

Global Wealth Report

July 9, 2020

Why is it in the news?

- Credit Suisse Group has released the 10th edition of its annual Global Wealth Report.

About the report:

- The report tracks both the growth and distribution of wealth in terms of the numbers of millionaires and billionaires and the proportion of wealth that they hold as well as the status of inequality around the world.

Definition of Wealth:

- Wealth is defined in terms of net worth of an individual. It is calculated by adding up the value of financial assets (such as money) and real assets (such as houses) and then subtracting any debts an individual may have.
- According to the report, the drivers of the wealth are (a) Size of population (b) Savings behaviour and (c) levels of economic activity.

Highlights of the report:

- China has overtaken the United States this year to become the country with most people in the top 10% of global wealth distribution.
- The report has found that just 47 million people which accounts for 0.9% of the world's adult population owns \$158.3 trillion which is almost 44% of the world's total wealth.
- On the other hand, 2.88 billion people accounting for almost 57% of the world's adult population owns just \$6.3 trillion or 1.8% of the world's wealth.
- The women's wealth has also grown relative to that of

men in most countries due to rising female labor force participation, more equal division of wealth between spouses and other factors.

Report on India:

- The total wealth in India has increased fourfold between 2000 and 2019, reaching \$12.6 trillion in 2019.
- India ranks fifth globally in terms of the number of ultra-high-net-worth individuals.
- The report has said that 78% of India's adult population has wealth below \$10,000 while 1.8% of India's population has more than \$100,000. At the other extreme, 1,790 adults have wealth over \$100 million.