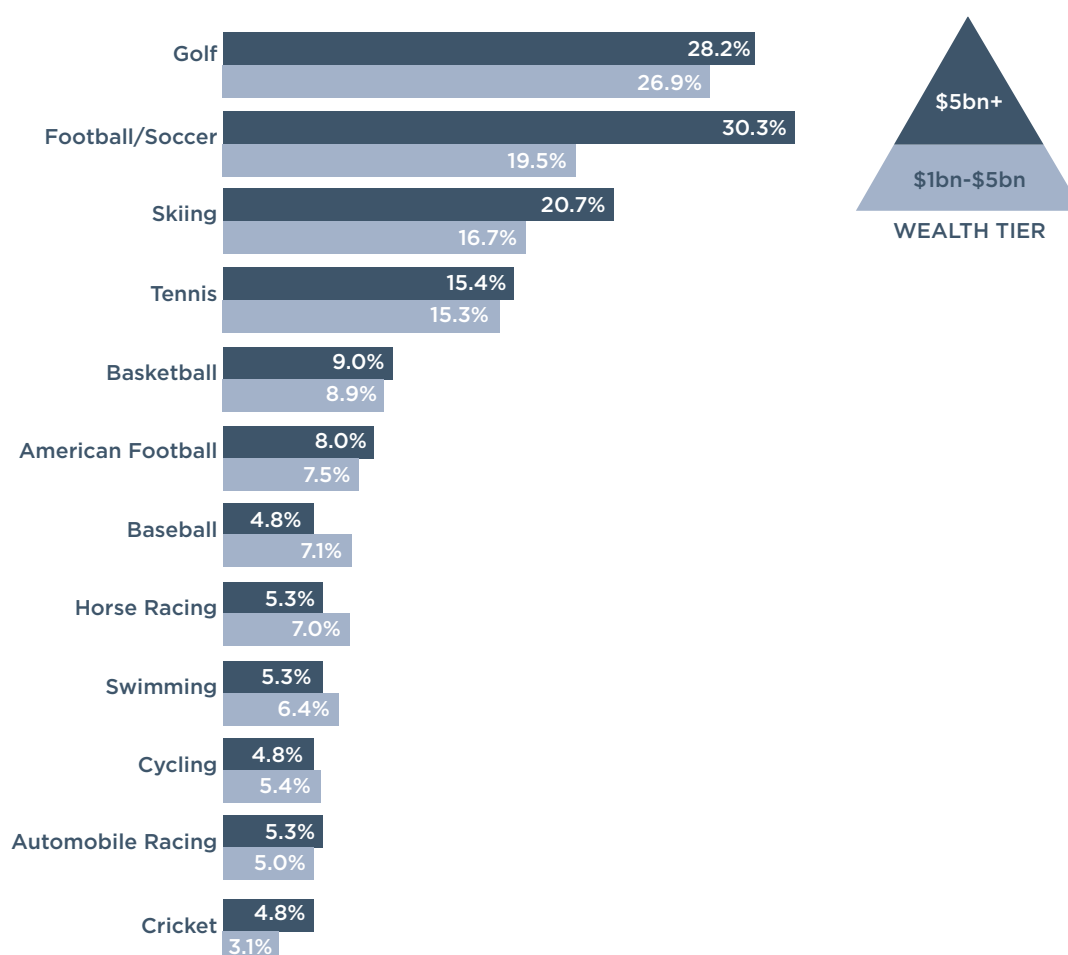
Source: Wealth-X

Philanthropy, art and aviation are more popular among billionaires with a net worth of \$5bn or more.

Sports are a major interest and hobby of the wealthy — and billionaires are no exception to this. Enjoyment can be attained by joining in actively or as a passive observer. Golf, skiing and tennis, typically thought of as sports for the wealthy, are all among the top five in popularity. Soccer, also a favorite, tends to be more popular among those billionaires with \$5bn+ in net worth.

Cross-national billionaire investment in sports has boomed over the last decade. With the value of sports media rights having expanded hugely — owning or investing in a sports team or industry is no longer just about prestige but also about the financial return. From its origins in major domestic US sports and European soccer, sporting leagues such as the new Chinese Super League (football) and Indian Premier League (cricket) have been founded by billionaires. Most recently, billionaire Joe Tsai of Alibaba Group is backing the new Premier Lacrosse League in the US, as part of its Series A funding round.

TOP SPORTING INTERESTS BY WEALTH TIER 2018



Note: More than one sporting interest is possible, so the numbers do not add up to 100%.

Source: Wealth-X

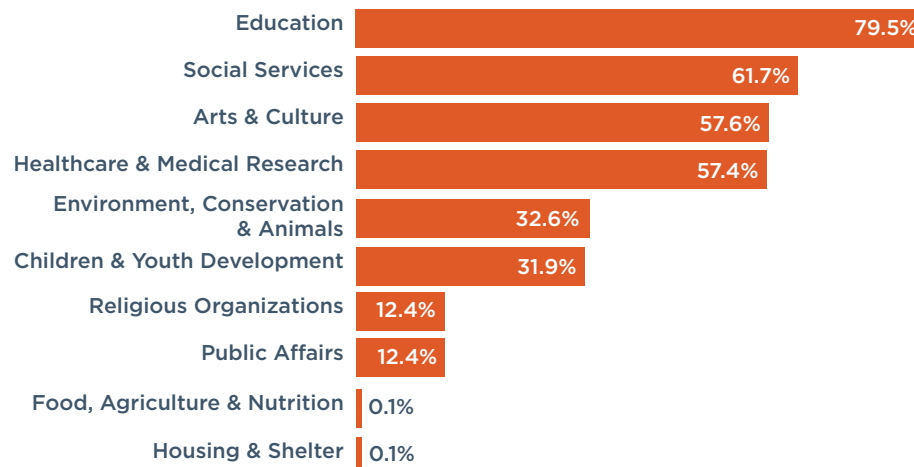
Examining philanthropy in greater detail, education is by far the most popular cause to which billionaires give. Four-fifths of the billionaire population direct at least part of their philanthropic activity to this cause. This includes infrastructure, scholarships and teacher training at the primary and secondary education levels, as well as higher education funding.

The US, in particular — though this trend is increasing elsewhere — has a long tradition of alumni giving back to their alma maters. Many billionaires give generously, funding a new university department or a building. Recent announcements include hedge-fund billionaire David Harding’s foundation gift of £100m (\$133m) to Cambridge University, largely to fund postgraduate scholarships, and Ukrainian-born billionaire Len Blavatnik’s \$200m donation to Harvard.

Somewhere behind education, three other causes are similar in popularity: social services, arts & culture, and healthcare and medical research. Arts & culture, and public affairs, particularly, allow billionaires to take a high-profile approach should they wish to do so, as these areas tend to attract media attention and interest from other wealthy individuals. Nevertheless, when billionaires give funding, they tend to spread it across a few different causes. There were very few differences between the two billionaire wealth groups.

TOP PHILANTHROPIC CAUSES 2018

(Percentage of billionaire population)



Notes: We have updated our philanthropic causes methodology, meaning that previous years’ publications are no longer directly comparable. Giving to more than once cause is possible, so the numbers do not add up to 100%. Social services include crime prevention, reducing poverty and unemployment.

Source: Wealth-X

BILLIONAIRE ARCHETYPES

How do billionaires differ by country? Here, we examine their characteristics by the top country in each of the world's three regions: the US (representing the Americas), China (Asia-Pacific) and Germany (EMEA). These three countries are also the top three billionaire countries by population and wealth. While there is naturally some overlap among the three chosen groups, each represents a very different type of billionaire in terms of age, gender, wealth source, asset holdings, primary industry and interests.

	ALL	US	CHINA	GERMANY
Number of billionaires	2,604	705	285	146
Total wealth (\$bn)	8,562	3,013	996	442
Average wealth (\$bn)	3.3	4.3	3.5	3.0

ASSET ALLOCATION

Private holdings (%)	35.0	32.2	35.8	52.7
Public holdings (%)	36.4	36.8	53.0	18.5
Liquid assets (%)	26.4	28.3	10.8	28.0
Real estate and luxury assets (%)	2.2	2.6	0.4	0.7

SOURCE OF WEALTH

Inherited (%)	13.3	18.0	3.1	18.3
Inherited/self-made (%)	30.9	18.9	2.4	60.8
Self-made (%)	55.8	63.1	94.5	20.9

AGE

Average age	65.7	68.5	56.2	65.2
Proportion under 50 years of age (%)	10.4	8.4	22.2	13.6

GENDER

Male (%)	88.3	88.0	91.7	80.4
Female (%)	11.7	12.0	8.3	19.6

Source: Wealth-X, 2018

TOP PRIMARY INDUSTRIES (% OF BILLIONAIRES)

ALL		US		CHINA		GERMANY	
Banking and finance	20.7%	Banking and finance	27.1%	Real estate	14.5%	Healthcare	19.6%
Industrial conglomerates	13.1%	Technology	8.6%	Industrial conglomerates	14.2%	Food and beverages	13.1%
Real estate	7.6%	Non-profit and social organizations	8.3%	Manufacturing	12.8%	Manufacturing	9.8%
Food and beverages	5.8%	Hospitality and entertainment	7.1%	Technology	10.0%	Banking and finance	7.2%
Manufacturing	5.8%	Food and beverages	6.5%	Healthcare	9.0%	Industrial conglomerates	6.5%

Source: Wealth-X, 2018

TOP INTERESTS, PASSIONS AND HOBBIES (%)

ALL		US		CHINA		GERMANY	
Philanthropy	52.0%	Philanthropy	76.2%	Philanthropy	44.6%	Sports	34.9%
Sports	43.5%	Sports	50.2%	Politics	30.7%	Philanthropy	34.2%
Aviation	26.4%	Aviation	45.2%	Education	25.4%	Science	19.7%
Politics	24.1%	Politics	44.4%	Real estate	23.0%	Vehicles	18.4%
Art	21.7%	Outdoors	33.9%	Sports	21.6%	Travel	17.8%

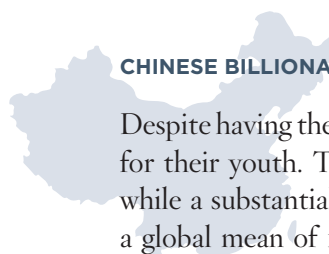
Note: More than one interest, passion or hobby is possible, so the numbers do not add up to 100%.

Source: Wealth-X, 2018



US BILLIONAIRES: PHILANTHROPY-FOCUSED

US billionaires are the largest in number of any country and have a higher average net worth than most billionaires, at \$4.3bn each, reflecting the extensive business opportunities available, a highly developed financial-services sector, and the country's representation among many of the world's largest companies. US billionaires tend to have created their wealth via their own efforts more frequently than the global mean, with 63% having self-made fortunes, but 18% also show a higher than average rate at which billionaires have inherited their wealth status — with many large family owned businesses having been around for generations. Moreover, the US has technology as one of the top primary industries, signaling the importance of Silicon Valley and other competing tech clusters as major wealth engines. While philanthropy is a common interest and passion for the majority of the global ultra-wealthy, US billionaires stand out in this respect, with non-profit & social organizations comprising the third most popular industry in which they spend the majority of their time.



CHINESE BILLIONAIRES: YOUNG AND SELF-MADE

Despite having the second largest billionaire population, Chinese billionaires are noteworthy for their youth. Their average age of 56 compares with a global average of around 66 — while a substantial 22% of all Chinese billionaires are under the age of 50, compared with a global mean of 10%. With Chinese economic liberalization having had just 40 years to run, billionaires have had less time to create wealth than in other countries. Moreover, a remarkable 95% of China's billionaires are self-made, far above the global average of 56%; again, a reminder that private ownership — and family owned businesses — are only a relatively recent development. Real estate, industrial conglomerates and manufacturing are the leading billionaire industries, reflecting the economy's specializations; but technology is also an important primary industry, shining a light on Chinese companies' increasing influence at the global stage.

A remarkable 95% of China's billionaires are self-made, far above the global average of 56%.



GERMAN BILLIONAIRES: KEEPING IT IN THE FAMILY

The leading billionaire country in the EMEA region, with 149 in total, Germany has a markedly different billionaire profile from their counterparts in the US and China. Family owned businesses are a significant driver of the German economy, with such companies generating more than a third of corporate revenues and providing more than two out of three jobs in the country¹. The importance of these companies reveals itself in the billionaires that own and run such firms. For one, almost a fifth of Germany's billionaires are female, eight percentage-points higher than the global average. Their source of wealth is also radically different — with the majority of their fortunes stemming from a combination of inheritance and self-creation, a nod to the success of such companies. Given that much of German billionaires' net worth tends to be tied up in their family businesses, it is not altogether surprising that over half of their wealth is allocated in private holdings, a much larger share than the average billionaire.

¹ Financial Times, March 21, 2018 (<https://www.ft.com/content/739b698e-292c-11e8-b27e-cc62a39d57a0>)

METHODOLOGY

This report uses the unique and proprietary Wealth-X Database, the world's most extensive collection of curated research and intelligence on the wealthy. Our database provides insights into their financial profile, career history, known associates, affiliations, family background, education, philanthropic endeavors, passions, hobbies, interests, and much more. Our proprietary valuation model (as defined by net worth) assesses all asset holdings, including privately and publicly held businesses and investable assets. Wealth-X uses the primary business address as the determinant of a billionaire's location. References to \$ — or dollars — refer to US dollars.

Analysis of the data and additional insights were provided by the Wealth-X Analytics team. Wealth-X Analytics provides market-level customizable data assets tailored to your organization's needs. Our team leverages the world's most robust collection of market-level data on the wealthy and is uniquely positioned to provide data and analysis that inform strategies across the financial services, luxury, not-for-profit, and education industries.

The Wealth-X Analytics team is composed of experienced analysts, economists and thought leaders, armed with deep-sector knowledge and unique skills. The team regularly collaborates with clients across industries to provide:

- Market sizing
- Forecasting
- Profiling
- Archotyping

To learn how Wealth-X Analytics complements our full suite of data-driven products and services, contact us:

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ABOUT WEALTH-X

The global leader in wealth information and insight, Wealth-X partners with leading prestige brands across the financial services, luxury, not-for-profit and higher-education industries to fuel strategic decision-making in sales, marketing and compliance. Wealth-X boasts the world's most extensive collection of records on wealthy individuals and produces unparalleled data analysis to help organizations uncover, understand, and engage their target audience, as well as mitigate risk. Founded in 2010, with staff across North America, Europe and Asia, Wealth-X provides unique data, analysis, and counsel to a growing roster of over 500 clients, worldwide.

BILLIONAIRE CENSUS 2019



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