

Rural Migration News

Blog 293

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World Wealth and HNWI Migration

World wealth was estimated to be \$1,500 trillion in 2020, including a third in financial assets such as stocks and bonds held by financial corporations, a third held by households, governments, and nonfinancial businesses, and a third in non-

financial assets such as machinery, real estate, and intellectual property.

A major reason for rapidly rising global wealth is low interest rates that increased the value of assets,

such as the tripling of home prices between 2000 and 2020 in major industrial countries. Australia, Canada, France, and the United Kingdom had the highest growth among countries in the value of household real estate relative to GDP.

Global per capita net worth (assets minus liabilities) averaged \$66,000 or \$104,000 per person at Purchasing Power Parity (PPP). Per capita net worth ranged from \$46,000 in Mexico to \$350,000 in Australia in nominal terms, and from \$104,000 to \$356,000 at PPP. Australia and Canada have extensive natural resources relative to the size of their populations, explaining their high net worth per capita, while Germany and Japan have significant machinery and other real assets that increase per capita net worth.

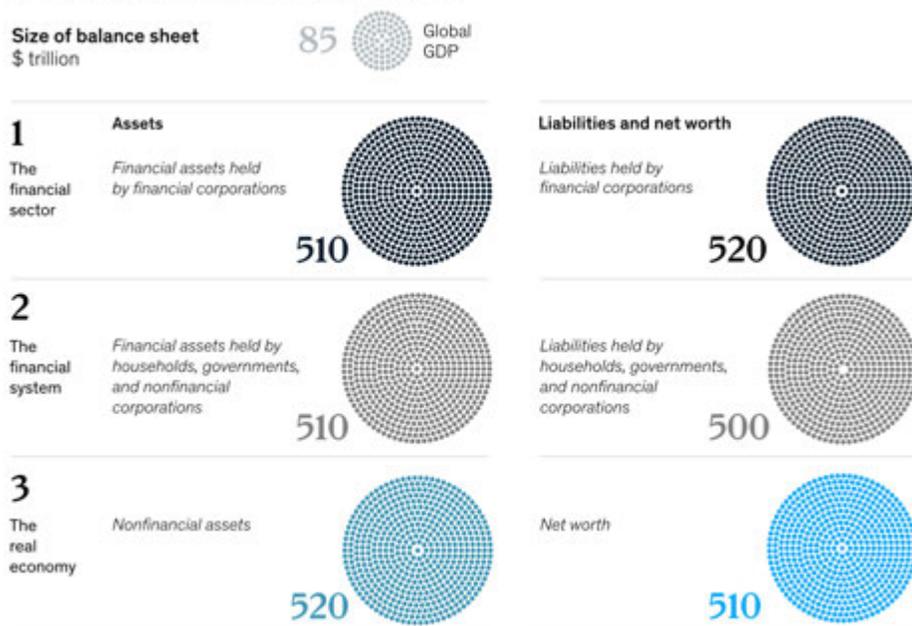
Household net worth is distributed unevenly within countries. The richest 10 percent of households in China and the US owned about two-thirds of each country's wealth in 2020. The bottom half of Chinese households had about five percent of China's wealth, while the bottom half of US households had two percent of US wealth.

Most household net worth is in housing; residential real estate was almost half of global net worth in 2020. Adding the value of buildings and land owned by corporations and governments makes real estate two-thirds of global wealth.

A country's wealth typically rises in lockstep with GDP growth. However, Japan's bubble economy in the late 1980s allowed net worth at market prices to be eight times of GDP. A similar story is emerging in China, where net worth was almost eight times GDP in 2020.

World Wealth of \$1,500 Trillion was 6x World GDP of \$255 Trillion in 2020 (PPP)

Each of the three components of the global balance sheet amounted to about \$500 trillion in 2020, or six times GDP.

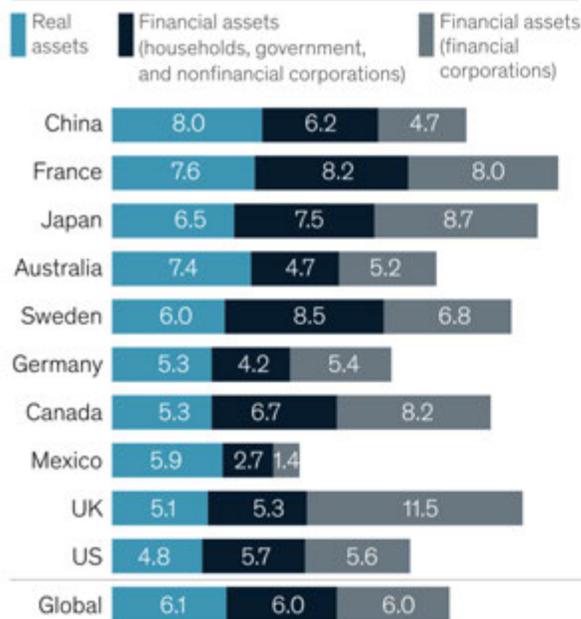


Note: The global average is an extrapolation derived from a weighted average of 10 countries based on GDP. Source: CEIC; Federal Reserve Board; national statistics offices; OECD; World Bank; McKinsey Global Institute analysis

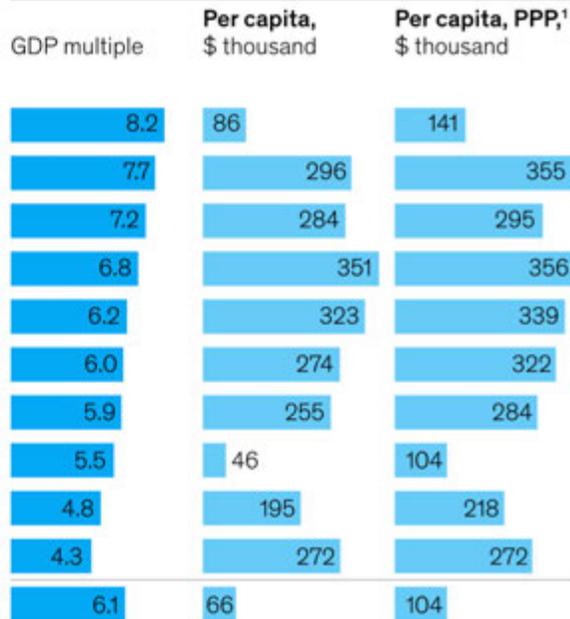
Per Capita Net Worth Ranged from \$46,000 to \$355,000 Per Person in 2020

National balance sheets and net worth at market prices, 2020

National balance sheet, GDP multiple



National net worth



Note: The global average is an extrapolation derived from a weighted average of 10 countries based on GDP. Figures may not sum to 100%, because of rounding.

¹Purchasing power parity. Rates from World Bank; sample average redistributes GDP weights based on PPP GDP; global (extrapolated) view takes into account world PPP GDP multiplied by the net worth/GDP ratio of 6.1.

Source: CEIC; Federal Reserve Board; national statistics offices; OECD; World Bank; McKinsey Global Institute analysis

HNWIs

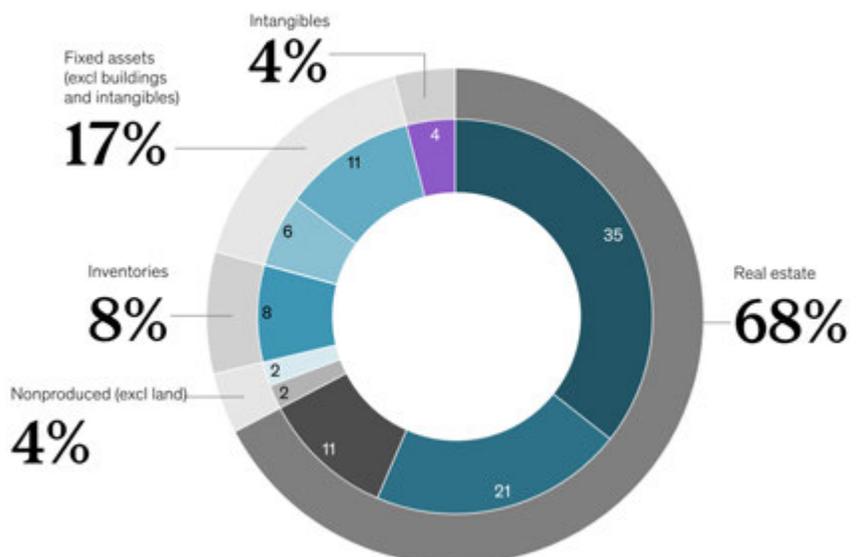
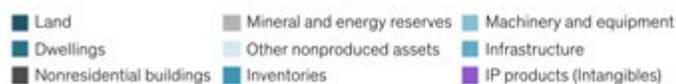
High net worth individuals are defined as persons with investable assets of \$1 million or more, excluding their primary residence and consumer durables, while ultra HNWIs have \$30 million or more in investable assets. Capgemini estimated that there were 22.5 million HNWIs in 2021, including a third each in North America and the Asia-Pacific region.

These HNWIs had \$86 trillion in financial wealth in 2021, including \$28 trillion or a third in North America and \$25 trillion or 30 percent in Asia.

By country, the US had 7.5 million HNWIs in 2021, followed by 3.6 million in Japan, 1.6 million in Germany, 1.5 million in China, and 775,000 in France.

Real Estate is Two-Thirds of Global Wealth

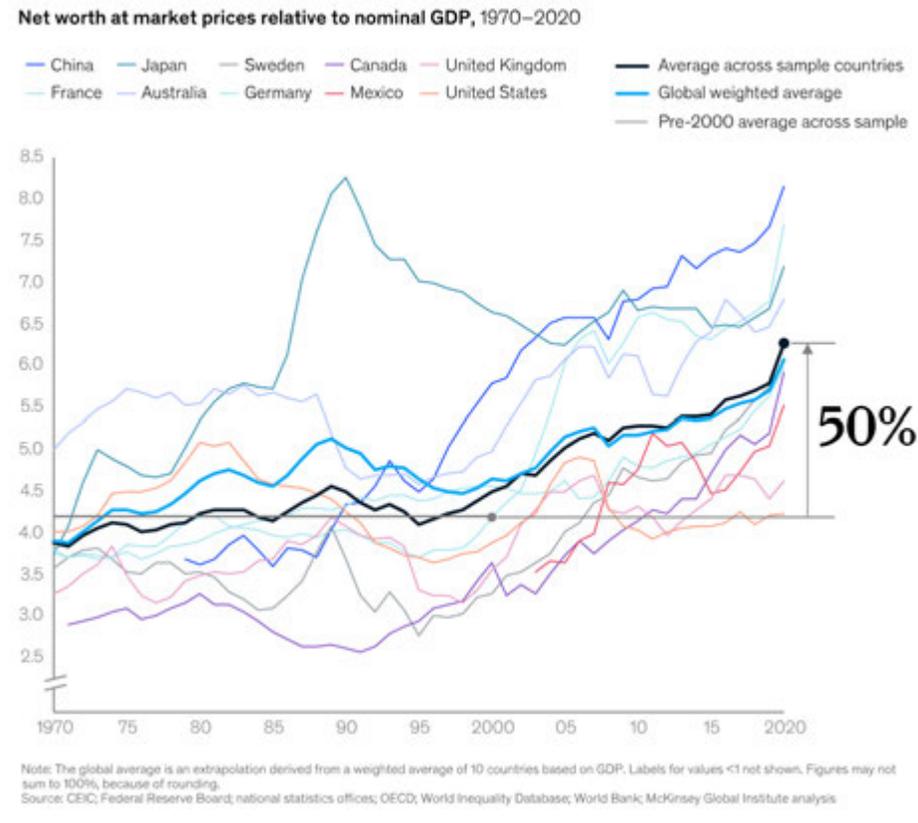
Distribution of real assets, global average, 2020, %



Note: The global average is an extrapolation derived from a weighted average of 10 countries based on GDP. Figures may not sum to 100%, because of rounding.

Source: AMECO; CDC; EU KLEMS; Federal Reserve Board; national statistics offices; OECD; World Bank; McKinsey Global Institute analysis

On Average, Wealth is 50% Larger than a Country's GDP



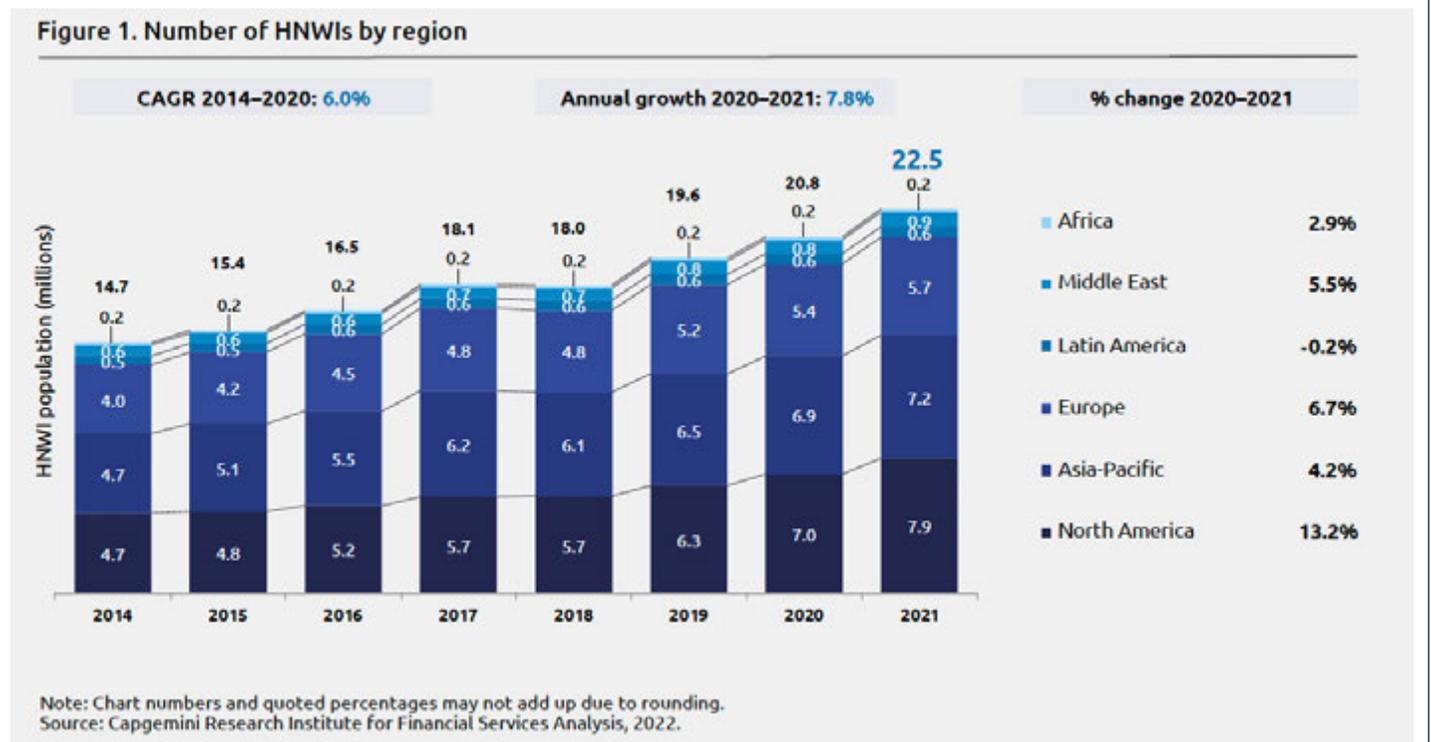
Migration

Over 100 countries offer golden visas that allow foreigners to become residents or citizens of other countries by investing in real estate or businesses in the country. Many wealthy individuals who are uncertain if they can retain their wealth at home become immigrants and sometimes citizens of other countries by purchasing real estate or making investments.

Caribbean golden visas are among the lowest cost, typically requiring \$100,000 for citizenship that can lead to visa-free travel to a wide range of destinations in less than a year. European programs usually require more investment and time before the foreign investor can become a citizen.

About 100,000 or five percent of the world's 20 million HNWI's move from one country to another each

Two-Thirds of the HNWI's in 2021 were in North America and Asia



Almost Two-Thirds of the \$86 Trillion in Financial Wealth in 2021 was in North America and Asia

Figure 2. HNWI financial wealth by region



Note: Chart numbers and quoted percentages may not add up due to rounding.
Source: Capgemini Research Institute for Financial Services Analysis, 2022.

The U.S. had 1/3 of Global HNWI in 2021

Figure 3. Top 25 markets by HNWI population



Source: Capgemini Research Institute for Financial Services Analysis, 2022.

year. The Henley Global Citizens Report projected that 15 percent of the 100,000 Russian HNWI would emigrate in 2022, followed by one percent of the 10 million Chinese HNWI.

The leading destinations for emigrating HNWI include the UAE, Australia, Singapore, and Israel. HNWI migrants seek stable countries with growing economies and low taxes, including no inheritance taxes.

Selected Caribbean Golden Visas

	Minimum capital	Processing time	Key benefit
 Antigua and Barbuda	USD 100,000	Three–four months	Visa-free or visa-on-arrival travel to 150 destinations including Hong Kong, Russia, Singapore, the UK, and Europe's Schengen Area
 Dominica	USD 100,000	Three months	Visa-free or visa-on-arrival travel to 144 destinations worldwide
 Grenada	USD 150,000	Three–four months	Visa-free or visa-on-arrival travel to 144 destinations including China, Russia, Singapore, the UK, and Europe's Schengen Area
 St. Kitts and Nevis	USD 150,000	Three–six months	Visa-free or visa-on-arrival travel to 156 destinations including Hong Kong, Russia, Singapore, the UK, and Europe's Schengen Area
 St. Lucia	USD 100,000	Three–four months	Visa-free or visa-on-arrival travel to 146 destinations including Hong Kong, Singapore, the UK, and Europe's Schengen Area

Selected European Golden Visas

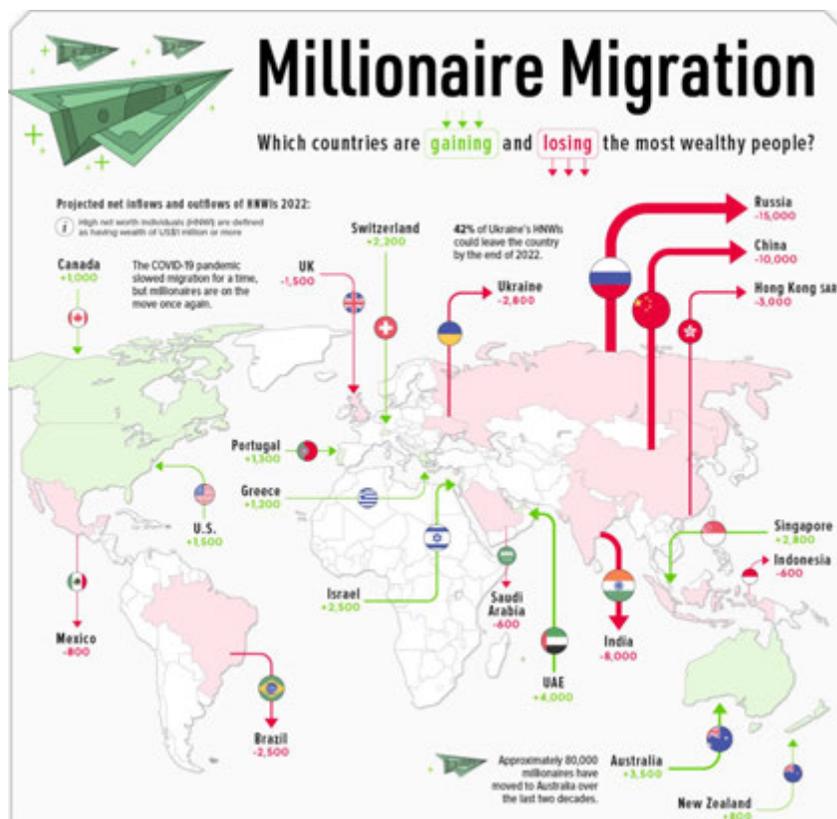
	Minimum capital	Processing time	Key benefit
 Austria	Substantial contribution to the Austrian economy	24–36 months	Opportunity to become an EU citizen upon making a substantial capital contribution
 Malta	EUR 738,000 investment	14–38 months	An attractive place in which to live or own a second home, strategically located, with excellent air links
 Montenegro	EUR 450,000	Eight–ten months	Free movement to Montenegro, the countries in Europe's Schengen Area, Russia, and Türkiye
 North Macedonia	EUR 200,000	Two–five months	Free movement to Hong Kong, Japan, Singapore, Türkiye, and Europe's Schengen Area, among others, as well as an e-visa to India
 Türkiye	USD 400,000	120 days	Free movement to Türkiye, Hong Kong, Japan, and Singapore, among others

Russia, China, and India are Projected to Provide 1/3 of the Migrant HNWI's in 2022

Country	Projected net outflows of HNWI's (2022)	% of HNWI's
Russia	15,000	15%
China	10,000	1%
India	8,000	2%
Hong Kong	3,000	2%
Ukraine	2,800	42%
Brazil	2,500	2%
UK	1,500	0%
Mexico	800	0%
Saudi Arabia	600	1%
Indonesia	600	1%

Figures rounded to the nearest 100.

The UAE and Australia Lead Among Destinations for HNWI Migrants



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More at: <https://migration.ucdavis.edu/rmn/>

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