

Billionaires 2014

Thriving in a Bed of Roses

The distribution of the number of billionaires per million nationals (y-axis, logarithm scale) as a function of GDP (gross domestic product) per capita (x-axis) (Fig. 1) suggests that there is none or only low association between the two variables.

Poor countries also have their roster of billionaires

Many data points are found at the left strip of the chart, extending from the bottom (Vietnam, Tanzania) to the top (St. Kitts and Nevis), meaning that some countries, in spite of their low GDP per capita, may still claim a roster of billionaires. However, in a way more congruent with common sense, a set of countries (Netherlands, UK, Finland and other) assemble at the center of the chart, indicating that billionaires prosper in high-income countries. Statistics confirm this interpretation. There is only a weak linear correlation between the number of billionaires per million and GDP per capita ($r = 0.58$). The level of GDP per capita (Table 1) can explain only 34% of the variation of the ratio of billionaires per million ($R^2 = 0.34$).

US are the billionaire's fatherland

The United States remain the billionaire show window: with a high GDP per capita (USD

52,242) they can boast a record 492 billionaires (an index of 1.54 billionaires per million people). Other rich nations, either big such as Japan, Germany, France and UK, or small like Sweden, Norway and Switzerland have good although less conspicuous standings.

Great wealth and deep poverty side by side

The presence of numerous billionaires in nations ranking among the poorest in terms of GDP per capita, or scoring high percent rates of

population living in "extreme poverty", may upset common morals and equity-conscious minds. It is the show given by the like of India, with 56 billionaires for a nation living on a GDP per capita of only USD 1,404 and 32.7% of extremely poor population living on less than \$1.25 per day; Indonesia with 19 billionaires, a GDP per capita of USD 3,472 and 18.1% of extremely poor population; the Philippines with 10 billionaires, a GDP per capita of 2,766, and 18.4% of extremely poor; or Nigeria with 4 billionaires, a GDP per capita of USD 1,682 and 54.4% of extremely poor population.

The new economy is good for the top percentiles

During the recent decades, the world has witnessed the emergence of new economic

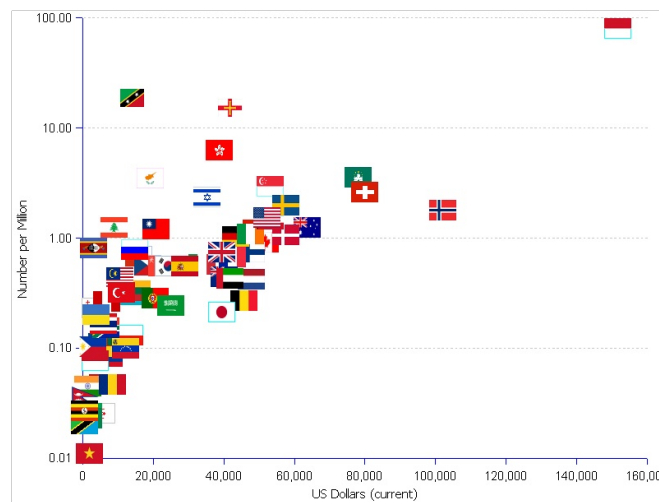



Fig. 1: Distribution of 2014 billionaires by nation (number thereof per million), as a function of the country's GDP per capita.

strength based on abundant natural resources — energy, food or minerals —, on cheap production factors, namely labor, or on sheer financial power. The new economic scenario did not significantly improve the miserable living conditions of the world destitute, may

even have generated more unemployment and downgraded large segments of the middle classes to poverty levels, but it has surely opened a superb window of opportunity for the top quantiles that make the class of world billionaires. 

Billionaires by Nation 2014						
Nation	Population ¹ (million)	Billionaires			GDP ¹	
		Net Worth USD billion ²	Number	Per million nationals	USD billion ²	Per capita
Algeria	39,208	3.20	1	0.03	215.7	5,501
Angola	21,472	3.70	1	0.05	124.0	5,775
Argentina	41,446	11.30	5	0.12	484.6	11,692
Australia	23,343	85.30	29	1.24	1,488.0	63,746
Austria	8,495	33.70	10	1.18	417.9	49,193
Belgium	11,104	8.00	3	0.27	507.4	45,693
Brazil	200,362	191.60	65	0.32	2,190.0	10,930
Canada	35,182	112.60	32	0.91	1,825.0	51,874
Chile	17,620	41.30	12	0.68	281.7	15,988
China	1,385,567	374.80	152	0.11	8,939.0	6,452
Colombia	48,321	30.60	4	0.08	369.2	7,641
Cyprus	1,141	19.70	4	3.51	21.8	19,086
Czech Republic	10,702	18.40	6	0.56	198.6	18,557
Denmark	5,619	26.90	6	1.07	324.3	57,714
Egypt	82,056	22.30	8	0.10	262.0	3,193
Finland	5,426	6.60	4	0.74	259.6	47,841
France	64,291	235.20	43	0.67	2,739.0	42,603
Georgia	4,341	5.20	1	0.23	16.0	3,674
Germany	82,727	400.90	85	1.03	3,593.0	43,432
Greece	11,128	8.20	3	0.27	243.3	21,864
Guernsey	0,066	2.40	1	15.24	2.7	41,796
Hong Kong	7,204	213.70	45	6.25	279.7	38,827
India	1,252,140	191.50	56	0.04	1,758.0	1,404
Indonesia	249,866	47.70	19	0.08	867.5	3,472
Ireland	4,627	25.50	5	1.08	220.9	47,740
Israel	7,733	51.80	18	2.33	272.7	35,264
Italy	60,990	158.00	35	0.57	2,068.0	33,907
Japan	127,144	100.80	27	0.21	5,007.0	39,381
Kazakhstan	16,441	9.20	5	0.30	224.9	13,680
Kuwait	3,369	6.40	5	1.48	179.5	53,287
Lebanon	4,822	12.30	6	1.24	43.5	9,019
Lithuania	3,017	1.00	1	0.33	46.7	15,483
Macau	0,566	2.80	2	3.53	44.3	78,217
Malaysia	29,717	53.00	13	0.44	312.4	10,513
Mexico	122,332	142.90	16	0.13	1,327.0	10,847
Monaco	0,038	4.60	3	79.30	5.7	151,939
Morocco	33,008	7.40	4	0.12	104.8	3,175
Nepal	27,797	1.10	1	0.04	19.3	696
Netherlands	16,759	24.20	7	0.42	800.5	47,765
New Zealand	4,506	9.80	2	0.44	181.1	40,193
Nigeria	173,615	33.30	4	0.02	292.0	1,682
Norway	5,043	21.80	9	1.78	515.8	102,287
Oman	3,632	2.30	2	0.55	82.0	22,561
Peru	30,376	11.80	8	0.26	210.3	6,923
Philippines	98,394	40.10	10	0.10	272.2	2,766
Poland	38,217	12.80	5	0.13	513.9	13,447
Portugal	10,608	10.60	3	0.28	219.3	20,673
Romania	21,699	1.20	1	0.05	183.8	8,471
Russia	142,834	422.20	111	0.78	2,113.0	14,793
Saudi Arabia	28,829	49.00	7	0.24	718.5	24,923
Singapore	5,412	45.00	16	2.96	287.4	53,107
South Africa	52,776	25.40	8	0.15	353.9	6,706
South Korea	49,263	60.40	27	0.55	1,198.0	24,319
Spain	46,927	122.50	26	0.55	1,356.0	28,896
St. Kitts and Nevis	0,054	1.20	1	18.45	0.8	14,154
Swaziland	1,250	3.70	1	0.80	3.8	3,047
Sweden	9,571	116.70	19	1.99	552.0	57,674
Switzerland	8,078	80.10	21	2.60	646.2	79,997
Taiwan	23,300	75.80	28	1.20	484.7	20,803
Tanzania	49,253	1.00	1	0.02	31.9	648
Thailand	67,011	25.20	11	0.16	400.9	5,983
Turkey	74,933	43.00	24	0.32	821.8	10,967
Uganda	37,579	1.10	1	0.03	22.6	601
Ukraine	45,239	26.60	9	0.20	175.5	3,879
United Arab Emirate	9,346	14.60	4	0.43	390.0	41,729
United Kingdom	63,136	153.90	47	0.74	2,490.0	39,439
United States	320,051	2,318.50	492	1.54	16,720.0	52,242
Venezuela	30,405	9.00	3	0.10	367.5	12,087
Vietnam	91,680	1.60	1	0.01	170.0	1,854
World	7,162,119	6,446.50	1,645	0.23	73,870.0	10,314
Average		93.30		2.37		27,329
Median		25.20		0.43		18,557
r						0.58 ³
R ²						0.34 ⁴

¹ Population and GDP values for 2012.

² USD current.

³ Coefficient of correlation for Number of billionaires per million nationals-GDP per capita.

⁴ Coefficient of determination for Number of billionaires per million nationals-GDP per capita.

Table 1:
Billionaires by
nation.

The billionaire class seems unstoppable both in terms of number (7.84% annual average growth, 1996-2014), and most notably in terms of net worth (8.5% annual average growth).

Notwithstanding the financial and economic downturn that hit the world in late 2007, the number of billionaires has recently undergone a momentous boost, jumping to 1,645 in 2014,

and so did their wealth (Fig.2), currently amounting to USD 6,446 billion (USD 6,048 billion constant). Meanwhile, 20.63% of the world population or more than 1,2 billion people survive on less than \$1.25 per day, millions evaporated from the labor force raising to 1.9 billion the number of neither-employed-nor-

unemployed working age people, and the world counts more than 225 million people without a job, including 23 million "discouraged job seekers".

Billionaires rise to unprecedented heights

Surely, the number and the fortune of the world billionaires could not totally avoid some bumps (Table 2). They lost 11.5% of members, and 21.8% of net worth in the 2000 burst of the internet bubble. By 2004, however, they had more than recovered from the losses. The global financial and economic crises of 2008 also expelled 29.5% former billionaires from the club, and caused many billion-worth asset losses (-45.9%). The recovery has been staggering. While the rest of the world struggles with a growing crisis made of recession or stagnation, massive

unemployment, huge debt, shrinking incomes, rising taxes and an increasingly difficult survival, the billionaire group not only fully recovered from the disaster, but even reached unprecedented heights. From 2009 to 2014 it doubled in size, and grabbed a fortune 1.5 times as big.

Covetable long-term trend

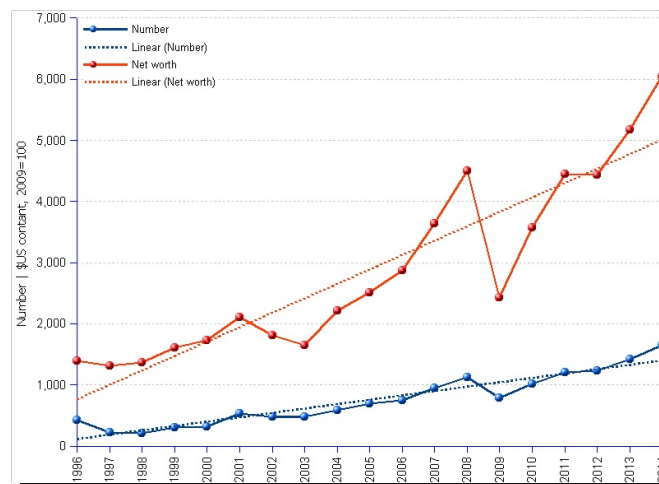


Fig.2: Trends of billionaire population and net worth, 1996-2014.

Over the period 1996-2014, the club membership has swollen at the high average annual rate of 7.84% (doubling time 9 years), and their collective real net worth got bigger and bigger at an even faster rate of 8.5% (doubling time 8.5 years). Such a performance ridicules the world's wealth growth, as measured


by the gross world product (GWP) after adjusting for inflation, that could not do better than an average rate of 3.09% (doubling time 22.8 years).

Prospering in troubled times

The contrasting performance of billionaires and the commoners takes an obscene profile if one considers the post-2008 period. Indeed, while the world economy grew at the annual average rate of 2.1% (doubling time 33.4 years), billionaires' wealth warped at a 20% annual rate (doubling time 3.8 years).

It is general knowledge that troubled times are peculiarly auspicious to categories of people endowed with the right assets and the suitable personal attributes. Obviously, billionaires' wealth could only grow ten times as fast as the

overall world's output, by virtue of their aptness to successfully redirect to their own balance sheets a growing chunk of assets produced by the common people. Some will say that the goddess of fortune offers her

harlot charms to whomever can bear the expense, and billionaires know best how to make sense of the opportunity — good for them, too bad for the rest of the people. 

World Billionaires Trends 1996-2014			
Year	Number	Net Worth	
		USD billion current	USD billion constant (2009=100) ¹
1996	423	1,050	1,392
1997	224	1,010	1,315
1998	209	1,069	1,369
1999	298	1,271	1,610
2000	322	1,386	1,731
2001	538	1,729	2,111
2002	472	1,516	1,809
2003	476	1,403	1,650
2004	587	1,917	2,210
2005	691	2,236	2,509
2006	744	2,645	2,876
2007	946	3,452	3,641
2008	1,125	4,381	4,501
2009	793	2,415	2,433
2010	1,011	3,568	3,568
2011	1,210	4,496	4,443
2012	1,226	4,575	4,433
2013	1,426	5,432	5,173
2014	1,645	6,446	6,048
Average annual growth, 1996-2014	7.84%		8.50%
Doubling time in years	9.18		8.5
Average annual growth, 1996-2008 ²	8.49%		10.28%
Doubling time in years	8.51		7.08
Average annual growth, 2009-2014 ²	15.70%		20.00%
Doubling time in years	4.75		3.8
¹ Adjusted after applying the GDP deflator index for the preceding year.			
² The average rates for the partial time series are higher than the rate for the entire 1996-2014 period, because they do not include the brutal fall from 2008 to 2009.			

Table 2: Billionaires – trends 1996-2014.

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Source:

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