

# Billionaire Analysis

Marjella Ernst<sup>a</sup>

*<sup>a</sup>Stellenbosch University, Stellenbosch, South Africa*

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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.

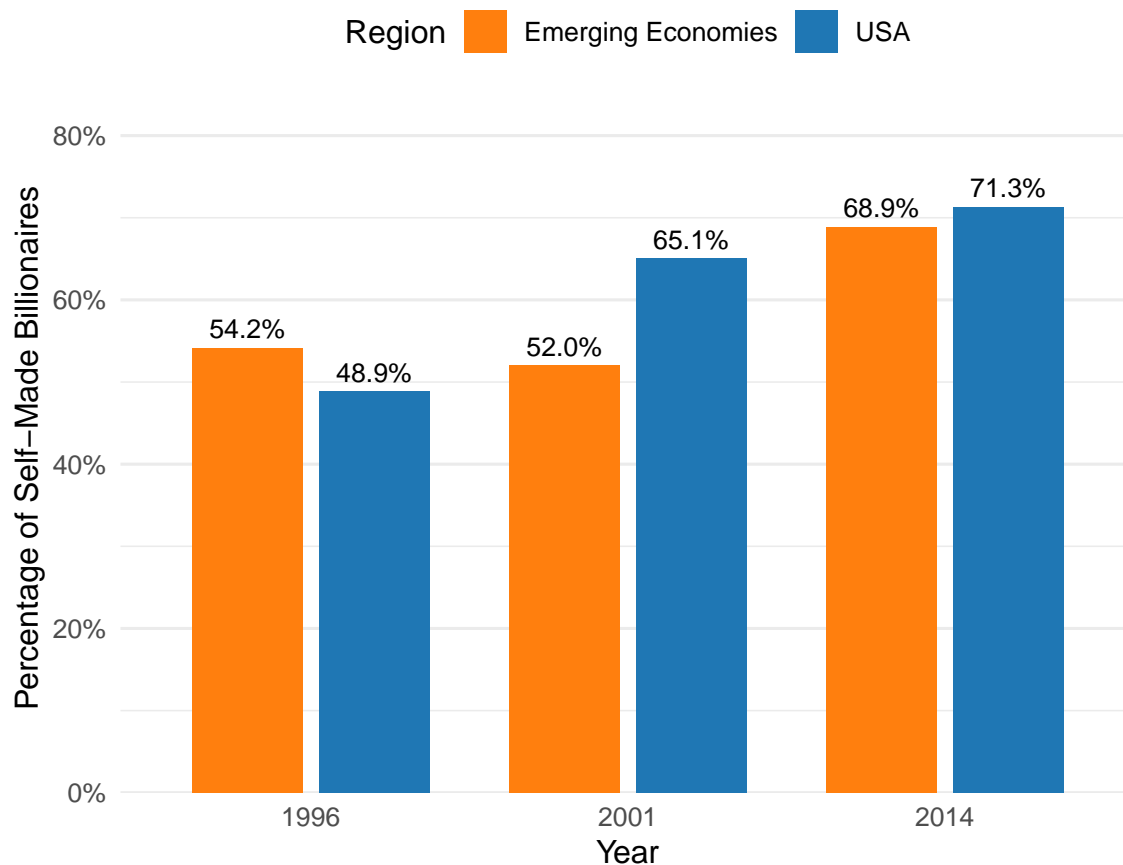
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## 2. Billionaire Analysis

### 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.

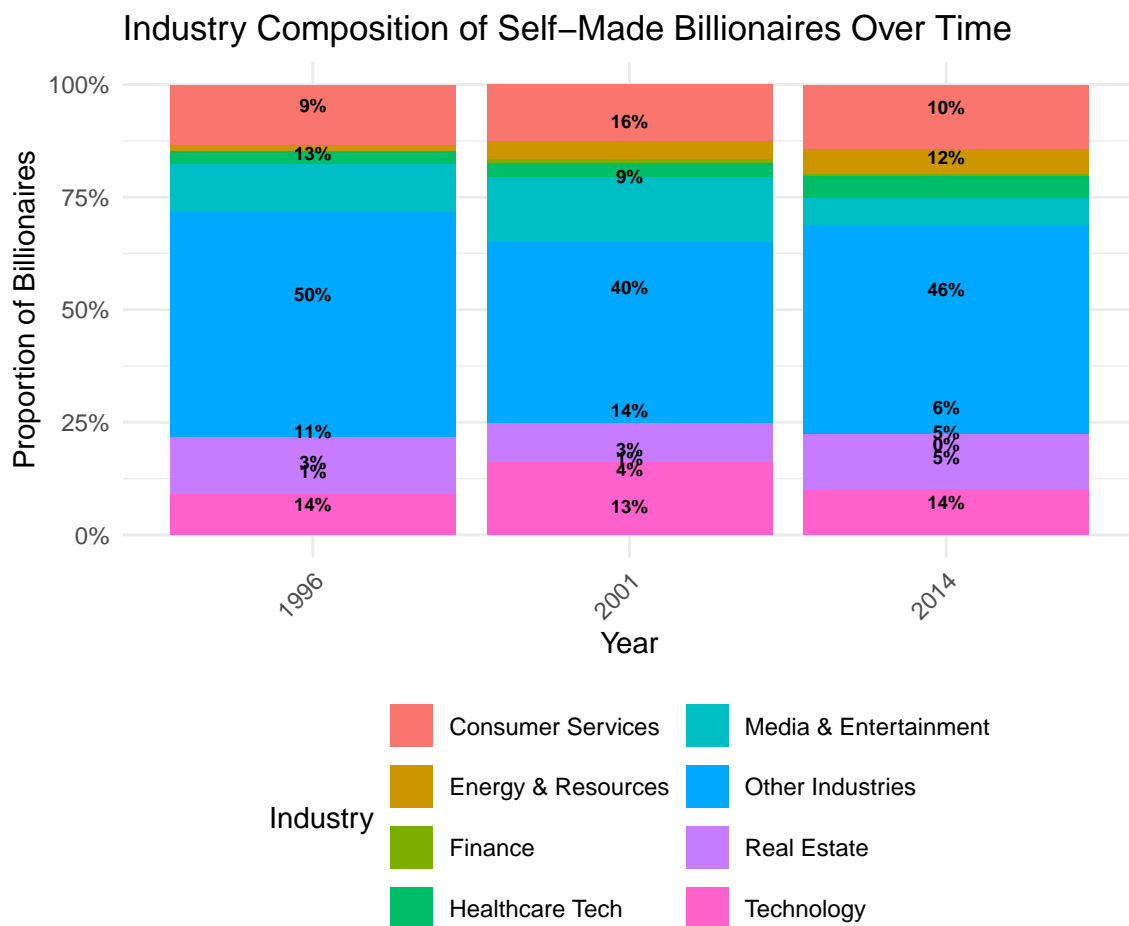
#### Share of Self-Made Billionaires by Region



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## 2.2. Industry Shares

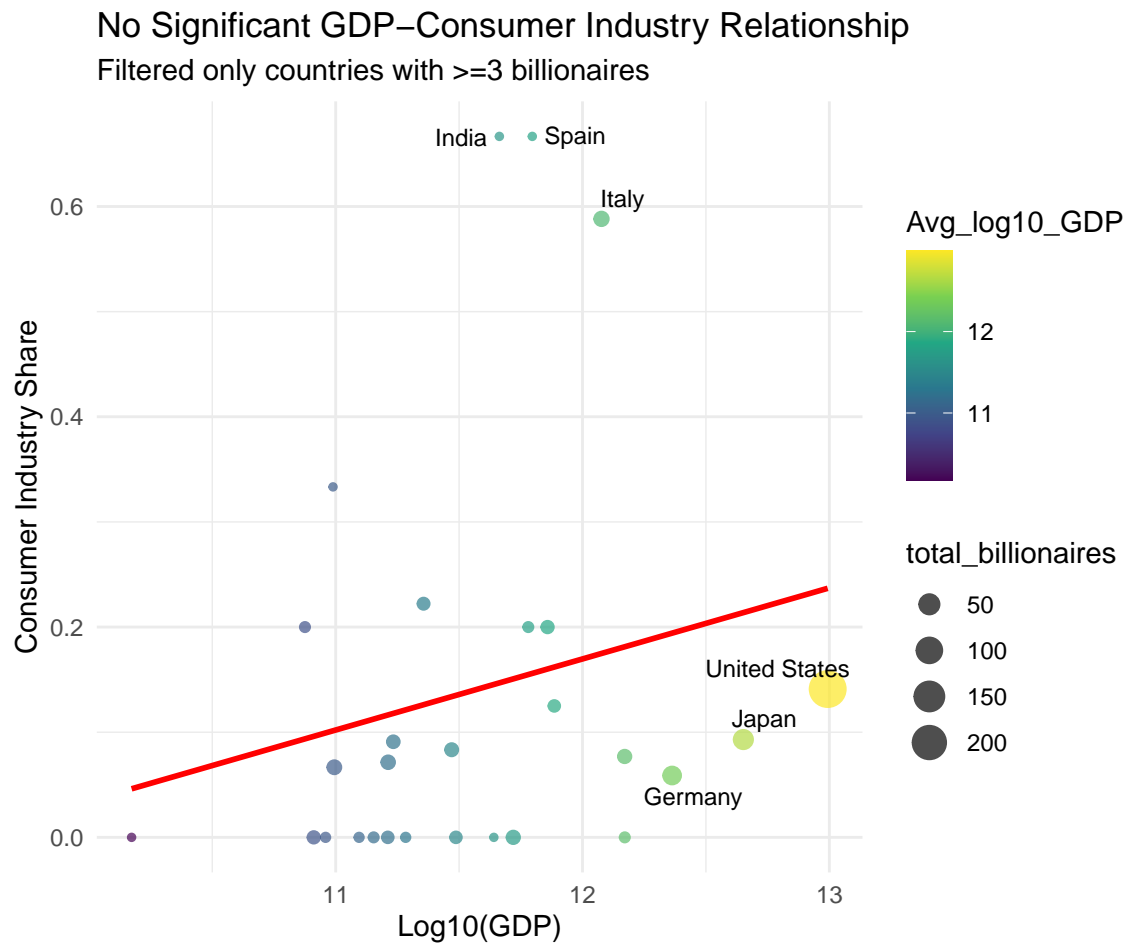
Next we test the second hypothesis, that the share of self-made billionaires that got rich by founding businesses in consumer services has declined, while the share of technology self-made billionaires has increased. The data is being grouped by industries and an industry share by year is being calculated. 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.



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### 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.