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World Ultra Wealth Report 2023



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World Ultra Wealth Report 2023

ALTRATA

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Executive summary

- > In 2022, the global ultra high net worth (UHNW) population fell by 5.4% to 395,070 individuals.** This represents a sharp reversal from 2021 and the first downturn in UHNW numbers since 2018, although it only partially reversed the dynamic gains recorded in 2021. Wealth portfolios were hit by another turbulent year for the world economy. Following historical highs in recent years, combined net worth fell by 5.5% to \$45.4trn.
- > The share of global private wealth held by the ultra wealthy will continue to increase.** Despite recent volatility and continuing uncertainty, we remain cautiously optimistic about the opportunities for wealth generation – we forecast the number of UHNW individuals to increase over the next five years from 395,070 to 528,100. Having overtaken Europe in 2019, Asia's share of UHNW wealth will continue to grow (to 29%, up from 27% in 2022 and just 15% in 2004), while North America will remain the largest wealth market.
- > Asia's ultra wealthy population fell by 11% in 2022, the most of any region, to 108,370 individuals.** China's strict Covid lockdown, fallout from the war in Ukraine, disrupted regional supply chains and depressed stocks all played a role. Despite recording a decline of 4% in 2022 to 142,990 individuals, North America – the leading UHNW region – saw its share of the global UHNW class rise slightly, to 36%, as both Asia and Europe experienced larger relative falls in population.
- > UHNW entrepreneurs, corporate executives and sole inheritors are different when it comes to their characteristics, favored interests and approach to wealth.** Among these ultra wealthy archetypes, entrepreneurs have the highest level of wealth, with 85% having entirely self-made fortunes. Corporate executives have the lowest proportion of female representation (8%), while sole inheritors have a far greater proportion (at almost 40%) and stand out for their particularly strong interest in philanthropy (it is the most common interest for all three archetypes).
- > All but one – India – of the world's top 10 UHNW countries recorded falls in their ultra wealthy populations.** Despite a 4% fall, the US consolidated its status as by far the world's largest wealth market. Among the world's premier UHNW cities, Hong Kong and New York retained their lead, with almost twice as many UHNW individuals as third and fourth ranked London and Los Angeles. Any rises in city UHNW numbers were generally modest but the outlier was Singapore, which enjoyed growth of 13%.
- > Corporate executives and entrepreneurs are almost equally the most frequent UHNW owners of yachts, but the former dominate when it comes to private jets.** Executives account for 62 of every 100 UHNW private jet owners but, among valuable art collectors, entrepreneurs account for 42 out of every 100. Luxury car ownership shows a higher diversity of UHNW ownership.

Introduction

The latest edition of the *World Ultra Wealth Report* – the second to be published by **Altrata** and the 11th powered by **Wealth-X** data – provides unique and detailed analysis of the global ultra high net worth (UHNW) population. This exclusive group of wealthy individuals, each with a net worth in excess of \$30m, has grown steadily in size and influence over the past decade to now hold immense collective wealth of more than \$45trn.

In what was another turbulent year for the world economy, we assess the changes and impact felt by the global UHNW class in 2022 as wealth markets responded to a diminishing global pandemic, a new war in Europe, a generational spike in inflation and the most aggressive monetary tightening cycle in decades. We explore the main drivers and regional trends of global wealth, and highlight key developments in our rankings of the leading UHNW countries and cities.

The report then moves to examine key facets of the global UHNW population through an analysis of three specific ultra wealthy archetypes: entrepreneurs, executives and inheritors. Together, these mutually exclusive groups encompass more than three-quarters of the ultra wealthy population. We highlight their different characteristics, demographics, luxury asset ownership trends, wealth holdings and personal interests, providing valuable insights for companies and organizations that engage with and target the ultra rich.

Using insights from **ReISci** (another Altrata company), we conclude by detailing the surprisingly high number of professional connections that university deans and vice-deans have to the ultra wealthy, showcasing the power of leveraging one's direct and second-degree links.

Wealth-X's comprehensive database and detailed Wealth and Investable Assets Model provide unrivaled insight into the world's UHNW population, its characteristics and the constantly changing landscape of wealth creation, making it an essential read for any organization looking to prospect for and engage with individuals in this exclusive demographic.

Key definitions

Ultra high net worth (UHNW) individuals

Those with a net worth of \$30m+ (also referred to as the "ultra wealthy").

Very high net worth (VHNW) individuals

Those with a net worth of \$5m to \$30m.

The ultra wealthy in 2022

End of an era – but only a partial reset of UHNW wealth

In 2022, the global UHNW population fell by 5.4% to 395,070 individuals. This was the first annual decline in four years and the largest contraction since 2015, although it only partially reversed the dynamic gains recorded in 2021. Even by recent standards, 2022 was a year of extreme volatility, as the fallout from a new war in Europe, soaring commodity prices, a pandemic lockdown in China and heightened geopolitical tensions disrupted wealth markets around the world. A generational surge in inflation triggered aggressive monetary policy tightening for the first time in more than a decade, prompting a major reassessment of capital market risk and returns. Bond markets slumped and most leading stock market indices posted double-digit falls.

Whether by chance or design, this turbulent backdrop provided wealth-creation opportunities for some among the ultra wealthy class. The exit of many economies from pandemic restrictions spurred activity in shipping, aerospace, construction and tourism, while the conflict in Ukraine drove net worth gains in the energy and defense industries. For most, however, heightened “risk-off” sentiment and weakened asset markets shifted the focus to wealth preservation, which ultimately proved challenging. Portfolios strongly attached to the technology, “new economy” and healthcare sectors were among the hardest hit, with the total net worth of the UHNW population in 2022 declining by 5.5% to \$45.4trn. This was the second-largest annual fall in the past decade, but also reflected only a partial correction from the rapid expansion of ultra wealth a year earlier.

The global economy at a glance

Select global indicators for 2022

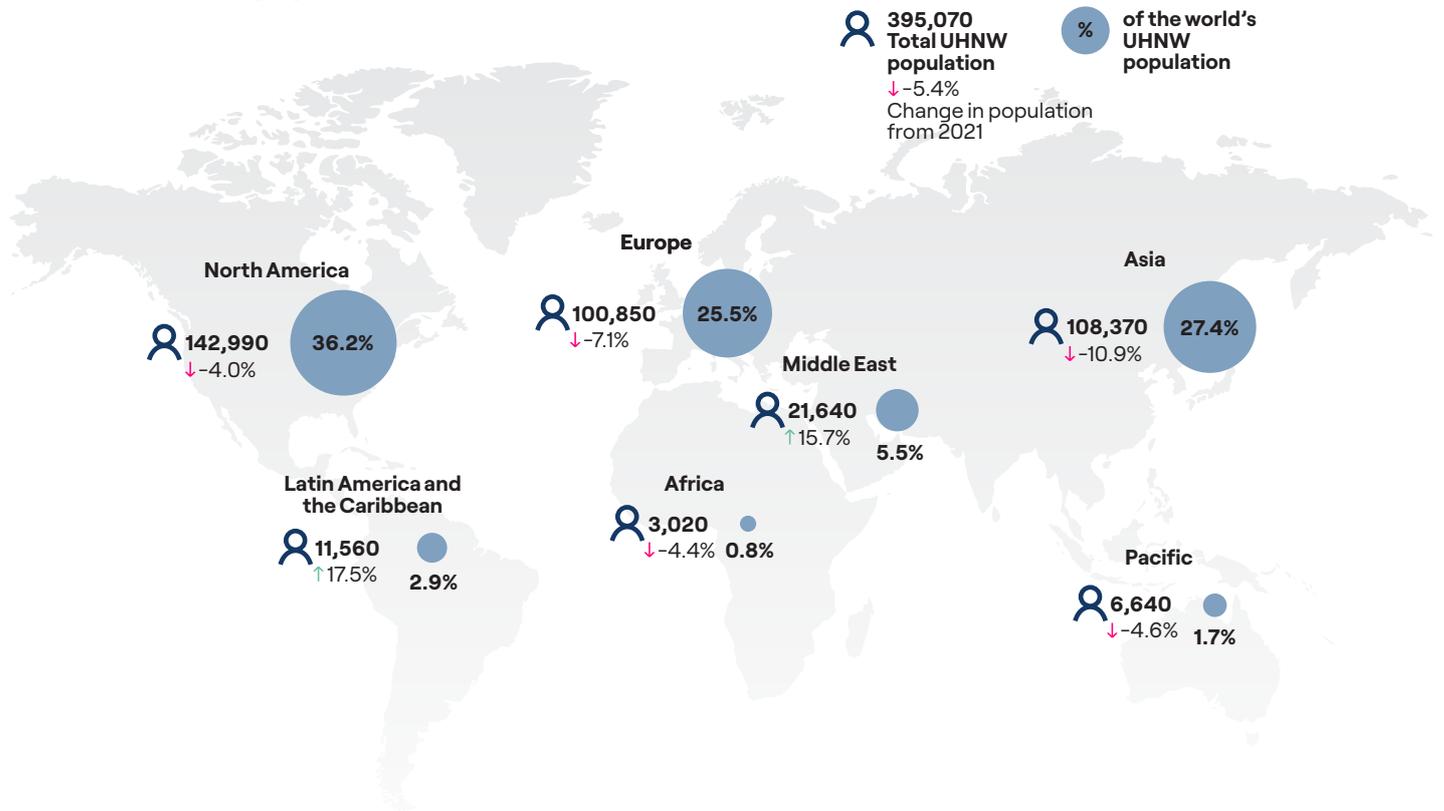
(year-on-year change)



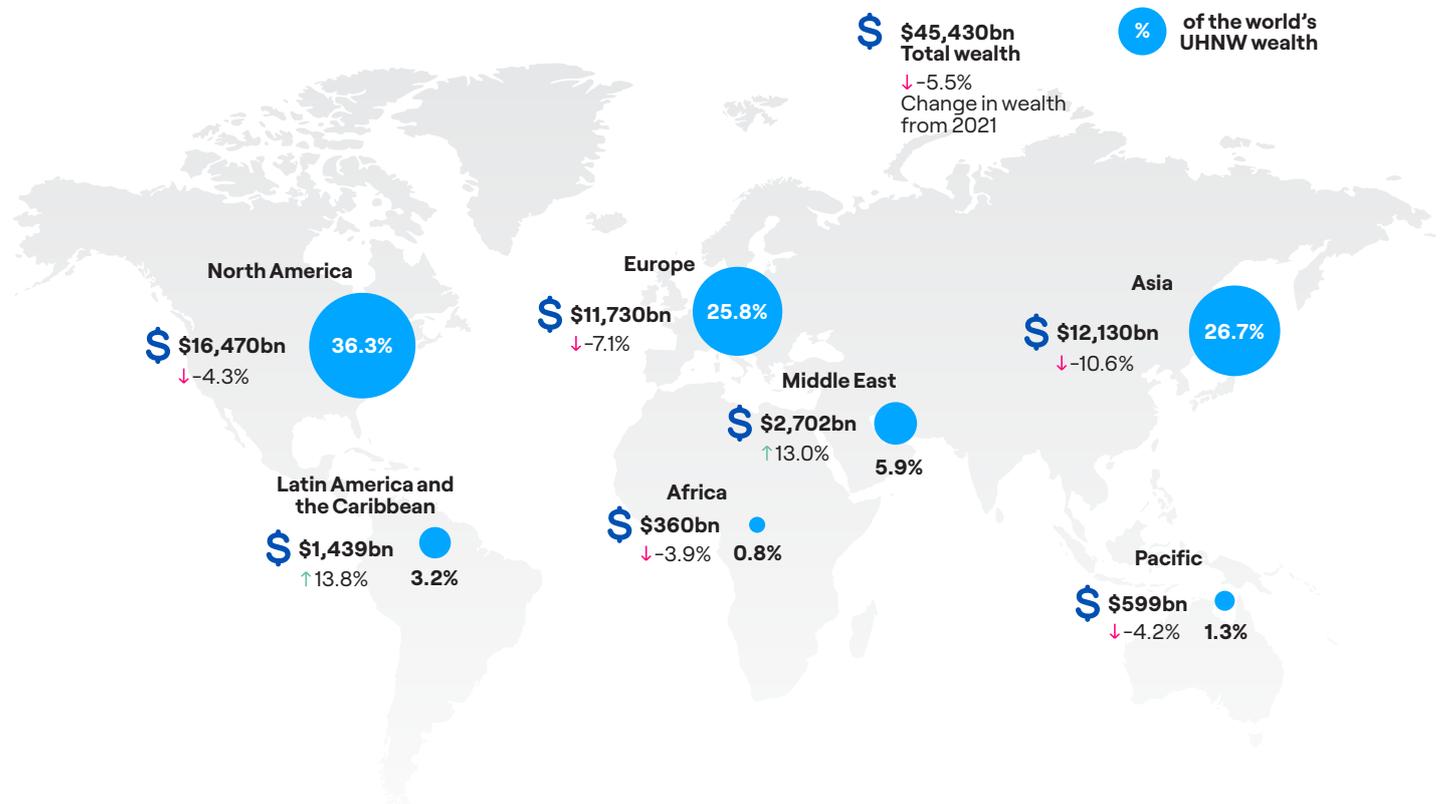
Sources: International Monetary Fund, *World Economic Outlook*, April 2023; Morgan Stanley Capital International (MSCI); PwC *Global IPO Watch 2022*; West Texas Intermediate Crude Oil.

Ultra wealthy across the globe

Global UHNW population in 2022



Global UHNW wealth in 2022



Note: Data on the total or percentage of the world's UHNW population and wealth may not add up exactly or total 100% owing to rounding.

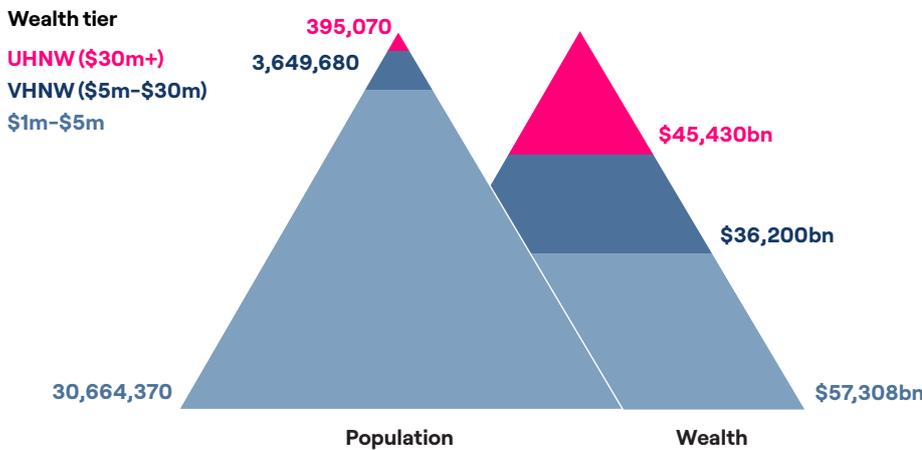
Source: Wealth-X, an Altrata company 2023

Wealth distribution

In 2022, the global population of high net worth (HNW) individuals, each with wealth in excess of \$1m, totaled an estimated 34.7 million. The ultra wealthy class is an exclusive segment within this group, representing just 1.1% of the HNW population. Its share of wealth is, however, substantially larger. In 2022, this combined ultra wealth of \$45.5trn accounted for 33% of total wealth held by all HNW individuals, highlighting the extent to which millionaire wealth is distributed unevenly among the world’s richest people.

The wealthy by tier

Global population and wealth by major wealth tier in 2022



Source: Wealth-X, an Altrata company 2023

With median wealth at \$51m (though average wealth is a much higher \$115m), almost 80% of the global ultra wealthy population have a net worth below \$100m, highlighting the trend of a large share of a cohort’s population falling within the lower wealth tiers. Those individuals with a net worth of \$100m-\$1bn compose a fifth of the ultra wealthy population; and, right at the top of this group, the billionaire class represents under 1% of the global UHNW population – yet it holds 24% of all ultra wealth¹.

Median wealth of an UHNW individual (global)



Source: Wealth-X, an Altrata company 2023

¹ See Altrata’s *Billionaire Census 2023*.

Regional, country and city performance

North America

Equity slump takes toll on UHNW population and wealth

The UHNW population in the world's leading ultra wealth region declined by 4% in 2022 to 142,990 individuals. This was the first contraction in four years and the biggest annual fall in a decade. The region's share of the global UHNW class nevertheless rose slightly, to 36%, as both Asia and Europe experienced larger relative falls in population. Wealth holdings in North America were hit primarily by a slump in capital markets. The US Federal Reserve's most aggressive cycle of policy tightening since the 1980s brought an abrupt end to a decade-long bull market in risk assets. Heightened risk aversion saw returns on US equities fall sharply, with the S&P 500 closing the year down 18% and the tech-heavy NASDAQ Composite index down 32%. Many fixed-income assets entered correction territory, with falls of more than 10%. There were pockets of support from resilient energy stocks, firm consumer spending and the US dollar, which appreciated against most major currencies, but these only partially offset the broad downturn in regional asset markets. The collective wealth of North America's UHNW population declined over the year by 4.3% to \$16.5trn.

Asia's ultra wealthy population fell by 11% in 2022, the most of any region.

Asia

Largest falls in UHNW population and wealth of any region

The second-largest UHNW region lost ground to its peers in 2022, recording double-digit percentage falls in ultra wealthy numbers and cumulative wealth. Asia's UHNW population declined by 10.9% to 108,370 individuals, a 27% global share, while total wealth fell by 10.6%, all but eroding the previous year's gains. China's strict Covid lockdown (lifted in December) and "risk-off" fallout from the war in Ukraine inhibited exports and consumption, disrupted regional supply chains, and depressed stocks, particularly in tech-heavy markets such as South Korea and Taiwan. Wealth portfolios also came under strain as a result of the relative strengthening of the US dollar. This triggered volatility across Asian asset markets and tighter monetary conditions as regional central banks moved to support pressed currencies. Japanese stocks were among the more resilient, as the Bank of Japan held its highly dovish stance, but this weighed heavily on the yen. Tightened state control in the real estate and technology sectors continued to weigh on Chinese assets.

Europe

Wealth assets hit hard by inflationary spike and energy shocks from the Russia-Ukraine war

The third-largest ultra wealth region recorded a 7.1% fall in its UHNW population to 100,850 individuals. This was the second-worst regional performance after Asia, with combined net worth declining at a similar rate to \$11.7trn. Initial optimism amid the lifting of pandemic lockdowns and a rebound in spending on travel and services was abruptly halted by Russia's invasion of Ukraine. Equity losses over the year were generally not as severe as those in the US or Asia, given a smaller weighting of slumping "new economy" stocks in the region's indices: the MSCI Europe Index closed the year down 9%. However, the direct fallout from the conflict was substantial, as Russia's weaponizing of energy supplies (on which Europe was heavily reliant) led to the rapid pass-through of inflationary shocks, disruption of supply chains, an economic downturn and heightened risk aversion. Wealth portfolios also came under pressure from a rapid tightening of monetary conditions, a slowdown in real estate markets and currency depreciation against the US dollar.

Middle East

UHNW population and net worth bolstered by surge in commodities revenue

In contrast to developments in the three largest UHNW regions, the Middle East registered strong gains in ultra wealthy individuals and total net worth. Its UHNW population increased by 15.7% to 21,640 people, a 5.5% global share. A spike in commodity prices (and accelerated efforts in Europe to diversify energy supplies) delivered strong revenue gains in hydrocarbon-exporting countries. There was support for portfolios from the US dollar currency peg in most Gulf Arab countries, which mitigated financial market volatility, and from an upturn in global travel and tourism, although this impact gradually faded. Wealth changes were by no means uniform across the region, with energy-importing countries and structurally vulnerable economies undermined by the surge in living costs and heightened social unrest. Pressure on capital markets increased from the middle of the year as risk aversion grew in relation to emerging-market assets. Nevertheless, the region's total UHNW wealth expanded by an annual 13% to \$2.7trn.

The Middle East was one of just two regions to record growth in its ultra wealthy population in 2022.

Latin America and the Caribbean

Robust wealth gains from improved terms of trade

The Latin America and Caribbean region had a second consecutive year of strong growth in UHNW population and total net worth, continuing its recovery from a deep slump in 2020. A rise of 17.5% in UHNW numbers to 11,560 individuals was the strongest of any region, as was a 13.8% expansion in wealth to \$1.4trn. With the largest wealth markets all major commodity exporters, regional asset portfolios were buoyed by improved terms of trade from higher prices. In addition, capital and currency markets generally faced less disruption from the pass-through of US rate hikes than most other emerging-market regions, as Latin American central banks had generally been ahead of the curve in tightening policy in 2021. Brazilian stocks, in particular, showed resilience – even in US dollar terms – although depreciation pressures in the region built over the second half of the year amid global investors' flight to safety.

The Pacific and Africa

Falls in UHNW populations driven by financing and inflationary pressures

The UHNW population in the Pacific region – which largely reflects developments in Australia – fell by 4.6% to 6,640 individuals. Wealth holdings focused on the energy sector were boosted by higher commodity revenue, but the ultra wealthy class as a whole took a hit from the relative weakness of the Chinese economy (a major trading partner) and interest rate hikes that weighed on capital market and real estate returns. There was a similar pattern in the world's smallest UHNW region, Africa, whose UHNW population declined by 4.4% to 3,020 individuals. Higher prices boosted the region's commodity producers, but wealth portfolios overall fell by 3.9% amid soaring import costs, tighter financing conditions, currency depreciation against the US dollar, and fairly widespread social unrest and political conflict. The two regions together accounted for 2.4% of the global UHNW population.

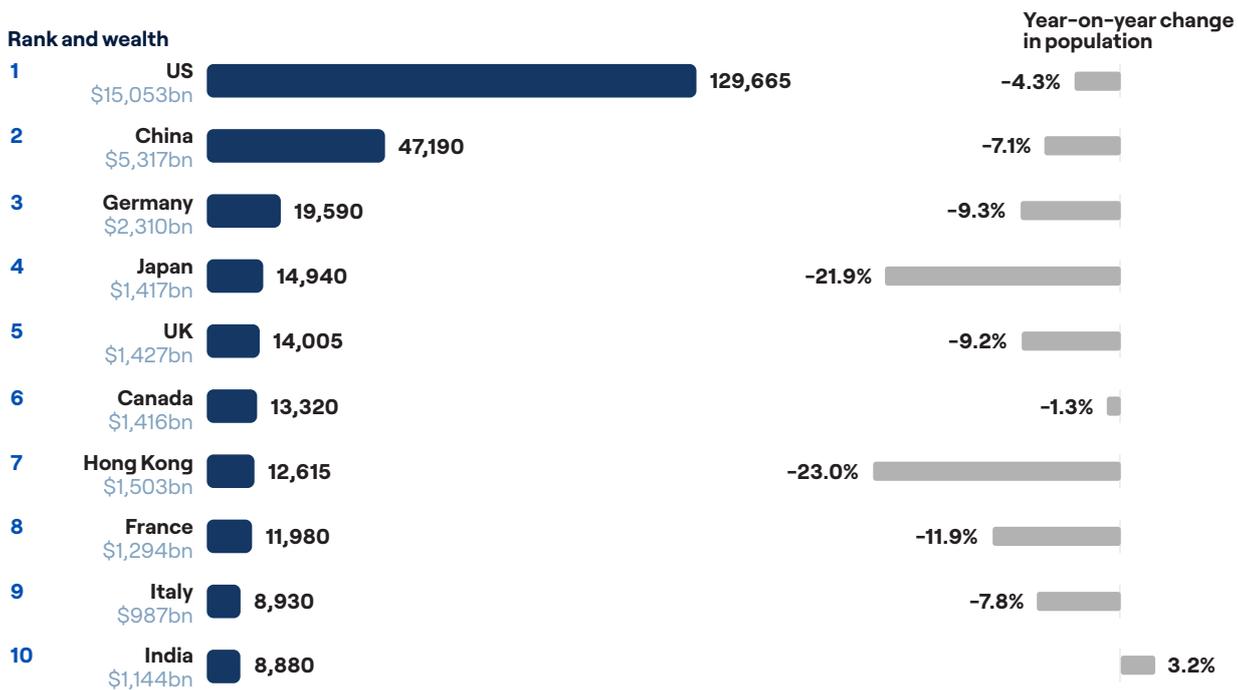


Leading UHNW countries

The top 10 UHNW countries are home to almost three-quarters of the global ultra wealthy population, underlining the influential status of this select group of wealth markets and the focused opportunities for companies and organizations that target the ultra wealthy. Below, we highlight some of the key country trends and recent changes in UHNW population size.

Top 10 UHNW countries

UHNW population in 2022



Note: Population numbers are rounded to the nearest 5. Changes are measured based on model inputs updated retrospectively and not on previously published figures. For further information about our Wealth and Investable Assets Model, please see the Methodology section.

Source: Wealth-X, an Altrata company 2023

Virtually all of the world's major wealth markets saw falls in their ultra wealthy populations in 2022.

All of the world's major wealth markets recorded falls in their UHNW populations.

A 4% fall in UHNW individuals in the US was slightly less than the global average and a “better” performance than the next four top-ranked countries, consolidating its status as by far the world's largest wealth market. The effects of a capital market slump were partly mitigated by the relative strength of the US dollar and resilient consumer spending. Second-ranked China registered a 7% drop in its UHNW population, as Covid lockdowns and a real estate clampdown constrained equities, exports and sentiment. UHNW numbers in third-ranked Germany fell by 9%, with German wealth portfolios more exposed than those in many peer countries to the fallout from the Russia-Ukraine war. The US, China and Germany together accounted for 50% of the global UHNW population and total UHNW wealth.

India was the only top-10 wealth market to see a rise in UHNW individuals.

India was among the world's fastest-growing economies in 2022, which underpinned a 3% rise in its UHNW population. Support for wealth portfolios came from extensive ongoing infrastructure development, resilient urban consumer demand and rising capital inflows, although inflationary pressures, weakened capital markets and currency depreciation against the US dollar resulted in a slight decline in cumulative UHNW net worth. The larger Asian wealth markets of Japan and Hong Kong recorded the largest falls in ultra wealthy numbers of all the top 10 countries. Currency effects played a major role in Japan, with the yen depreciating by 16% against the US dollar. The downturn in capital markets weighed on asset holdings in the global financial hub of Hong Kong, as did political upheaval and weakened economic activity in mainland China.

Three regions dominated the country rankings, but the composition will gradually shift.

The 10 largest ultra wealth markets are all located across three regions, with four in Europe, four in Asia and two in North America. This pattern has remained largely unchanged over the past decade, but the gradually shifting pattern of global wealth distribution implies a modest shake-up and new entrants over the next 10 years. In 2022, there was strong growth in the UHNW populations of several countries just outside the top 10, including Saudi Arabia, Brazil and the UAE.

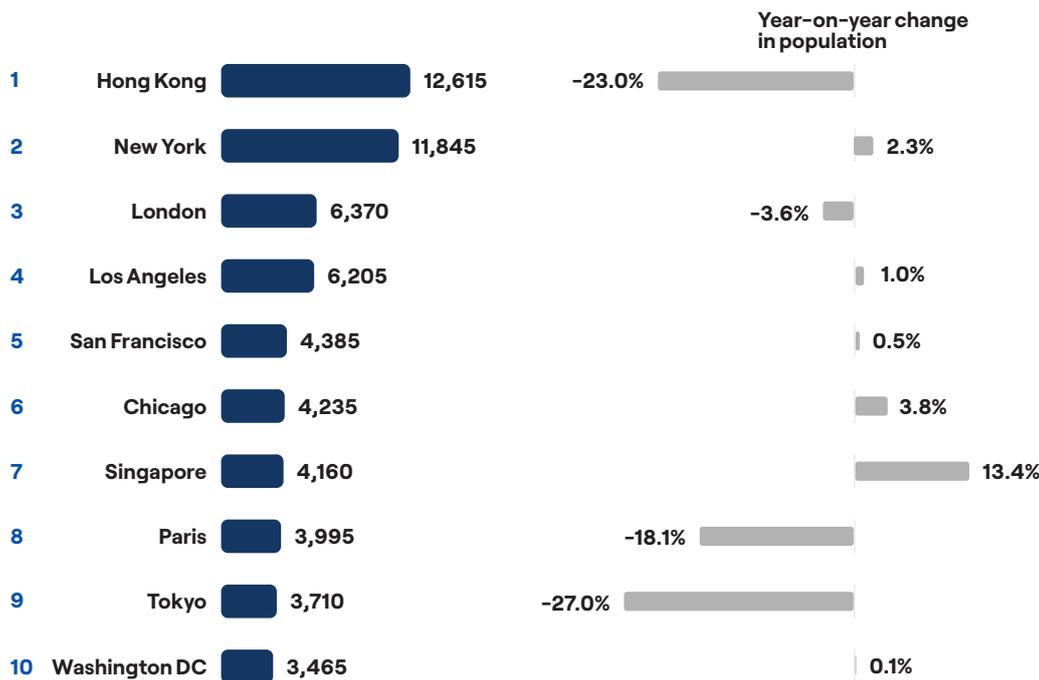
Despite a 4% fall, the US consolidated its status as by far the world's largest wealth market.

Leading UHNW cities

The top 10 cities are home to around one-sixth of the world’s UHNW population. The distribution of ultra wealth across regions has evolved over the past decade, but the allure to the wealthy of the high-end business, cultural, real estate, educational and lifestyle opportunities offered by global cities remains strong. Below, we highlight some of the structural drivers and recent changes in the size of UHNW city populations.

Top 10 UHNW cities

UHNW population in 2022



Note: Population numbers are rounded to the nearest 5. Cities are defined on the basis of urban agglomerations and metropolitan (metro) areas, which include the built-up areas outside the administrative core. For example, New York includes New York City, Newark and Jersey City. We focus on metro areas to ensure comparability because globally comparable city-level data is not available. Major cities are determined on a nominal GDP basis in \$. Changes are measured based on model inputs updated retrospectively and not on previously published figures. For further information about our Wealth and Investable Assets Model, please see the Methodology section.

Source: Wealth-X, an Altrata company 2023

The top 10 cities accounted for 15.4% of the global UHNW population in 2022.

This proportion has followed a gradually rising trend over the past decade but, since early 2022, a number of leading UHNW cities have registered a sizeable fall in ultra wealthy numbers, bringing the top-10 share down slightly. This was notably the case in Hong Kong, the world’s leading UHNW city, as well as in Paris and Tokyo. On average, the UHNW population across the top 10 cities declined by 8% in 2022, outpacing the 5.4% drop in the global ultra wealthy class.

Hong Kong and New York were the world’s premier UHNW cities.

The semi-autonomous territory of Hong Kong retained its top position, but its lead over second-placed New York narrowed considerably. Asset portfolios across both financial centers took a hit from the broad slump in capital markets. However, whereas the wealthy class in New York was supported by fairly robust US consumer spending, official stimulus and limited exposure to external shocks (such as the events in Ukraine), a combination of pandemic restrictions, an economic downturn, subdued growth in China and the legacy effects of domestic political upheaval in recent years contributed to a sizeable fall in ultra wealthy numbers in Hong Kong. The UHNW populations of Hong Kong and New York were approximately twice the size of those in the next highest-ranked cities, London and Los Angeles, underlining their prominent status among the rich.

Six of the top 10 cities increased their UHNW populations, with Singapore posting the strongest growth by far.

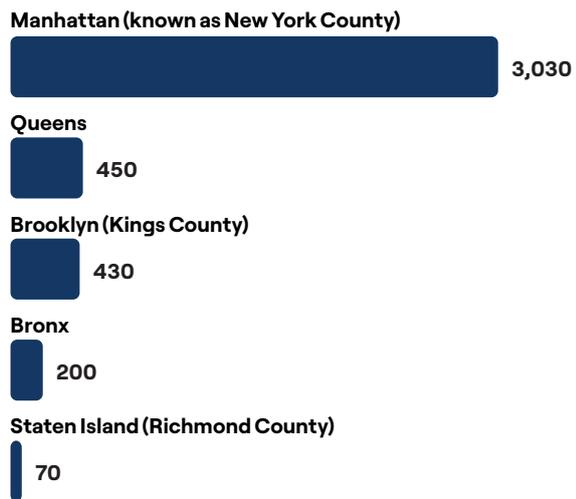
Reflecting the challenging global backdrop, rises in city UHNW numbers were generally modest in scale. The outlier was Singapore, which recorded growth of 13%, supported by its fairly diverse economic structure, stable business environment (relative to some regional peers), currency appreciation and attractive regulatory framework. In contrast, factors causing a fall in London’s UHNW population included the damaging ongoing effects of Brexit, changes to non-domiciled taxpayer rules, a real estate slowdown and currency effects, although the UK capital held on to its third-ranked position. Currency depreciation and economic pressures were major factors driving the double-digit percentage falls in Paris and Tokyo.

US cities dominated the ranks, while China and Germany did not feature.

Reflecting its status as the world’s largest UHNW market, the US accounted for five of the top 10 cities (and the next five in the rankings), with three in Asia and two in Europe. The world’s second- and third-largest ultra wealth markets, China and Germany, had no city representation. This is explained by their stock of private net worth being dispersed more uniformly across domestic urban centers than is the case in most leading wealth markets. For example, the capital cities of London, Paris, Tokyo and Moscow are each home to an especially high share of their respective countries’ UHNW populations. This concentration of ultra wealth is also a characteristic within many cities. Analysis of the five boroughs of New York shows UHNW population numbers (based on primary business address) to be around seven times higher in Manhattan than in Queens and Brooklyn, and 40 times greater than in Staten Island.

The five boroughs

Number of UHNW individuals in the five New York City boroughs (according to county) by their primary business address



Note: There are more than 20 counties that make up the New York metro area, officially known as the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area.

Source: Wealth-X, an Altrata company 2023

The view ahead

Cautious optimism

Following a period of robust global wealth creation in 2019–21, wealth preservation became the primary focus for many UHNW individuals in 2022. The world economy showed a degree of resilience over the first half of 2023, with Europe avoiding a predicted deep recession, and US and Chinese consumer activity being stronger than anticipated. Providing this “cautious optimism” continues, we expect a firm expansion in the number of UHNW individuals and their combined wealth over the next five years.

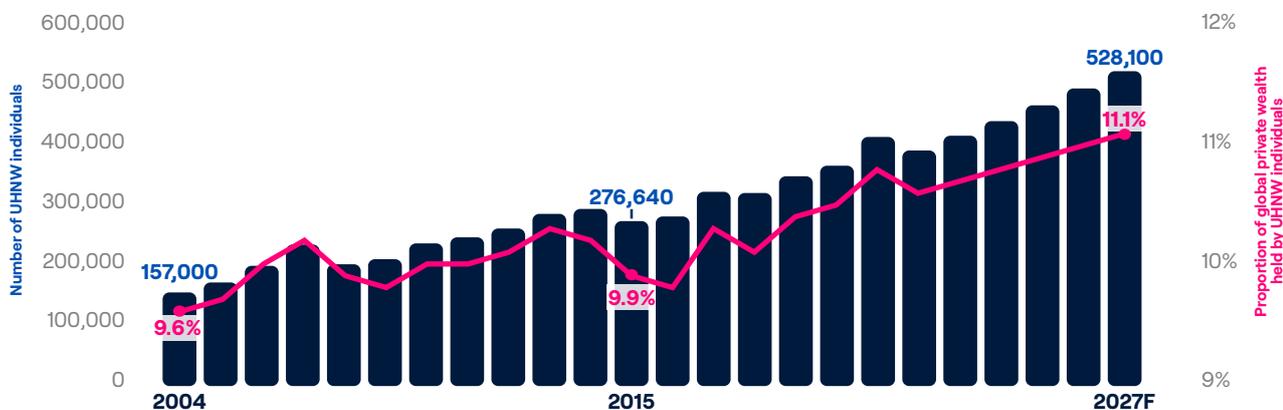
Heightened uncertainty continues, nevertheless, given the shifting dynamics in east-west relations and the global balance of power. However, with disruption come opportunities for wealth generation, supported by structural developments in the world economy: urbanization; rising incomes in emerging markets; the “premiumization” of consumption (when consumers buy increasingly expensive premium products as their income/wealth rises); increasing female labor participation; the adoption of transformative digital technologies; and the increasing mobility of UHNW wealth.

The share of global private wealth held by the ultra wealthy will continue to increase.

By 2027, we forecast the global ultra wealthy population to total 528,100 people, an increase of 133,000 on 2022. The level of UHNW wealth is projected to rise to \$60.3trn, implying an additional \$14.9trn of newly created wealth over the next five years. In line with historic trends, the proportion of all global private wealth held by the UHNW class is forecast to continue to rise gradually, from 10.6% in 2022 to 11.1% by 2027.

A growing share of wealth

UHNW population and their share of global private wealth



Note: F stands for forecast.

Source: Wealth-X, an Altrata company 2023

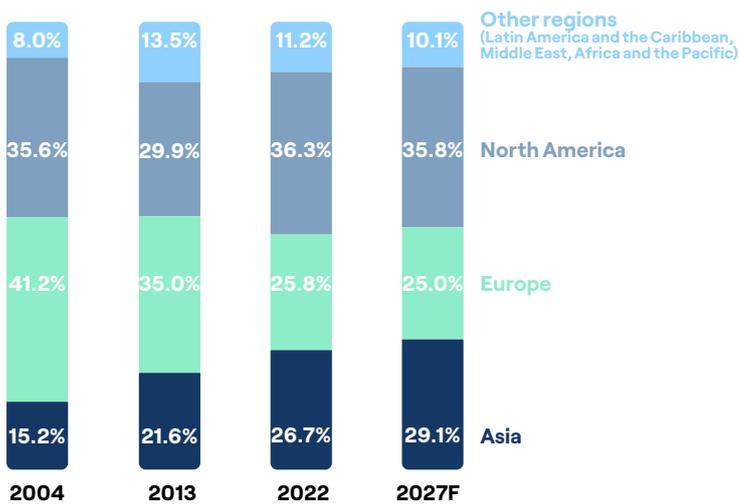
The view ahead

We expect UHNW populations and wealth to increase across each of the seven main regions over the next five years, although rates of expansion will vary. **Asia** is projected to record the strongest growth in its ultra wealthy population and cumulative net worth, lifting the region's share of global UHNW wealth to 29% (up from 27% in 2022 and just 15% in 2004). An expanding Indian economy will be a key driver, as will the trend for businesses to "regionalize" and diversify their supply chains away from the Chinese mainland, supporting industrial, logistical and real estate activity in other key Asian markets.

North America is expected to continue to account for the largest proportion of global UHNW wealth in 2027, with an unchanged share of 36%. A near-term slowdown of the US economy is likely and political polarisation will remain intense, but the broad outlook for US consumers and financial markets remains positive. We expect solid expansion of the UHNW class and cumulative wealth in **Europe**, although growth will slightly lag that in Asia and North America, resulting a further modest decline in the region's share of global UHNW wealth (to 25% by 2027).

Regional shifts

Proportion of global UHNW wealth by region



Note: F stands for forecast.

Source: Wealth-X, an Altrata company 2023

The combined share of UHNW wealth held by the other four regions is forecast to decline by one percentage point to 10% by 2027. This largely reflects a modest fall in the proportion of global ultra wealth in the **Middle East**, following an uncharacteristically large jump in 2022 thanks to the surge in commodity prices. The region should still see growth in its UHNW population and net worth over the five-year period, but we expect a softer pace of expansion than elsewhere. Compound annual growth in **Latin America and the Caribbean** in 2023-27 is projected to slightly exceed the global average, contrasting with below-average gains in **Africa** and the **Pacific**.

Having overtaken Europe in 2019, Asia's share of UHNW wealth will continue to grow, while North America will remain the largest wealth market.

UHNW entrepreneurs, executives and inheritors

Every ultra wealthy individual is unique, their fortune influenced by their personal circumstances and ambition, family status, educational opportunities, social networks and economic environment, alongside a host of other factors, including serendipity. However, although the global population of UHNW individuals is increasingly diverse, the roads to riches are broadly identifiable. The source of a person's fortune can often have an impact on their approach to and outlook on wealth preservation and philanthropy, their business focus, personal interests and portfolio structure. All of these are important insights for organizations prospecting for and engaging with the super rich.

In this chapter we identify and examine three mutually exclusive UHNW archetypes that together account for more than three-quarters of the global ultra wealthy population. **Entrepreneurs** have accumulated most of their personal wealth through founding (or co-founding) and owning business ventures. **Executives** are those who currently hold high-earning and high-level corporate executive roles, and who have not generated the bulk of their wealth via inheritance or entrepreneurship. **Inheritors** are members of the UHNW class solely on account of inheriting substantial wealth. We examine a variety of traits, such as age profile, wealth source, primary industry, asset holdings and top interests, to draw out variations between these three types of people.

UHNW archetypes

<h3>UHNW entrepreneurs</h3> <p>Individuals who have created most of wealth via entrepreneurship through significant ownership of companies. However, during the course of their careers, they may have been employed as well (and many become employees once their company goes public, is sold, etc).</p>	<h3>UHNW corporate executives</h3> <p>Individuals who currently hold high-earning and high-level executive roles, and who have not generated the bulk of their wealth via entrepreneurship.</p>	<h3>UHNW sole inheritors</h3> <p>Individuals who have become ultra wealthy solely by inheriting their fortunes.</p>
<p>Notable examples</p> <p>Elon Musk Co-founder and CEO, Tesla and Chairman, X (formerly Twitter)</p> <p>Jack Ma Co-founder, Alibaba</p>	<p>Karen Lynch President and CEO, CVS Health</p> <p>Satya Nadella Chairman and CEO, Microsoft</p>	<p>Alice Walton Shareholder, Walmart</p> <p>Hugh Grosvenor Duke of Westminster, Owner and Chair of the Trustees, Grosvenor</p>

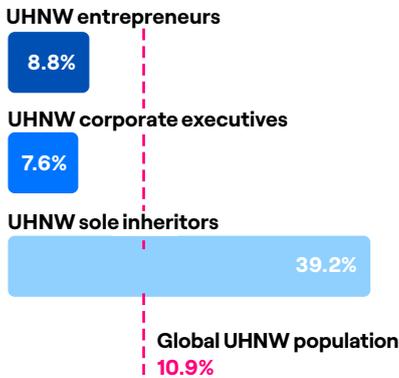
Note: The archetypes are standalone and mutually exclusive. They do not represent the total UHNW population, but together they represent more than three-quarters.
Source: Wealth-X, an Altrata company 2023

Key demographics

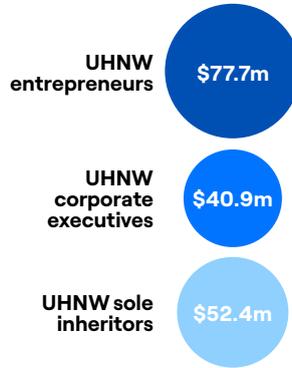
The global UHNW population is heavily male dominated, with women accounting for a modest 11% share. While the growth and diversification of wealth markets over the past decade, alongside evolving cultural (and boardroom) attitudes, have brought a gradual increase in the entrepreneurialism and commercial involvement of UHNW women, female representation stands at just 9% among ultra wealthy entrepreneurs and 8% of career executives. This contrasts with a much larger share of almost 40% in the group of UHNW individuals with solely inherited wealth. For example, among the world’s richest women, Jacqueline Mars and Alice Walton are beneficiaries of inherited fortunes (Mars and Walmart respectively).

Gender, wealth and age

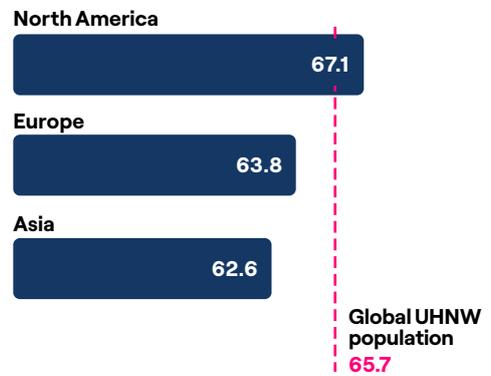
Proportion of women



Median wealth



UHNW average age



Source: Wealth-X, an Altrata company 2023

Entrepreneurs have the highest median wealth. Median wealth differs substantially across archetypes. With almost double the wealth of executives, ultra wealthy entrepreneurs have benefited from the returns of building often very large businesses. Executives have the lowest median wealth, wealth that is often built over the course of their careers via high annual salaries and one-off bonuses. Inheritors’ median wealth is very much in line with that of the average wealthy individual (\$51m).

Asia exhibits the lowest average age. At a global level, the average age for each archetype is similar, ranging from 65.4 among UHNW entrepreneurs to 66.1 for inheritors. This indicates that acquiring substantial wealth in excess of \$30m, even via inheritance, is generally something that happens later in life. There are clear regional variations, though, with Asia having a younger ultra wealthy demographic for all three archetypes. This is more evident among executives and, especially, inheritors, whose average age is 10 years younger than in North America, for example. Comparing all seven regions, there is a much broader average age range for inheritors than for entrepreneurs and executives.

Source of wealth

> **North America has the largest share of wholly self-made UHNW entrepreneurs and corporate executives**

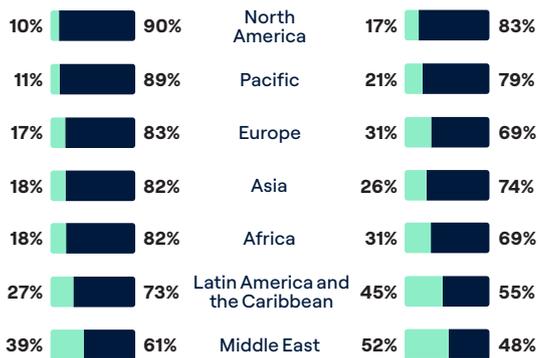
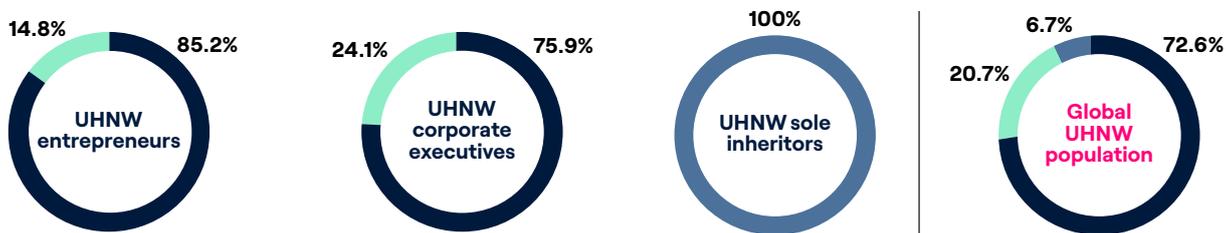
Most members of the ultra wealthy population have created their own wealth (the “self-made”). Similarly, some 85% of ultra wealthy entrepreneurs have entirely self-made fortunes, with the remainder accumulating their net worth through a combination of inheritance and self-created wealth. North America has the highest proportion (90%) of wholly self-made entrepreneurs, with the Middle East a regional outlier with a much lower share of 61%.

The blend of self-created and inherited wealth is more prevalent among UHNW executives than entrepreneurs (in all seven regions) but is not markedly so at a global level – just over three-quarters of executives have self-made fortunes. The regional picture is quite varied, however. Approximately half of executives in the Middle East and Latin America and the Caribbean have benefited from an injection of inherited wealth, compared with only 17% in North America.

Source of wealth

Source of wealth by UHNW archetype

Self-made Inherited/self-made Fully inherited



North America stands out for the small role of inherited wealth among UHNW entrepreneurs and executives.

Source: Wealth-X, an Altrata company 2023

Industry focus

> Banking and finance dominates

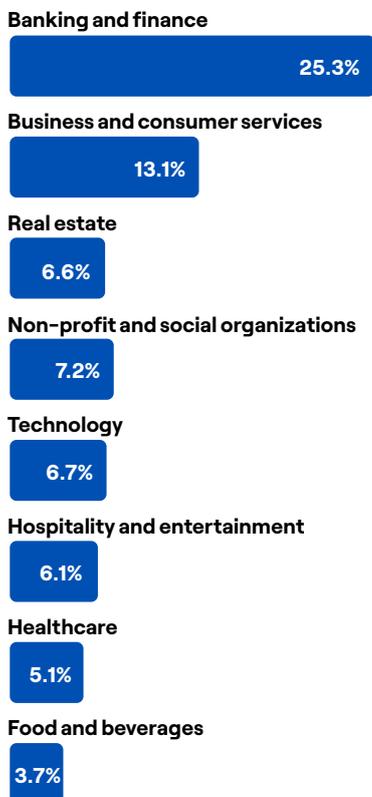
To which industry do the ultra wealthy devote most of their time? In addition to the global UHNW population as a whole, banking and finance is the primary industry focus for the largest share of ultra wealthy entrepreneurs and executives – twice as common as the second-ranked sector of business and consumer services. Real estate completes an identical top-three listing for both archetype groups. These three industries also feature prominently among UHNW inheritors, but trail some way behind the top-ranked non-profit and social organizations sector.

Individuals with inherited fortunes will tend to have fewer commercial commitments than many of their ultra wealthy peers, affording them the scope (while also often feeling a greater obligation) to engage in philanthropic activities. Significantly higher female representation among the inheritor cohort is also a factor, with women generally more likely to seek involvement in the non-profit segment than their male counterparts². This social-leaning focus among inheritors should not be overstated, however, as around three-quarters of this group are active in for-profit industries.

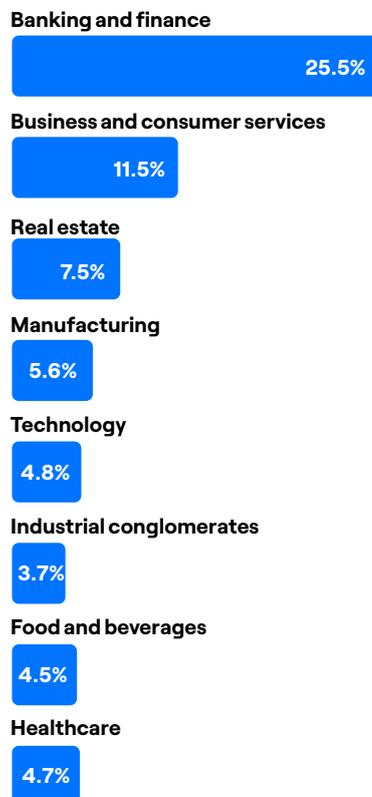
Key industries

Top eight primary industries by UHNW archetype

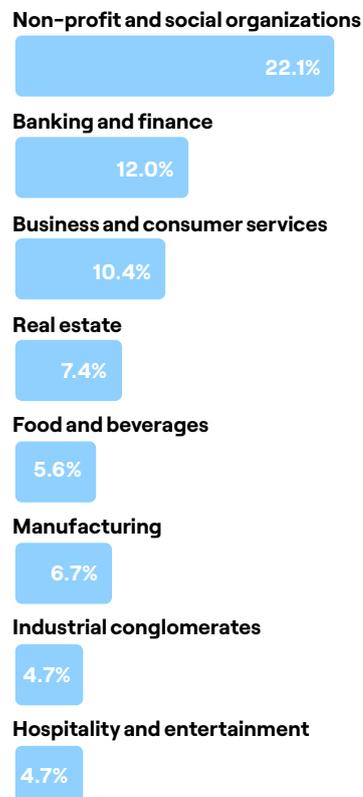
UHNW entrepreneurs



UHNW corporate executives



UHNW sole inheritors



Note: Primary industry refers to the industry to which the wealthy devote most of their time, not necessarily the industry by which they created their wealth, although they are often one and the same.

Source: Wealth-X, an Altrata company 2023

² See Altrata's *World Ultra Wealth Report 2022*.

Asset allocation

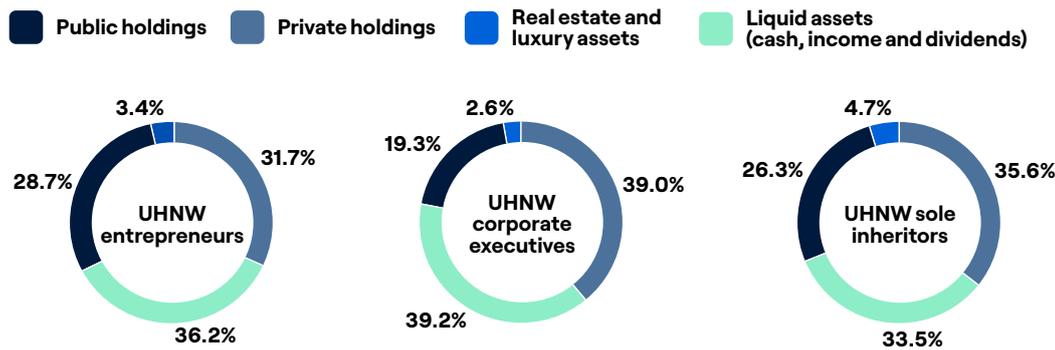
> Portfolios favor liquid assets and private holdings, especially in the case of UHNW executives

The distribution of asset holdings is broadly similar, as would be expected given a comparable level – around \$51m – of median wealth for the three archetypes. The largest portfolio allocations comprise liquid assets (mostly cash, income and dividends) and private holdings (both in the 30–40% range), ahead of public holdings (20–30%) and a minor share in real estate and luxury assets (art, wine, jewelry, cars and yachts, etc).

The cohort of UHNW executives stands out from the other two archetypes, with portfolios more heavily concentrated in liquid assets (likely owing somewhat to substantial annual or occasional bonuses) and private holdings. Entrepreneurs account for the largest share of public holdings, which is partly a reflection of many UHNW individuals’ own businesses which have gone public. Inheritors’ portfolio share of real estate and luxury assets is almost double that of executives.

Asset allocation

Asset allocation by UHNW archetype



Note: The totals may not add up to 100% as a result of rounding.

Source: Wealth-X, an Altrata company 2023

Holdings in privately and publicly owned businesses comprise the majority of wealth holdings across all three UHNW archetypes.

Luxury asset ownership

➤ **Executives tend to be the most frequent owners of luxury assets on account of their cohort size**

Taking a deeper dive into their purchasing habits, ultra wealthy entrepreneurs, executives and inheritors have distinct preferences for certain luxury assets. Accounting for both the propensity to purchase and the size of each cohort’s population, we examine the ownership of private jets, yachts, valuable art collections and luxury vehicles across the whole UHNW population.

Executives make up the largest cohort and so, on the whole, they tend to be the most frequent owners of such luxury assets. This is particularly true when it comes to private jets (which will often serve a dual function for business and leisure), with executives accounting for 62 of every 100 UHNW jet owners. But this is not always the case. Despite their smaller cohort size, entrepreneurs are very common owners of yachts and major art collections, pointing to their strong propensity to purchase such assets as well as their typically greater median wealth. Among art collectors, inheritors also play a small but important role; a nod to their having a greater interest in art than their archetype counterparts (see page 21).

Entrepreneurs and others (those individuals that do not fall within the three personas) have the highest propensity for luxury car ownership, and this shows through in the higher diversity of UHNW ownership across the population. It is important to note that regardless of primary ownership, partners and other family members are invariably involved in making decisions about such high-end purchases, and this should feed into the marketing strategies of providers of luxury goods.

Luxury assets

Luxury asset ownership among the UHNW population

Number of UHNW individuals by archetype for every 100 UHNW owners

■ UHNW entrepreneurs
 ■ UHNW corporate executives
 ■ UHNW sole inheritors
 ■ Rest of UHNW population (others)

Plane/jet



Yacht



Art collection *Worth a minimum of \$5m*



Cars and other vehicles *Worth a minimum of \$200,000*



While executives tend to be the most frequent owners of private jets and luxury cars, more entrepreneurs own art collections and come a close second for yachts.

Note: Planes/jets and yachts worth a minimum of \$5m. Ownership of jets can be either full or fractional. The data represent the whole UHNW population, taking into account luxury asset ownership and the size of each cohort.

Source: Wealth-X, an Altrata company 2023

Interests and hobbies

Strong interest in philanthropy – particularly among inheritors – plus sports and the outdoors

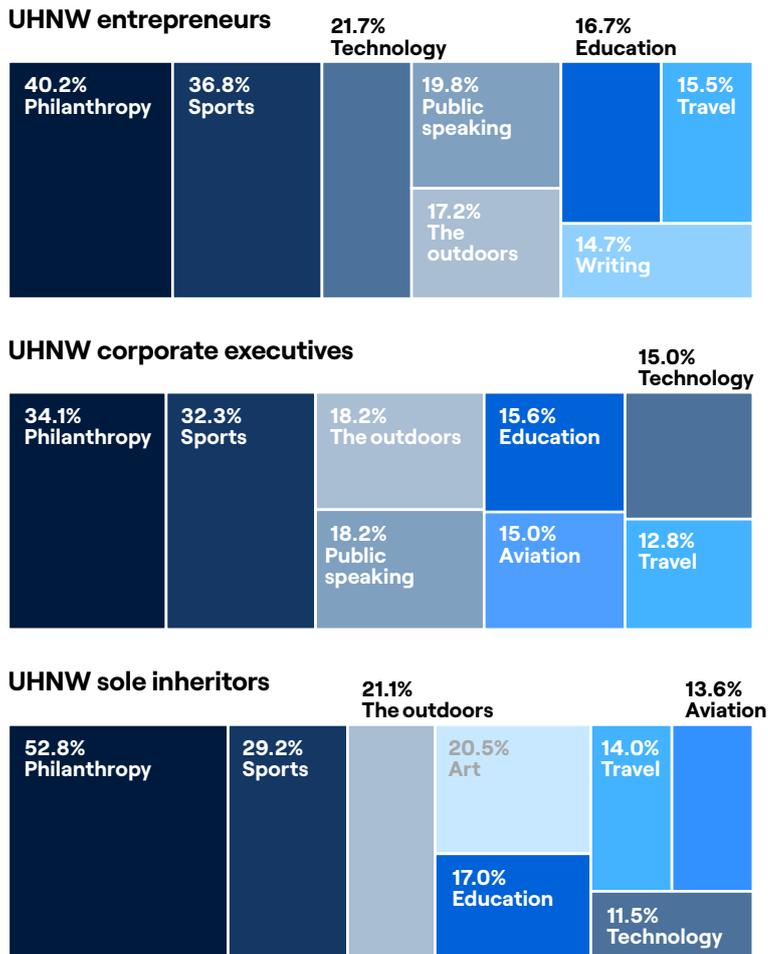
Philanthropy is the most common interest for all three UHNW archetypes, and stands out particularly among inheritors. This ties in with this group’s stronger focus on the non-profit and social sector as a primary industry (see page 18). Inheritors tend to have more scope at an earlier stage to engage in major philanthropic initiatives and, having inherited their wealth, they may feel a greater inclination to “give back” to society. Another characteristic of the inheritor cohort is its much higher proportion of women, who, generally, exhibit a stronger and wider interest in societal issues such as welfare, inequality, children and the environment.

Sports is the second most popular interest for all groups, only just behind philanthropy for entrepreneurs and executives. Other common interests are the outdoors, education, travel and technology, with the last ranking highest among entrepreneurs. Inheritors tend to have a greater interest in art but are less inclined towards public speaking than the other two archetypes.

Interests and hobbies

Top eight interests, passions and hobbies by UHNW archetype

Proportion of individuals (at a minimum)



Philanthropy and sports are the most popular hobbies or passions across all three UHNW archetypes.

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

Source: Wealth-X, an Altrata company 2023

Connections to the ultra wealthy

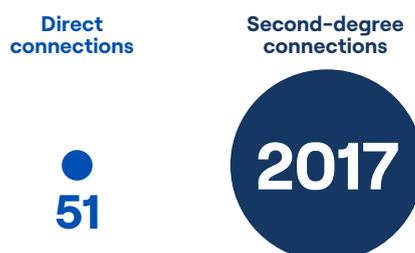
Given their wealth, ultra wealthy individuals can make a significant impact on the organizations they engage with. For example, they can boost the bottom line of corporations or help not-for-profit organizations and educational institutions raise funds and achieve their wider goals. The ultra wealthy typically have considerable demands on their time, are subject to greater marketing pressures than most people and, consequently, have demanding and distinctive standards. This means a highly individualized approach is crucial to engage this exclusive group. While an actual request to an ultra wealthy individual needs to be clear and compelling, a warm introduction can almost be considered a prerequisite for engaging with people with this level of wealth³.

Fortunately, senior executives' and other leaders' own professional and personal networks give them a surprisingly large number of connections to the ultra wealthy. For example, based on their personal experiences and professional careers, the average dean or vice-dean of a US university has a direct connection to more than 50 ultra wealthy individuals. And these deans' second-degree connections to such individuals are even greater in number, reaching more than 2,000. Contacts are powerful, so it is essential to make these count when prospecting for and engaging the ultra wealthy.

Connections to the ultra wealthy

Professional and personal connections of deans and vice-deans of US universities to ultra wealthy individuals

Average number (at a minimum)



Note: Direct connections, or first-degree connections, are direct links between individuals. Second-degree or indirect connections are made possible via the contacts belonging to first-degree connections (not just those shown above), and therefore the relationship between the number of direct and second-degree connections is not related. Connections are based on shared professional, personal and civic experiences, such as current or historical overlapping careers, contacts and board overlaps, among others. We limited relationships to those with a 'strong' likelihood of relationship, as RelSci also creates paths of connection using lower likelihood connections. Universities included if they had at least \$1bn in non-profit assets.

Sources: RelSci and Wealth-X, Altrata companies, July 2023

**It's not just who you know, but who your contacts know.
The average US university dean or vice-dean has a
second-degree connection to more than 2,000 ultra
wealthy individuals.**

³ See the Altrata guide *Effectively Prospecting the Ultra Wealthy*.

Methodology

To size the wealthy population and its combined wealth, we use our proprietary **Wealth and Investable Assets Model**. This model produces statistically significant estimates for total private wealth and estimates the size of the population by level of wealth and investable assets for the world and each of the top 70 economies, which account for 98% of world GDP.

We use a two-step process. First, to estimate total private wealth, we use econometric techniques that incorporate a large number of national variables, such as stock market values, GDP, tax rates, income levels and savings from sources such as the World Bank, International Monetary Fund, Organization for Economic Cooperation and Development and national statistics authorities. Second, we estimate wealth distribution across each country's population. Owing to a lack of wealth distribution data, most wealth models estimate wealth distribution patterns using income distribution data.

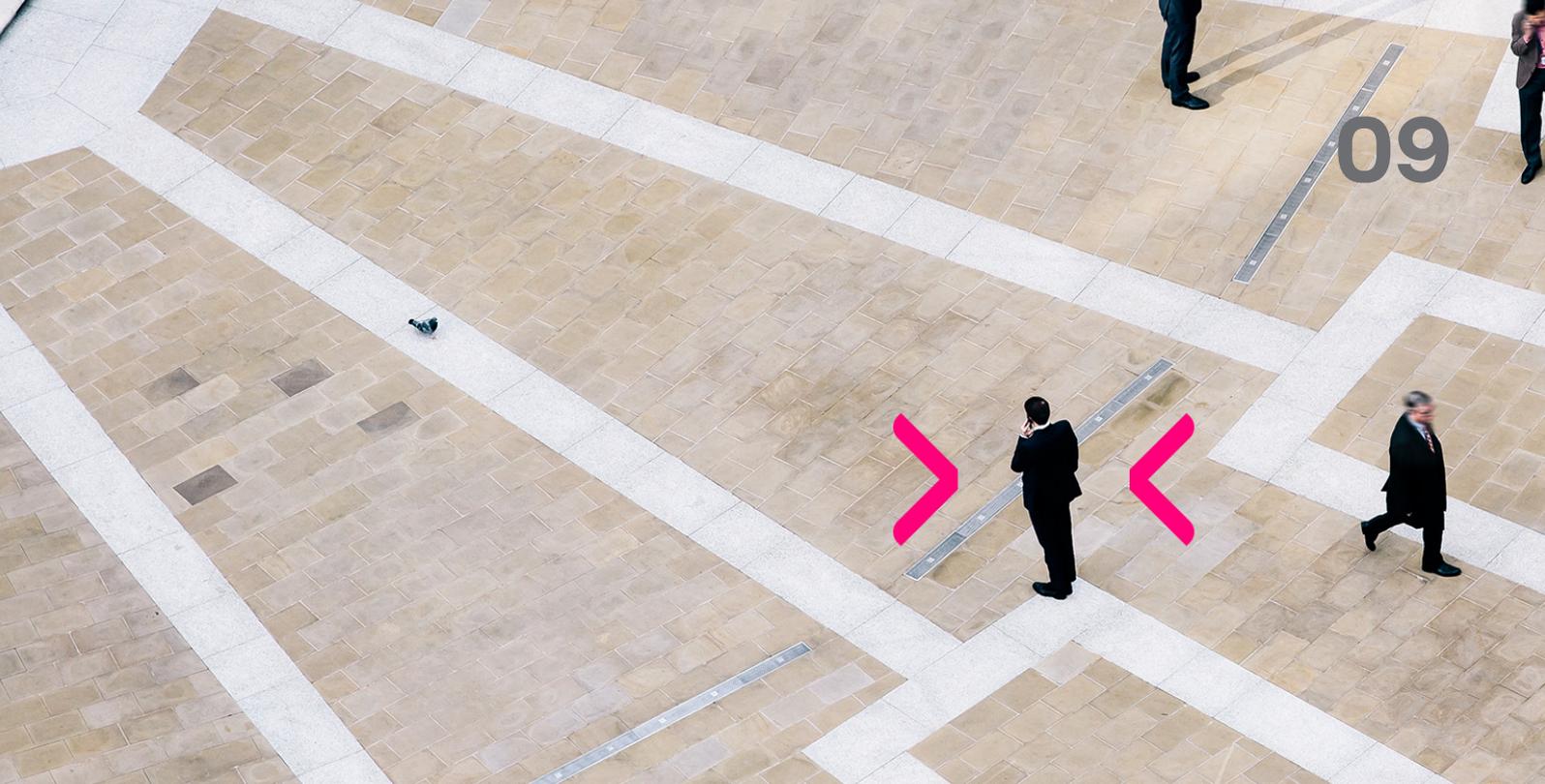
Wealth-X's proprietary database of millions of records on the world's wealthiest individuals enables us to construct wealth distribution patterns using real, rather than assumed, wealth distributions, making the model more reliable. We then use the resulting Lorenz curves to distribute the net wealth of a country across its population. The database is also used to construct investable asset distribution patterns across each country's population. The model uses residency as the determinant of an individual's location.

Our model also estimates population, wealth and investable assets for the world's 200 major cities as ranked by nominal GDP in US\$. These cities are defined on the basis of urban agglomerations (UAs) and metropolitan (metro) areas, which include the built-up areas outside the administrative core. We find that metro and urban areas are closer to self-contained entities compared with city administrative cores (city proper) because more residents are likely to work and spend within the metro/UA boundaries. We focus on metro areas to ensure comparability because globally comparable city-level data is not available.

To profile the UHNW in greater depth, this report leverages 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. The database uses the primary business address as the determinant of a wealthy individual's location. References to \$ or dollars refer to US dollars.

Our connections data was leveraged from **ReSci**, an Altrata sister company. ReSci's database covers 10 million influential individuals and 1.2 million organizations.

Analysis of the data and additional insights were provided by the **Wealth-X Analytics** team. Leveraging the Wealth-X Database and its own data models, Wealth-X Analytics provides customizable data assets tailored to an organization's needs.



About Altrata

Altrata is a data powerhouse, built to deliver more value to our clients. We are the global leader in data-driven people intelligence on the wealthy and influential. We work at scale with businesses and nonprofits across the world from a variety of industries. We help our clients connect with confidence to the people who have the greatest impact on their business.

Our products give our clients all the information they need on everyone they need to know. Our data is actionable, accurate, and comprehensive. And our global team of more than 400 researchers is committed to maintaining millions of profiles and changing data points, so our clients can effectively engage their target audience and make meaningful, lasting connections.

Altrata™ is a registered trademark of Delinian Limited and its affiliated companies, which comprise five dynamic offerings: BoardEx, Boardroom Insiders, RelSci, WealthEngine and Wealth-X.

About Wealth-X

Wealth-X is an Altrata company and the global leader in wealth information and insight. Wealth-X partners with prestige brands across the financial services, luxury, nonprofit and higher-education industries to fuel strategic decision-making in sales, marketing and compliance. Wealth-X has developed the world's largest 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 a team spanning North America, Europe and Asia, Wealth-X provides unique data, analysis, and counsel to a diverse roster of worldwide clients.

About RelSci

RelSci is an Altrata company and helps organizations reach the people who matter most to their success. RelSci's data-driven platform is leveraged by corporations, financial institutions and nonprofit organizations to gain a deeper understanding of their relationships with influential decision makers — what we call their "relationship capital."

ALTRATA

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