

Billionaire Analysis

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1. Introduction

This report analyses data on billionaires to test three hypotheses:

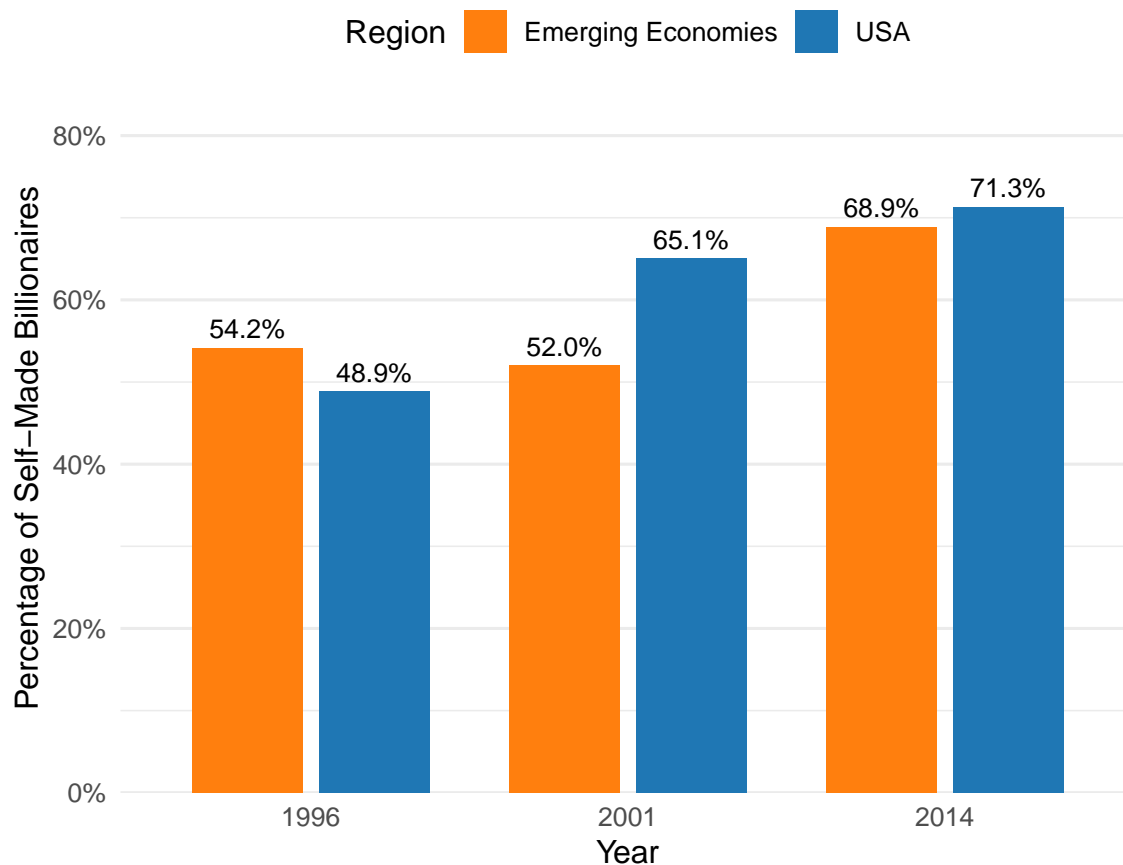
1. **Hypothesis 1:** The United States has a higher number of self-made billionaires—those who did not inherit their wealth—compared to other (non-U.S.) regions.
2. **Hypothesis 2:** Among self-made billionaires, the share who accumulated wealth by founding businesses in the consumer services sector has declined over time, while the share in the technology sector has increased.
3. **Hypothesis 3:** There is a positive relationship between a country's GDP and the level of innovation in the consumer services sector.

2. Billionaire Analysis

2.1. Share of Selfmade Billionaires per Region

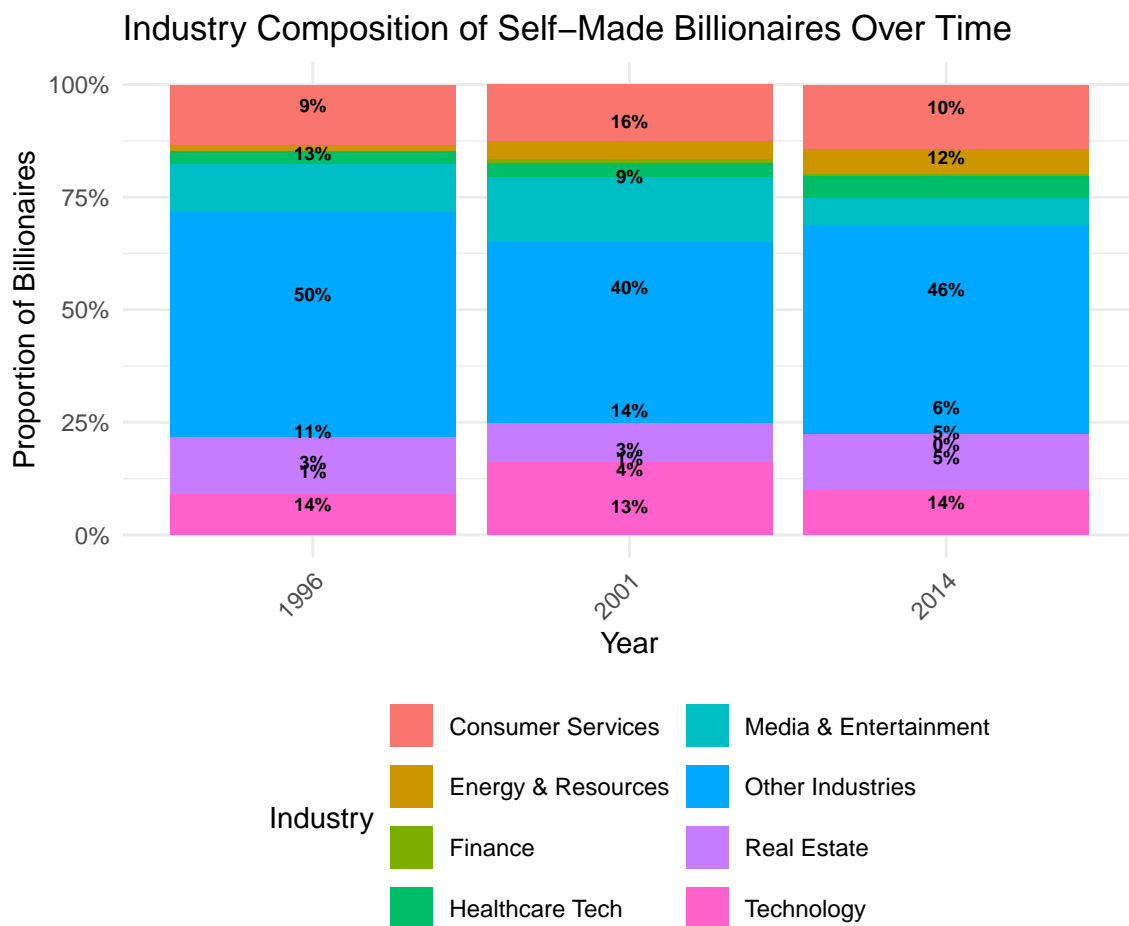
To analyse whether the first statement is true, the share of US-based self-made billionaires is plotted against the share of non-US-based self-made billionaires (here called Emerging Economies). The results show that the hypothesis is true: the US has more self-made billionaires than other countries.

Share of Self-Made Billionaires by Region



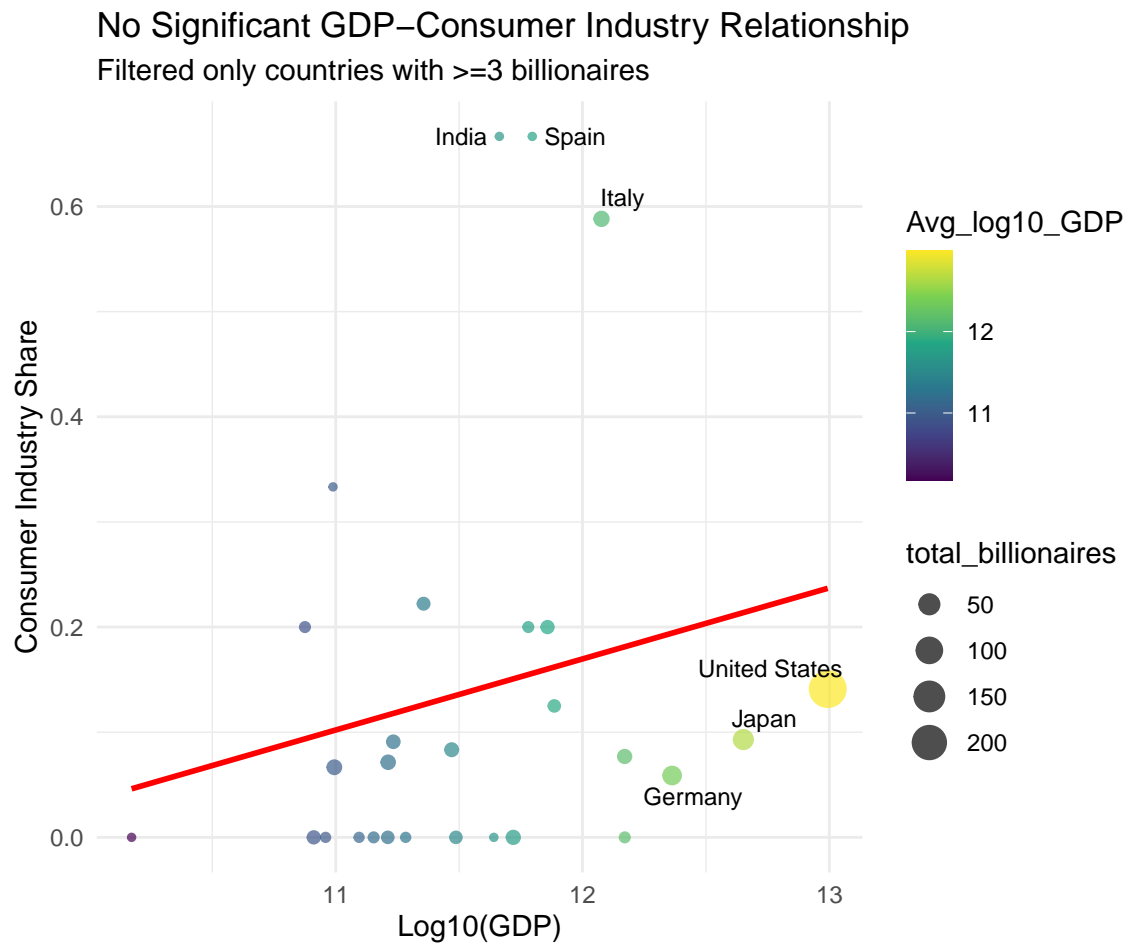
2.2. Industry Shares

Next we test the second hypothesis, that the share of self-made billionaires that got rich by founding businesses in consumer services has declined, while the share of technology self-made billionaires has increased. The data is being grouped by industries and an industry share by year is being calculated. The labels on the graph are a bit deterred, but the results suggest that the second hypothesis is not entirely true. The share of overall billionaires in consumer services has first increased and then reduced, remaining on a similar level in 2014 as in 1996. The share of tech billionaires follows a similar pattern.



2.3. Correlation

To test the third hypothesis that richer countries provide more innovation in consumer services, a correlation is carried out. The results suggest that there is indeed a positive relationship between (logged) GDP and the share of innovations in the consumer industry.



3. Conclusion

In summary, hypothesis one and three were proved correct, while hypothesis two was rejected.