Biggest Ever Study Of Global Affluence Shows 80% Of Worlds Wealthy Are Still In The West

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TNSâ€™s Global Affluent Investor reveals chequered picture of world affluence

World-leading research company TNS has today unveiled the results of the biggest global study into the attitudes and investment priorities of the affluent - painting a timely picture of wealth, post global recession.

While the United States still ranks as the worldâ€™s most prosperous country, with 31m affluent households, the study reveals that the emerging economies of India and China have overtaken many European countries in this measure of consumer wealth.

Based on interviews with 12,000 people across 24 markets including China, Brazil and India, TNSâ€™s Global Affluent Investor study shows that the growth of developing economic powerhouses is already starting to impact personal fortunes, among households with more than $100,000 investable assets[1].

It also shows that emerging markets now rival their developed counterparts in terms of the amount that people have to invest. UAE and India appear in the top five countries where the affluent have more than $1m investable assets on average, alongside Singapore and Hong Kong. The only Europeans to feature in this top five are the Swedish, whilst the UK and France are the least likely in Europe to have these levels of investable assets.

While incidence of affluence would naturally be higher in small, wealthy countries like Luxemburg (29%) and Singapore (20%), there are huge contrasts in markets with large populations; while 27% of the US are affluent this falls to around 1% in India and China. This demonstrates a great contrast in wealth distribution within emerging markets, even where the actual number of affluent households is high and highlights a need for very precise marketing strategies to reach the right audience.

Reg van Steen, Director Business and Finance, TNS, comments:
â€œWhen examining global incidence of affluence, itâ€™s not only size that matters. We wanted to identify the growth potential each market â€“ and our research confirms that emerging markets will become new centres of affluence in coming years. India and China have already surpassed major European markets like Germany and France. Itâ€™s interesting to see that the entrepreneurial spirit of people in these markets is already paying off in terms of personal wealth.â€•

Fundamental social shifts are unearthed when examining the demographics of the worldâ€™s affluent. While they average 57 years old in North America and Northern Europe, this falls to the early 40s in Australia, Singapore and Hong Kong. While men are the primary decision makers among affluent households in India (80% men) and Central Europe (79%), the balance is spread far more evenly in North America (45% men).

TNSâ€™s findings also demonstrate regional contrasts in terms of what the affluent actually invest in. While the Chinese, Indian and German affluent are keen investors in precious metals (cited by 35%, 33% and 23% of respondents respectively), this falls to just 3% in Sweden, Norway and the Netherlands, and 2% in Denmark and Israel.

Reg van Steen continues:
â€œDespite todayâ€™s pan-global financial trends, itâ€™s important to recognise the diversity in local preferences when it com asset allocation. We detected big differences between markets, even when they border each other geographically: only 5% of Norwegians invest in bonds, compared to 31% of the Swedes. And while the popularity of commodities fluctuates at a global level, they are very popular among Indiaâ€™s affluent. These are the insights that make all the difference when trying to engage the wealthy with a specific product or service.â€•

About TNSâ€™s Global Affluent Investor
The Global Affluent Investor is a unique programme that delivers valuable insights into the investment behaviour of affluent households worldwide.

The Global Affluent Investor covers 24 markets worldwide: US, Canada, Brazil, Netherlands, Belgium, Luxemburg, France, Germany, UK, Sweden, Finland, Norway, Denmark, Italy, Portugal, Spain, Czech Republic, UAE, Israel, Hong Kong, China, India, Singapore, Australia.

Fieldwork for this study was conducted online in the period May-August 2011. In total 12,092 decision makers of affluent households were interviewed for the Global Affluent Investor.

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