

## The next decade in global wealth among millionaire households

Highlights from a study  
conducted by the Deloitte  
Center for Financial Services

[www.deloitte.com/us/cfs](http://www.deloitte.com/us/cfs)

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# Contents

Foreword

Background

Main findings

Detailed forecasts

Global asset allocation preferences

United States overview

United States regions

Appendix

**Produced by the Deloitte Center for Financial Services — Insights. Research. Connections.**

Headquartered in New York City, the Deloitte Center for Financial Services (“The Center”) developed the survey and provides insight and research to help improve the business performance of banks, private equity, hedge funds, mutual funds, insurance and real estate organizations operating globally. The Center helps financial institutions understand and address emerging opportunities in risk and information technology, regulatory compliance, growth, and cost management.

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# Foreword

Global wealth management has entered a new chapter in its evolution. As wealth managers recalibrate their strategies in the post-crisis environment, it is critical that they have a strong understanding of which economies present the greatest opportunities for business growth. There are, obviously, many factors at play that no wealth manager can ignore, including secular trends such as the rise of emerging markets, changing demographics, and evolving preferences for various asset classes.

To help address the challenges facing today's wealth managers, the Deloitte Center for Financial Services sought to go beyond some existing wealth management statistics by looking both into the future and across the globe to forecast how wealth among millionaire households might grow. We chose to look a decade forward in the belief that such a view is meaningful for strategic planning, operations, market segmentation, and other decisions.

The study's main finding is, at heart, a paradox: In spite of exceptional growth in emerging markets, it is developed markets that are expected to remain the global centers of wealth over the next decade, in terms of both the amount of wealth held and the number of millionaire households. Furthermore, the data suggest that emerging markets are not uniformly similar—in terms of size and growth potential as well as asset allocation preferences, these markets offer a variety of prospects.

Asset and wealth managers looking at the study can draw their own conclusions about how best to direct their resources to take advantage of opportunities provided by the economies included in our study. However, we believe this research offers an unprecedentedly rich picture of the evolution of global wealth in the next decade.

Kind regards,



**Andrew L. Freeman**  
Executive Director  
Deloitte Center for  
Financial Services



**Val Srinivas**  
Head of Research,  
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# Background

This study was sponsored by the Deloitte Center for Financial Services and conducted with Oxford Economics. It examines the next decade in global wealth in 25 economies selected for their size, growth potential and strategic importance. We present estimates of the current number of households above specific wealth thresholds, and also forecasts of their growth rate over the next ten years. In addition, a more in-depth analysis provides regional and state wealth forecasts for the United States, with specific focus on the number of millionaire households.

Since socio-economic developments are often key determinants of medium and long-term growth in wealth, understanding how these trends affect movements in various wealth cohorts can be of strategic importance when developing wealth management business strategies. Additionally, as significant opportunities for wealth managers appear to be related to the acceleration of wealth creation in emerging market economies, the global perspective provided by this study is central to any wealth management discussion.

This study's definition of wealth includes many financial assets (stocks, bonds and other investments) and non-financial assets including primary residence, durables, business equity and other assets.

**These 25 economies were chosen for their size and growth potential to wealth management businesses globally \***

Australia	Japan	Spain
Brazil	Malaysia	Sweden
Canada	Mexico	Switzerland
China	Netherlands	Taiwan
France	Norway	Turkey
Germany	Poland	United Kingdom
Hong Kong	Russia	United States
India	Singapore	
Italy	South Korea	

\*Specific data on the 25 economies are included in the Appendix

# Notes on study methodology

- This study reports estimates of the number (and density) of households with net wealth in the \$1m–\$5m, \$5m–\$30m, and \$30m+ cohorts.
- Official exchange rates are used because this metric is more directly relevant to wealth managers seeking to compare market size and investment opportunities across economies.
- “Wealth” in this study includes the primary residence. Although it is customary for the wealthy to be grouped into categories according to levels of investable assets (i.e., excluding primary residence), on a cross-country basis the available data rarely makes such distinctions possible.
- In order to maximize the reliability of our estimates, the analysis presented herein relies solely on actual, secondary data sources, and not subjective judgments.
- Having estimated the current population of wealthy individuals by economy, our approach to forecasting future changes in their numbers involves two steps.
  - First, a breakdown of wealth holdings across broad asset categories is established for each cohort of interest.
  - Second, the value of these portfolios is projected forward using forecasts for relevant factors such as stock prices, house prices, and interest rates, which are contained within the Oxford Economics Global Model (see Appendix). This modeling approach allows for shifts in the overall distribution of wealth across time, rather than imposing aggregate wealth projections onto a static distribution.

**Please note:** For the purposes of this presentation, many numbers have been rounded.

Source: Oxford Economics and Deloitte analysis

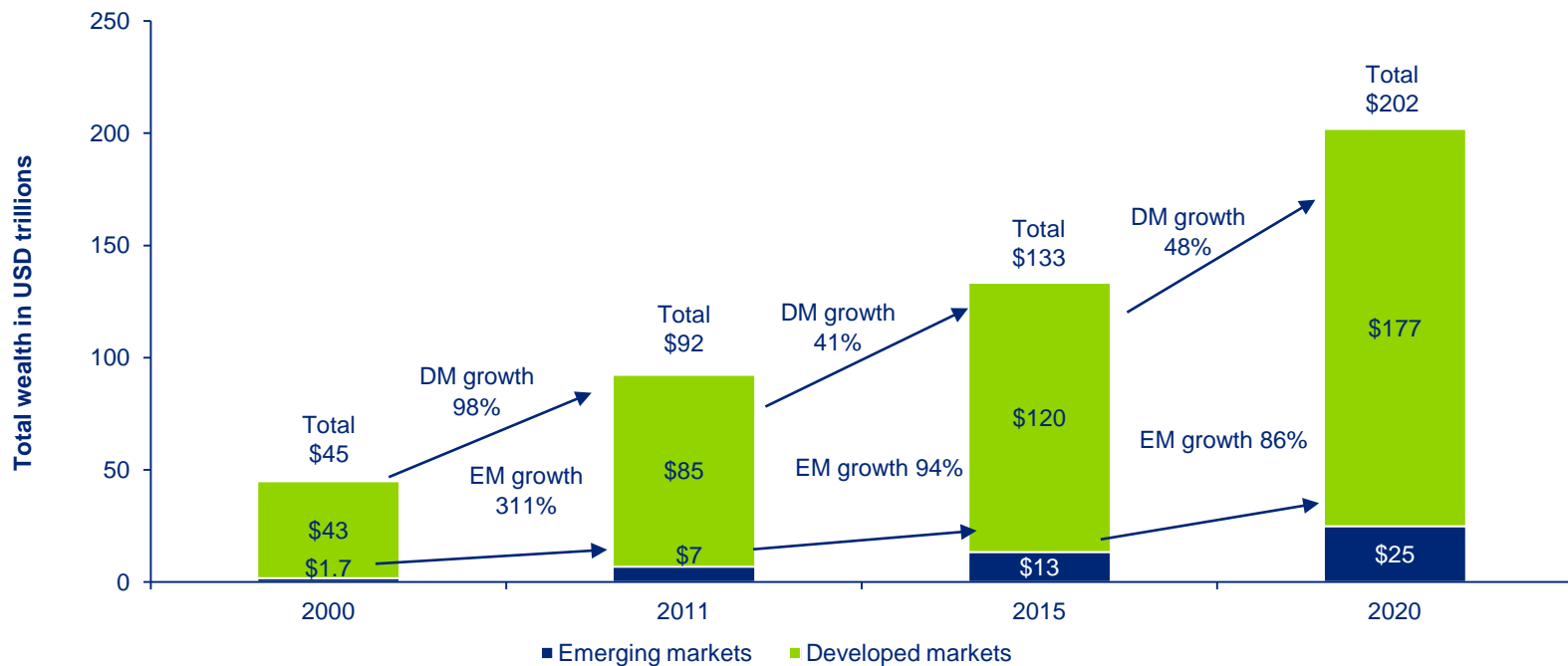
# Main findings

# Main findings of this study

- According to our analysis, the total wealth of millionaire households in the 25 economies included in this study is forecast to **grow from \$92 trillion in 2011 to \$202 trillion in 2020.**
- **Our study suggests that the rebalancing of global wealth is expected to accelerate over the next decade.** Emerging market (EM) economies are likely to prove to be more dynamic in terms of growth rates, creating significant opportunities for wealth managers seeking to gain a share of these potentially lucrative markets. Among emerging markets, China may continue to be the driving force in the growth of millionaire wealth, followed by Brazil and Russia. Of the 25 economies examined in this study, China and South Korea are likely to join the top10 in terms of the total number of millionaires by 2020.
- However, there is a paradox at the heart of this story. According to our study, in spite of the rapid growth of wealth in the EM economies, **U.S. and Europe will remain the global centers of wealth over the next decade**, in terms of both the amount of wealth held and the number of millionaire households. Our analysis indicates that aggregate wealth of millionaire households in the U.S. in 2020 will likely reach \$87 trillion, from \$39 trillion in 2011.
- Our forecasts suggest that, in 2020, 43% of the world's wealth among millionaire households will be in the U.S. **Opportunities for growth potentially exist via greater U.S. state penetration.** In the U.S., California will likely have the most number of wealthy households, while New Jersey may continue to have the greatest density. The East Coast is likely to see the highest growth rates — New York and Florida together may add 1.5 million new millionaire households by 2020.

# Growth of total wealth among millionaire households in 25 economies (2000–2020)

Our forecasts suggest that total wealth among millionaire households will increase from \$92 trillion in 2011 to \$202 trillion by 2020, a growth of 119%. In emerging markets, the growth over the next decade is potentially quite impressive (260%), significantly outpacing the growth (107%) in developed markets.



**Developed markets:** Australia, Canada, France, Germany, Hong Kong, Italy, Japan, Netherlands, Norway, Singapore, Spain, Sweden, Switzerland, United States, and United Kingdom

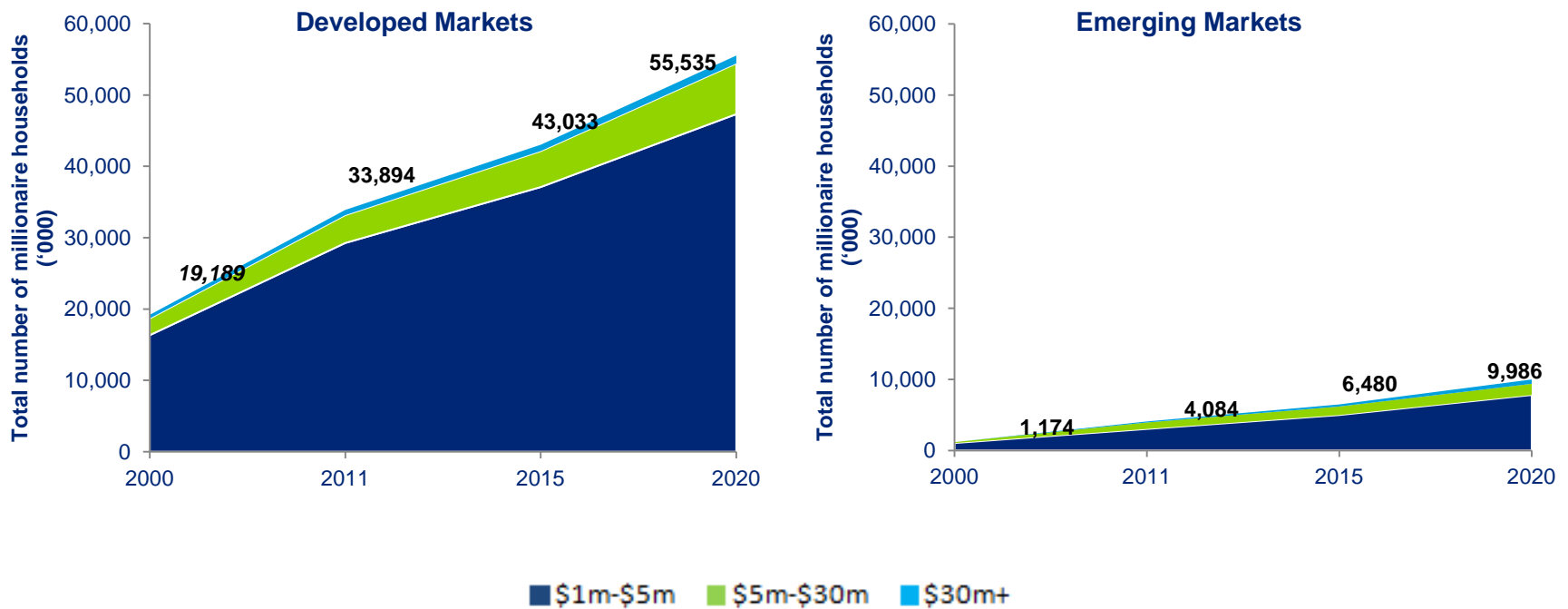
**Emerging markets:** Brazil, China, India, Malaysia, Mexico, Poland, Russia, South Korea, Taiwan, and Turkey

Source: Deloitte analysis and Oxford Economics



# Growth in total number of millionaire households in 25 economies (2000–2020)

Our analysis suggests that although growth in the total wealth of millionaire households in EM will outpace DM, the latter will likely remain home to the significant share of millionaire households over the next decade. In DM, the \$5-\$30 million cohort will likely grow substantially over the next decade. And not surprisingly, as per our study, the \$1-\$5 million cohort will comprise the largest group in both DM and EM.



Source: Deloitte analysis and Oxford Economics

Detailed forecasts

# Developed markets: Key forecasts

- Overview

- Of the 25 economies analyzed, the top 10 wealth management markets are mostly comprised of developed markets. China is likely an exception, with an estimated wealth of \$8.2 trillion in 2020.
- Our analysis suggests that Australia will make an entry into the top 10 in 2020 with 1.6 million millionaire households.
- According to this study, the U.S will roughly maintain its share in the wealth market over the next decade (42% in 2011 to 43% in 2020). Japan will likely see its share drop from 11% in 2011 to 9% in 2020.

- Global leaders

- As per our analysis, the U.S. is likely to continue to dominate with the total wealth of millionaire households projected to rise from \$39 trillion in 2011 to \$87 trillion in 2020.
- The U.S. is likely to continue to be home to the largest number of millionaires, potentially rising from 10.5 million households in 2011 to 20.5 million households in 2020. Its nearest competitor may be Japan with an estimated 8.6 million millionaire households in 2020.

- Density\*

- Hong Kong is likely to have the highest density of millionaires in 2020 with 47% of the population holding more than \$1 million in wealth, potentially followed by Singapore with 37% and Switzerland with 24%.
- At 1.82%, Singapore may have the highest percentage of households with over \$30 million in wealth to total number of households, potentially followed by Switzerland with 0.6%. Our analysis indicates that Spain may have the lowest proportion of millionaires with more than \$30 million in wealth among our 25 economies.

- Per capita wealth

- While Switzerland is likely to have the highest per capita wealth overall in 2011 with \$4.2 million, Singapore may rank number one in 2015 and 2020 with \$4.5 million and \$5.4 million in per capital wealth.
- The U.S. will likely have the fifth highest per capita wealth in 2020 at \$4.23 million.

\* In this study, 'density' refers to the proportion of millionaire households in a given total population.

# Emerging markets: Key forecasts

- Overview

- Among the 25 economies analyzed, China is likely to be among the top 10 wealthiest economies by 2015 with an estimated \$3.6 trillion in wealth.
- Among the BRIC economies, India is likely to experience the largest growth in total millionaire wealth (405%) over the next decade. This study suggests that China's wealth among millionaires will grow by 394%, followed by Brazil at 257%, and Russia at 241%.

- Wealth by cohort

- In the \$1–\$5 million cohort, South Korea may have the highest number of millionaires among emerging economies with 1.51 million households in 2020. China will likely follow closely with 1.48 million households.
- In the \$5–\$30 million cohort, China will potentially see 689,000 households by 2020, the third highest of the 25 economies included in this study. Russia may arrive in eleventh place with 153,000 millionaire households.
- According to our study, in the \$30m and above cohort, China, Brazil, and India will take second, fifth, and sixth place respectively with 327,000; 67,000; and 56,000 millionaire households.

- Density

- Unsurprisingly, emerging markets will likely appear at the lower end of the density of millionaire households ranking. India may have the lowest density ranking in 2020 with 0.3% of households holding more than \$1 million in wealth, potentially followed by China and Poland.

- Per capita wealth

- Among emerging markets in 2020, India is likely to have the highest per capita wealth among millionaires with \$4.25 million — placing it ahead of the U.S. This study suggests that Russia will have a per capita wealth among millionaires of \$2.2 million in 2020, while Brazil will likely see \$2 million. South Korea will likely appear in last place with a per capita income of \$1.4 million in 2020.

# Global ranking by total wealth among millionaire households (2011–2020)

According to our study, the total wealth among millionaire households of the 25 economies in this study generally exhibit little change in their ranking over the next decade. Emerging market economies will likely see some upward movement in rank (e.g., China).

Total wealth in USD trillions					
2011	Total	\$92.26	2020	Total	\$ 201.95
1	United States	\$38.60	1	United States	\$87.11
2	Japan	\$10.00	2	Japan	\$19.02
3	Italy	\$5.71	3	Germany	\$10.94
4	United Kingdom	\$5.69	4	United Kingdom	\$10.58
5	Germany	\$5.14	5	Italy	\$9.48
6	France	\$4.62	6	France	\$8.31
7	Canada	\$3.35	7	China	\$8.24
8	Hong Kong	\$2.48	8	Canada	\$6.77
9	Switzerland	\$2.41	9	Hong Kong	\$5.70
10	Spain	\$2.17	10	Switzerland	\$4.33
11	Netherlands	\$1.75	11	Australia	\$3.64
12	China	\$1.67	12	Spain	\$3.42
13	Australia	\$1.49	13	Netherlands	\$3.14
14	Taiwan	\$1.26	14	Taiwan	\$3.03
15	South Korea	\$0.99	15	India	\$2.95

Total wealth in USD trillions					
2011	Total	\$92.26	2020	Total	\$ 201.95
16	Singapore	\$0.88	16	Russia	\$2.70
17	Russia	\$0.79	17	South Korea	\$2.50
18	Sweden	\$0.71	18	Singapore	\$2.42
19	India	\$0.58	19	Brazil	\$2.04
20	Brazil	\$0.57	20	Sweden	\$1.38
21	Turkey	\$0.46	21	Turkey	\$1.34
22	Mexico	\$0.36	22	Mexico	\$1.12
23	Norway	\$0.36	23	Norway	\$0.84
24	Malaysia	\$0.14	24	Malaysia	\$0.69
25	Poland	\$0.08	25	Poland	\$0.26

Source: Deloitte analysis and Oxford Economics

DM EM

# Global ranking by total number of millionaire households (2011–2020)

In terms of the total number of millionaire households, emerging markets are likely to see an upward movement in rank, with some economies rising meaningfully (South Korea, Mexico) and others dropping slightly (Taiwan, Turkey).

Number of millionaire households ('000s)					
2011	Total	37,978	2020	Total	65,521
1	United States	10,541	1	United States	20,551
2	Japan	5,705	2	Japan	8,649
3	Germany	3,485	3	Germany	5,789
4	United Kingdom	2,904	4	United Kingdom	3,814
5	France	2,653	5	Italy	3,552
6	Italy	2,476	6	France	3,346
7	Canada	1,745	7	China	2,500
8	China	1,312	8	Canada	2,413
9	Spain	1,022	9	South Korea	1,730
10	Taiwan	719	10	Australia	1,620
11	Netherlands	713	11	Spain	1,602
12	Hong Kong	711	12	Taiwan	1,264
13	Australia	698	13	Russia	1,205
14	Switzerland	573	14	Hong Kong	1,178
15	South Korea	520	15	Brazil	1,001

Number of millionaire households ('000s)					
2011	Total	37,978	2020	Total	65,521
16	Russia	375	16	Netherlands	959
17	Brazil	303	17	Switzerland	872
18	India	286	18	India	694
19	Turkey	273	19	Mexico	615
20	Sweden	252	20	Turkey	601
21	Singapore	237	21	Singapore	449
22	Norway	178	22	Sweden	422
23	Mexico	170	23	Norway	319
24	Malaysia	76	24	Malaysia	249
25	Poland	50	25	Poland	126

Source: Deloitte analysis and Oxford Economics

DM EM

# Global ranking by total number of millionaire households (2011–2020): \$1–\$5 million cohort

In terms of the number of millionaire households, our study suggests that developed economies will lead the \$1–\$5 million wealth cohort, though the decade may potentially see a shift towards more households holding \$1–\$5 million in wealth in emerging markets (e.g., South Korea).

Number of millionaire households ('000s) — \$1M–\$5M Cohort					
2011	Total	32,285	2020	Total	55,127
1	United States	7,753	1	United States	15,748
2	Japan	5,403	2	Japan	7,841
3	Germany	3,333	3	Germany	5,540
4	United Kingdom	2,798	4	United Kingdom	3,685
5	France	2,533	5	France	3,109
6	Italy	2,103	6	Italy	3,016
7	Canada	1,546	7	Canada	2,152
8	Spain	911	8	South Korea	1,506
9	China	802	9	China	1,484
10	Taiwan	689	10	Australia	1,450
11	Netherlands	657	11	Spain	1,441
12	Australia	616	12	Taiwan	1,190
13	Hong Kong	581	13	Russia	1,003
14	Switzerland	468	14	Hong Kong	869
15	South Korea	435	15	Netherlands	821

Number of millionaire households ('000s) — \$1M–\$5M Cohort					
2011	Total	32,285	2020	Total	55,127
16	Russia	269	16	Brazil	798
17	Turkey	211	17	Switzerland	657
18	India	210	18	Turkey	512
19	Sweden	209	19	India	508
20	Brazil	195	20	Mexico	507
21	Singapore	188	21	Singapore	366
22	Norway	159	22	Sweden	349
23	Mexico	124	23	Norway	277
24	Malaysia	53	24	Malaysia	212
25	Poland	38	25	Poland	86

Source: Deloitte analysis and Oxford Economics

DM EM

# Global ranking by total number of millionaire households (2011–2020): \$5–\$30 million cohort

Within the \$5–\$30 million wealth cohort, China is likely to be the standout emerging market among the 25 economies examined in this study. South Korea may see significant upward movement in its rank between 2011 and 2020.

Number of millionaire households ('000s) — \$5M–\$30M Cohort					
2011	Total	4,823	2020	Total	8,674
1	United States	2,292	1	United States	4,183
2	China	464	2	Japan	712
3	Italy	355	3	China	689
4	Japan	282	4	Italy	486
5	Canada	182	5	Hong Kong	296
6	Hong Kong	120	6	Canada	234
7	Germany	114	7	Switzerland	194
8	Spain	100	8	France	185
9	France	96	9	South Korea	183
10	Switzerland	96	10	Germany	178
11	Brazil	91	11	Russia	153
12	Russia	85	12	Australia	146
13	United Kingdom	73	13	Spain	141
14	South Korea	71	14	Brazil	135
15	Australia	71	15	India	130

Number of millionaire households ('000s) — \$5M–\$30M Cohort					
2011	Total	4,823	2020	Total	8,674
16	Turkey	52	16	Netherlands	110
17	India	50	17	Mexico	92
18	Mexico	44	18	United Kingdom	87
19	Singapore	43	19	Taiwan	63
20	Netherlands	40	20	Turkey	62
21	Sweden	30	21	Singapore	61
22	Taiwan	27	22	Sweden	56
23	Malaysia	19	23	Norway	36
24	Norway	15	24	Poland	32
25	Poland	11	25	Malaysia	29

Source: Deloitte analysis and Oxford Economics

DM EM



# Global ranking by total number of millionaire households (2011–2020): \$30+ million cohort

Our analysis suggests that in the \$30+ million wealth cohort, emerging markets may fare comparatively better than in smaller wealth cohorts. Most emerging markets are likely to see an improvement in their rank over the next decade. China may continue to hold its place as the economy with the second highest number of millionaires holding \$30 million in wealth or more.

Number of millionaire households ('000s) — \$30M +Cohort					
2011	Total	871	2020	Total	1,719
1	United States	496	1	United States	620
2	China	46	2	China	327
3	Germany	38	3	Japan	96
4	United Kingdom	33	4	Germany	71
5	India	26	5	Brazil	67
6	France	24	6	India	56
7	Russia	21	7	France	52
8	Japan	20	8	Italy	50
9	Italy	18	9	Russia	49
10	Canada	17	10	United Kingdom	42
11	Brazil	17	11	South Korea	41
12	Netherlands	16	12	Netherlands	28
13	South Korea	14	13	Turkey	28
14	Sweden	13	14	Canada	27
15	Australia	12	15	Australia	24

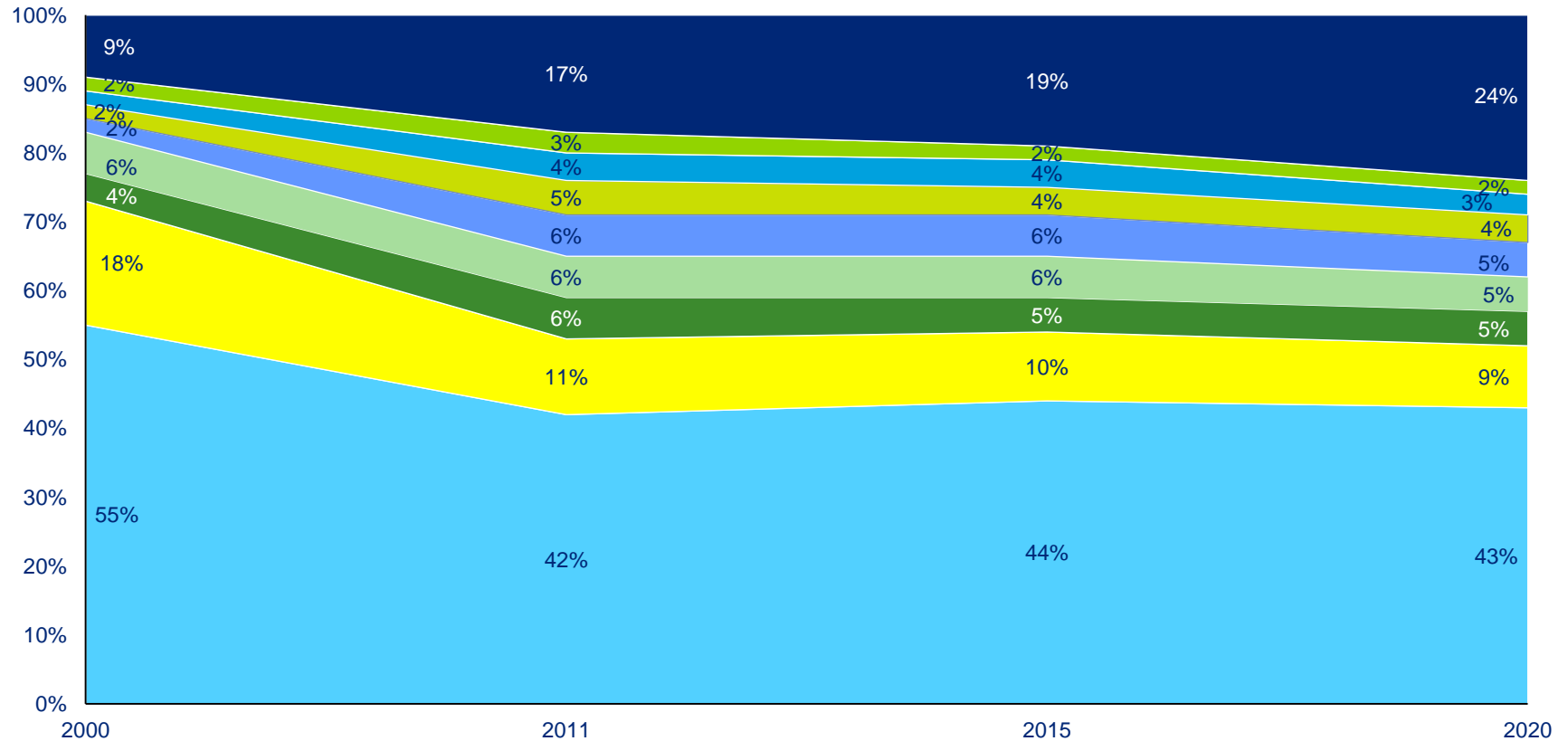
Number of millionaire households ('000s) — \$30M +Cohort					
2011	Total	871	2020	Total	1,719
16	Spain	11	16	Singapore	22
17	Turkey	10	17	Switzerland	22
18	Hong Kong	10	18	Spain	20
19	Switzerland	9	19	Mexico	16
20	Singapore	5	20	Sweden	16
21	Taiwan	4	21	Hong Kong	13
22	Malaysia	4	22	Taiwan	11
23	Norway	4	23	Poland	8
24	Mexico	3	24	Malaysia	8
25	Poland	1	25	Norway	6

DM EM

Source: Deloitte analysis and Oxford Economics

# Share of U.S. wealth among global millionaires (2000–2020)

Although the share of U.S. millionaire wealth among global millionaires fell from 55% in 2000 to 42% in 2011, it is likely to retain its current share of global wealth over the next decade.

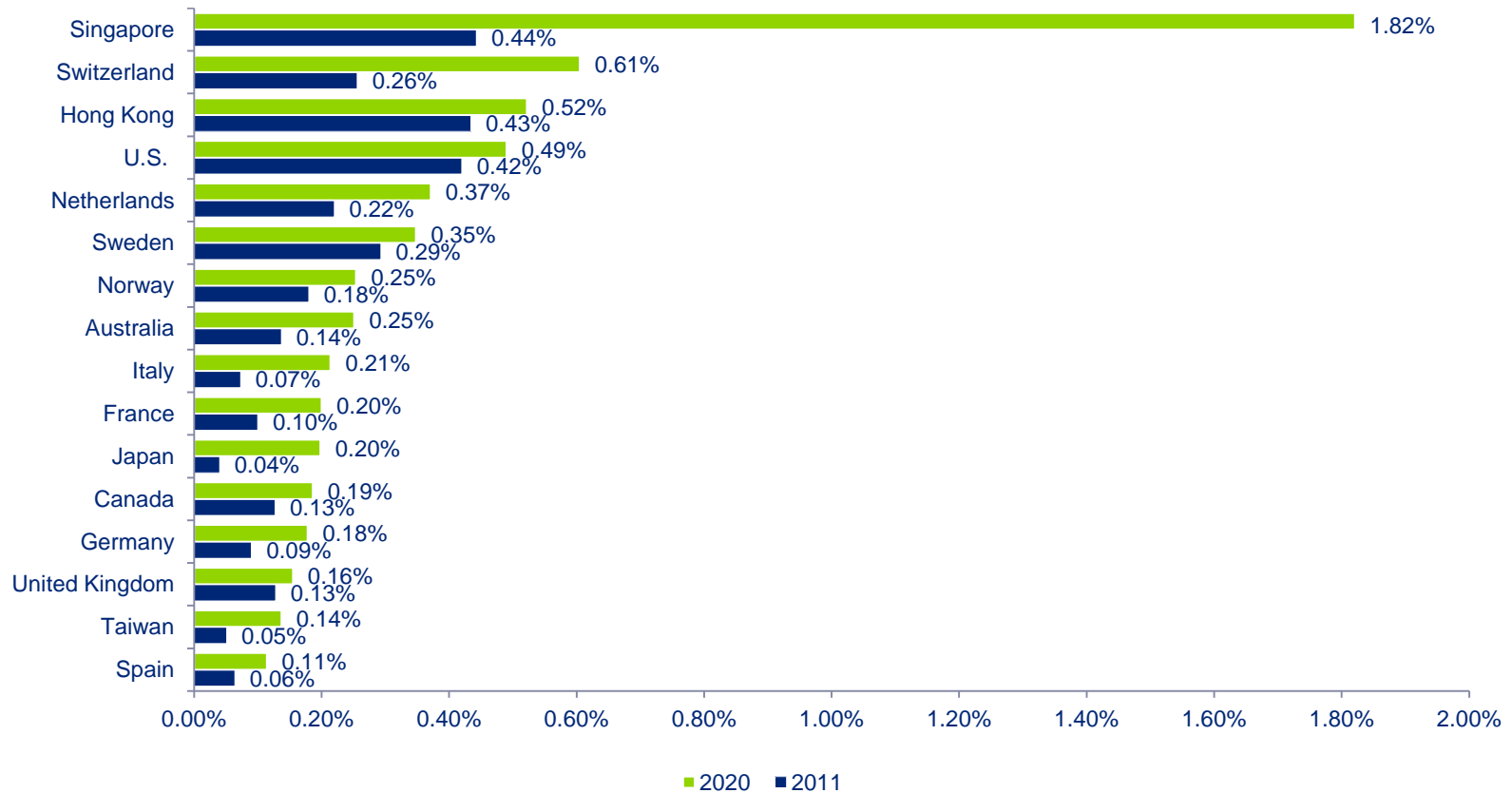


U.S. Japan Italy UK Germany France Canada Switzerland Other countries

Source: Deloitte analysis and Oxford Economics

# Developed markets: Ultra-wealthy (\$30 m+) as a percent of the population of households

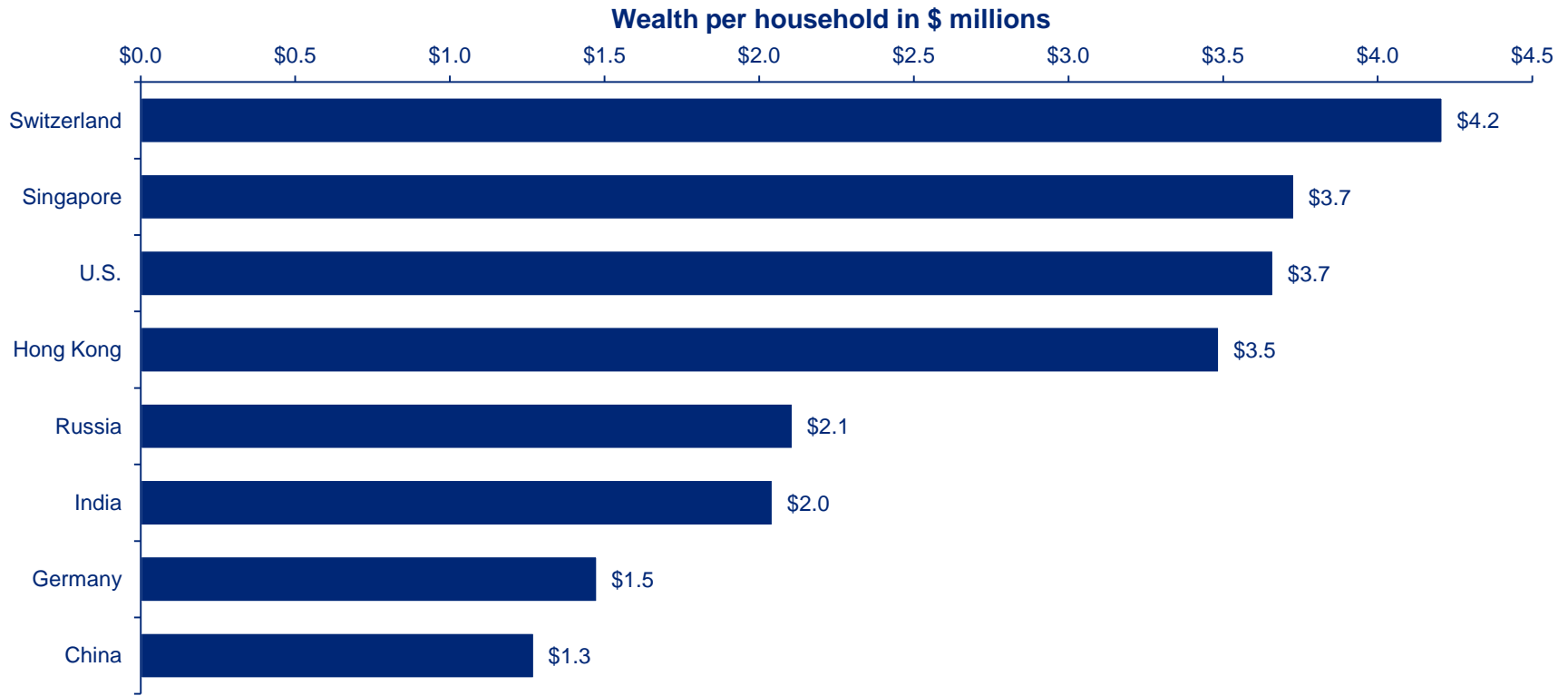
The proportion of the ultra-wealthy in relation to total households in 2020 is likely to be the highest in Singapore.



Source: Deloitte analysis and Oxford Economics

# Wealth per millionaire household in 2011

According to our analysis, millionaire households in Switzerland are likely to have an average of \$4.2 million in wealth — the highest among the 25 economies included in this study. China may have the least average wealth among its millionaire households (\$1.3 million per household).

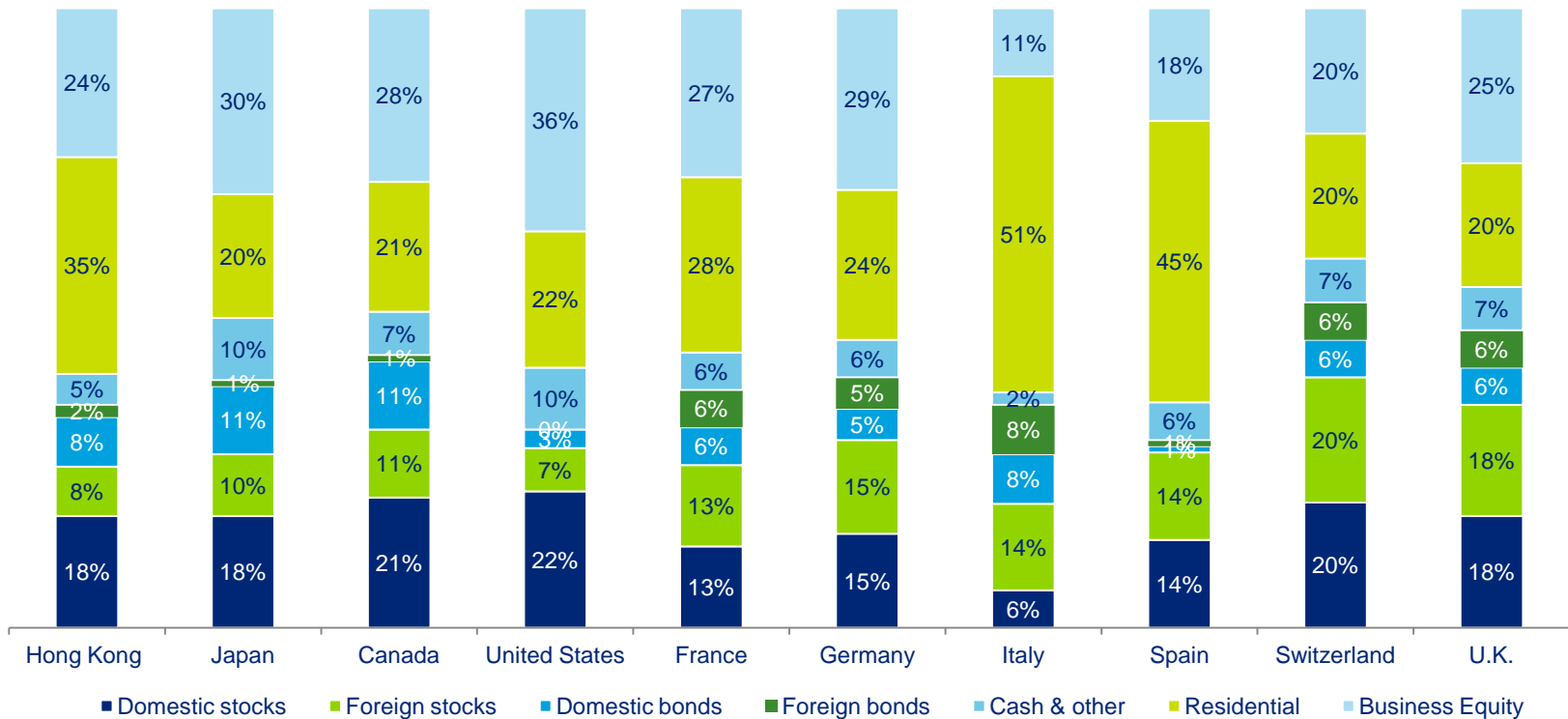


Source: Deloitte analysis and Oxford Economics

# Global asset allocation preferences

# Developed markets: Estimates of current asset allocation among the top 1% of households

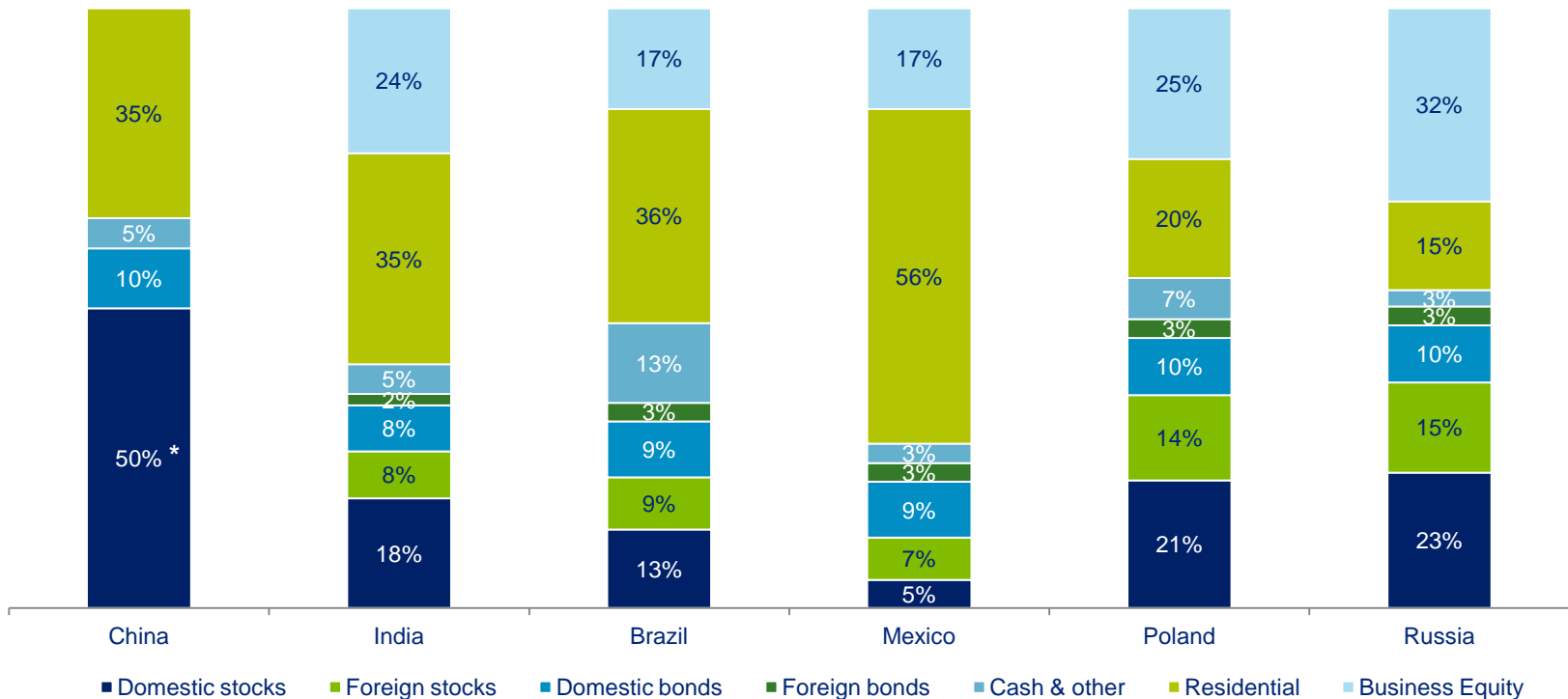
Our analysis suggests that the asset allocation among the top 1% of households is relatively consistent across developed markets. However, Hong Kong, Italy, and Spain are likely to have a greater proportion of wealth attached to primary residential real estate.



Source: Deloitte analysis and Oxford Economics

# Emerging markets: Estimates of current asset allocation among the top 1% of households

Our analysis suggests that the asset allocation among the top 1% of households may vary considerably across emerging markets, with primary residential real estate likely making up a significant portion of wealth in a number of emerging markets.



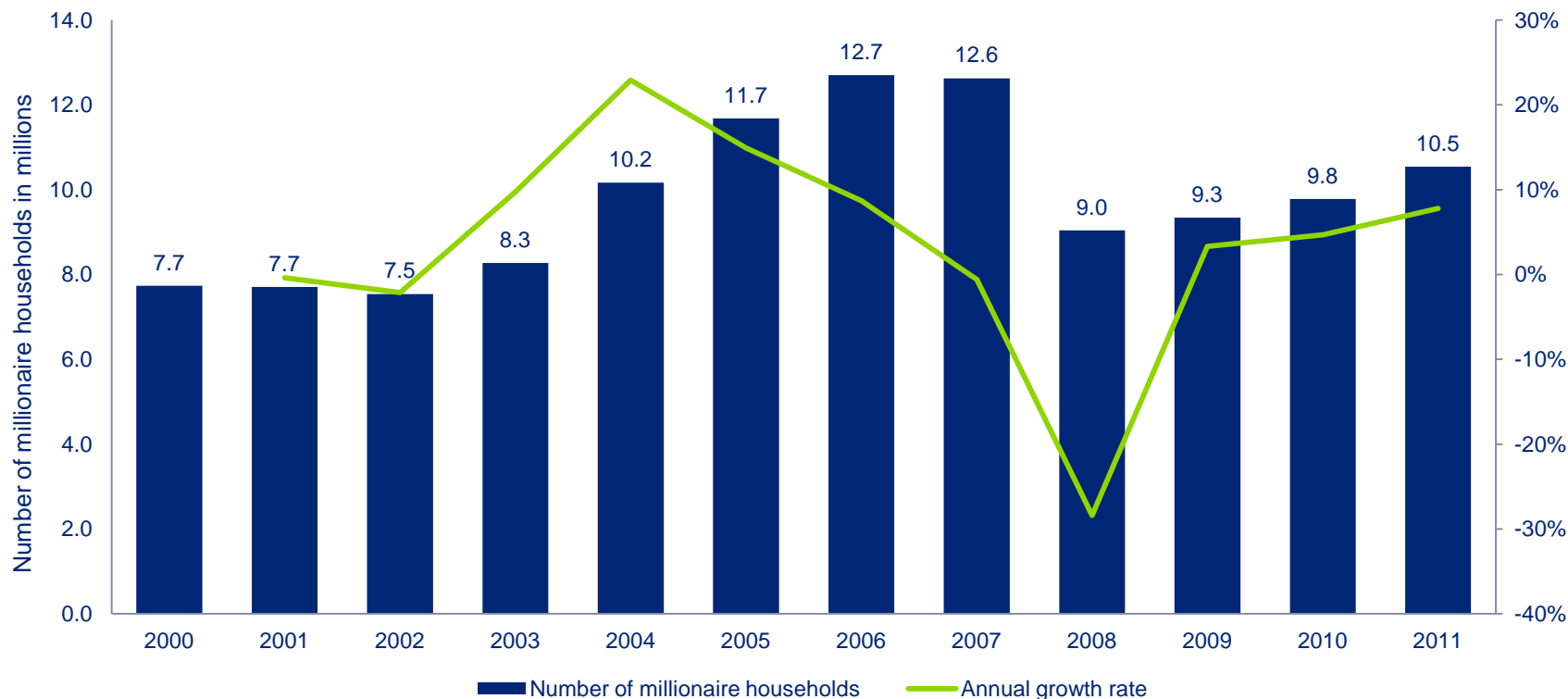
\* This comprises wealth accruing from both domestic stocks and business equity  
Source: Deloitte analysis and Oxford Economics

# United States Overview



# Number of millionaire households in the U.S. — 2000–2011

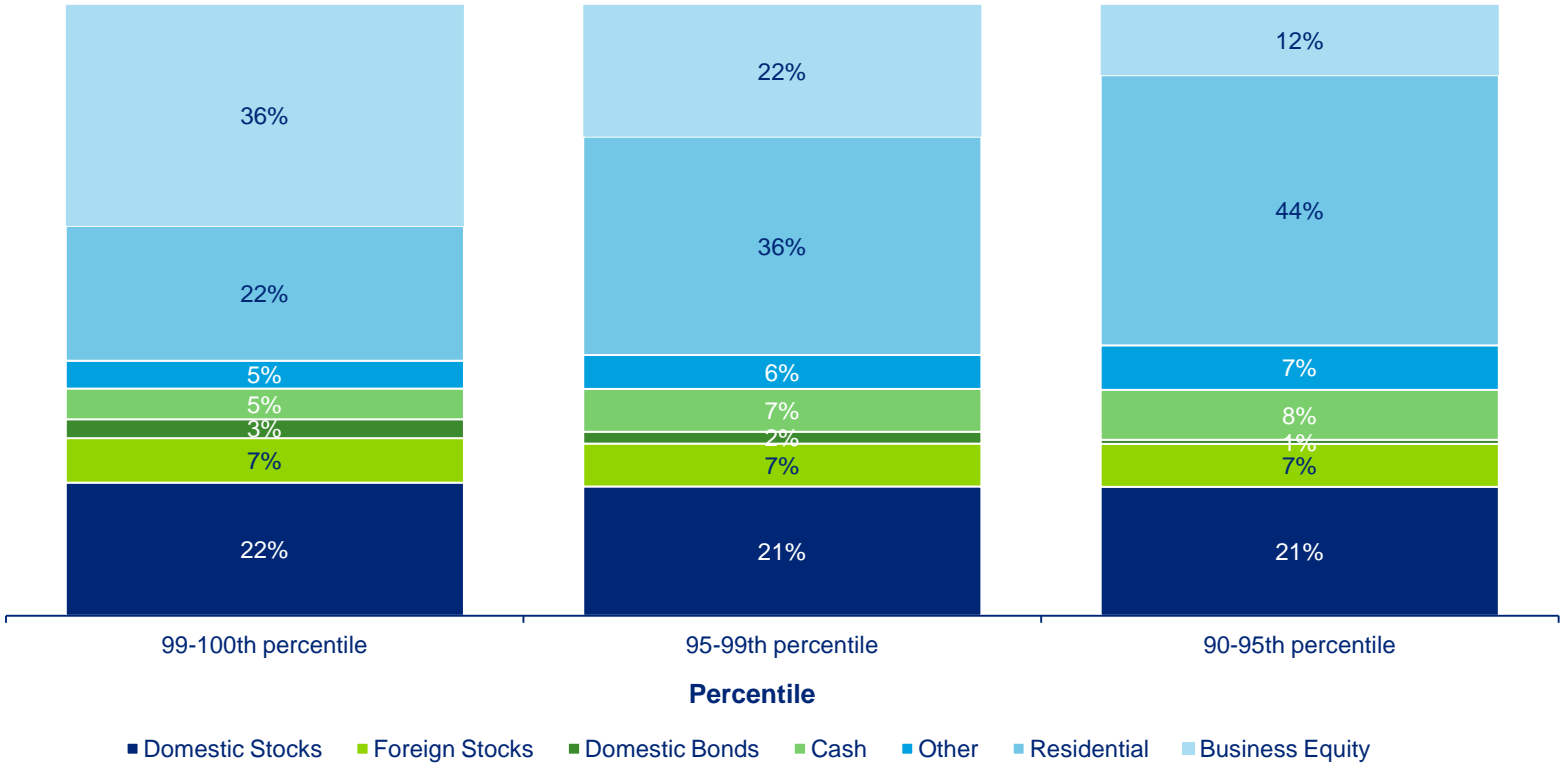
The number of millionaire households in the U.S. seemed to peak in 2006. The most significant drop may have occurred during the financial crisis, although the number of millionaire households seems to have returned to its pre-crisis levels.



Source: Deloitte analysis and Oxford Economics

# United States: Estimates of current portfolio composition among the top 10<sup>th</sup> percentile

According to our study, the top 1% of households in the U.S. will have more than a third of their wealth in businesses equity and about a third in stocks and bonds.

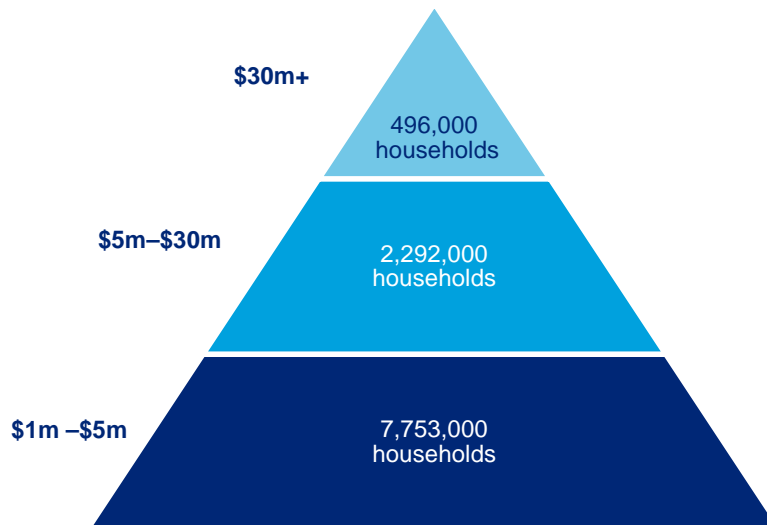


Source: Deloitte analysis and Oxford Economics

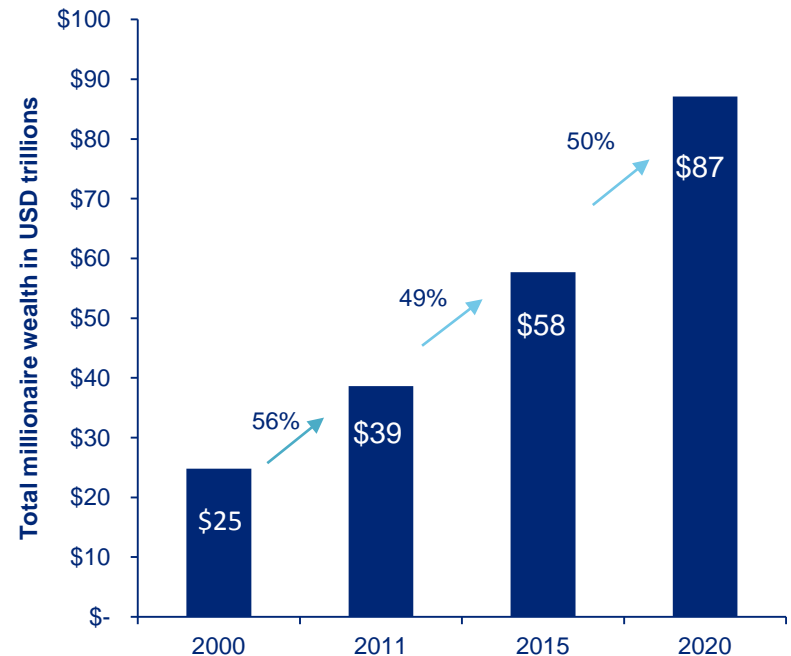
# Wealth among millionaire households in the U.S.

Our analysis suggests that the total wealth of all U.S. millionaires will reach \$87 trillion in 2020, a CAGR of 9% between 2011–2020. The United States will likely remain the largest wealth management market in the world.

The number of millionaire households in 2011



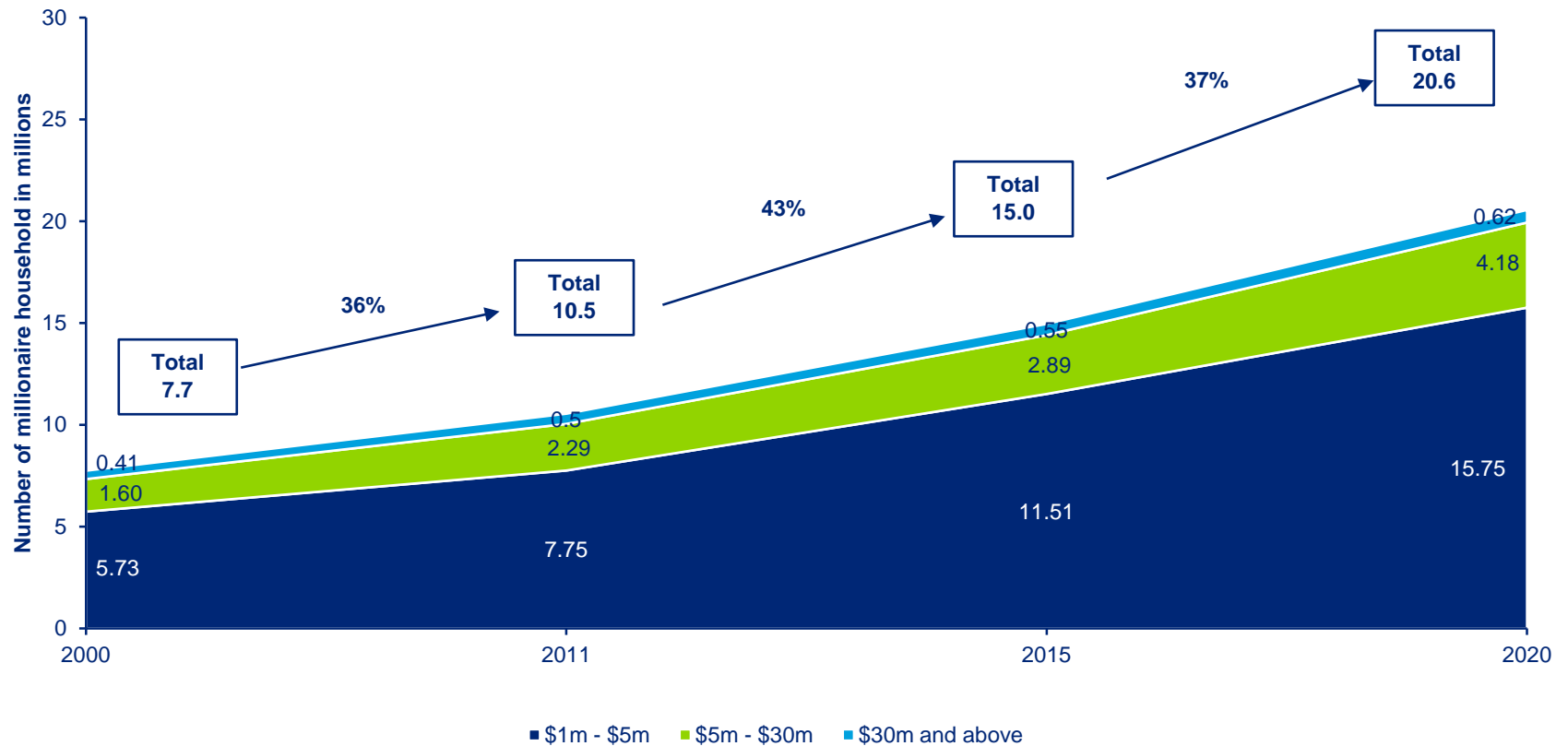
Growing wealth in the U.S.



Source: Deloitte analysis and Oxford Economics

# Growth in number of millionaire households by wealth cohorts in the U.S.

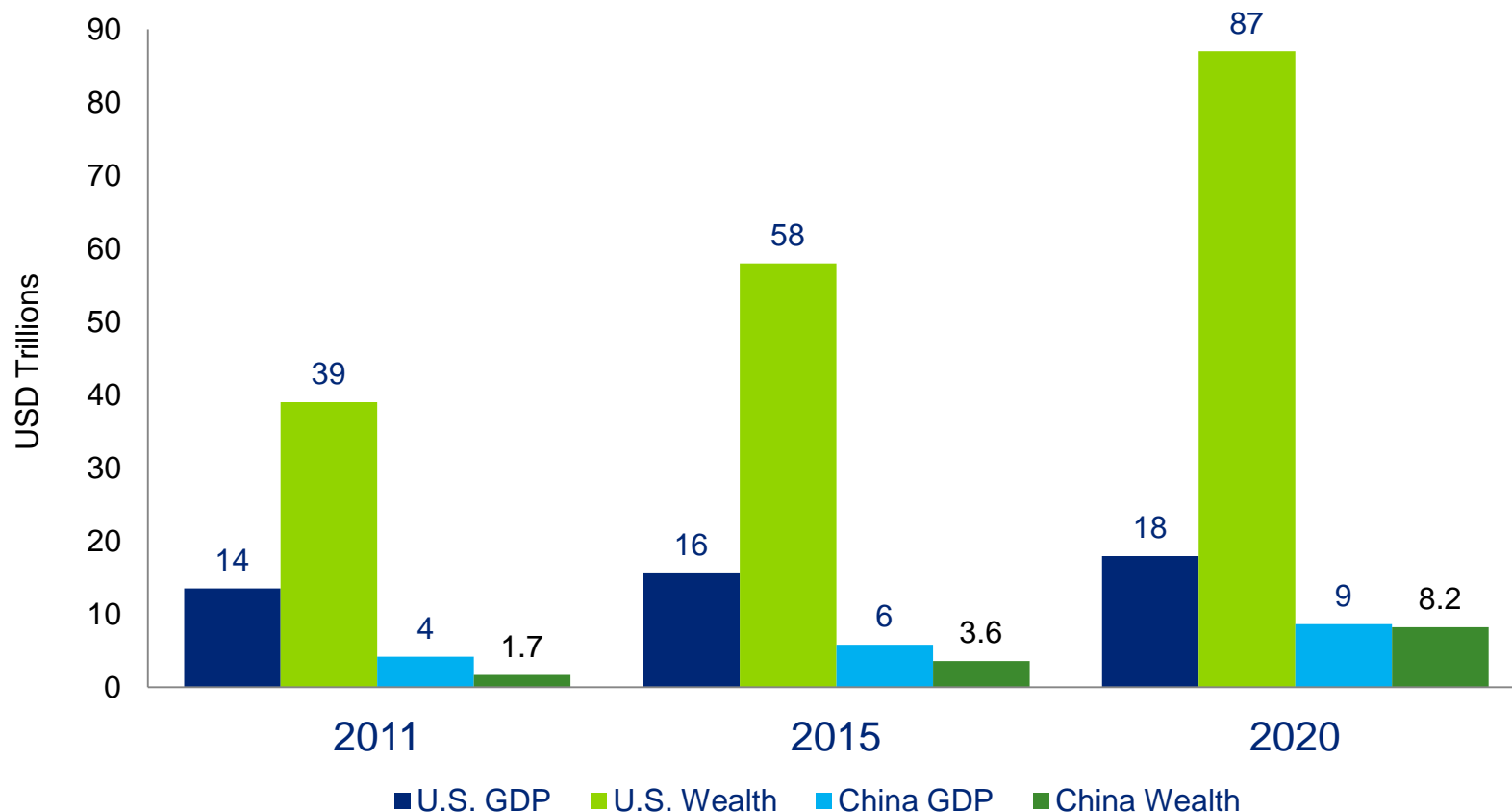
According to this study, those in the \$1m–\$5m wealth cohort will reach 15.8 million households in 2020, a growth of 103% over the next decade. The \$5m–\$30m cohort is also likely to exhibit strong growth, at 83% over the next decade, while the \$30 m+ cohort is expected to grow 24%.



Source: Deloitte analysis and Oxford Economics

# Contrasting U.S. and China

As U.S. and Chinese GDP converge over the next decade, Chinese millionaire wealth may likely remain a relatively small proportion of U.S. millionaire wealth, reaching just under 10% by 2020.



GDP projections are derived using IMF current estimates and Oxford Economics imputed growth rates.

Source: Deloitte Center for Financial Services and Oxford Economics, and IMF

# United States Regions

# Key forecasts for the United States regions: Millionaire households

- Overview

- In terms of the number of millionaire households, this study suggests growth rates of roughly 7–8% between 2010 and 2020, with Connecticut growing the least (4% annualized growth) and South Dakota and North Dakota expected to grow the most (10% annualized growth).
- In 2020, California, Texas, New York, and Florida will likely be home to the greatest number of millionaire households.
- According to this study, Arizona, and Nevada will likely experience the greatest growth in net worth of millionaire households between 2009 and 2015. California, Texas, Florida, Oregon, Idaho, and Utah are also expected to see greater than average growth.

- Density

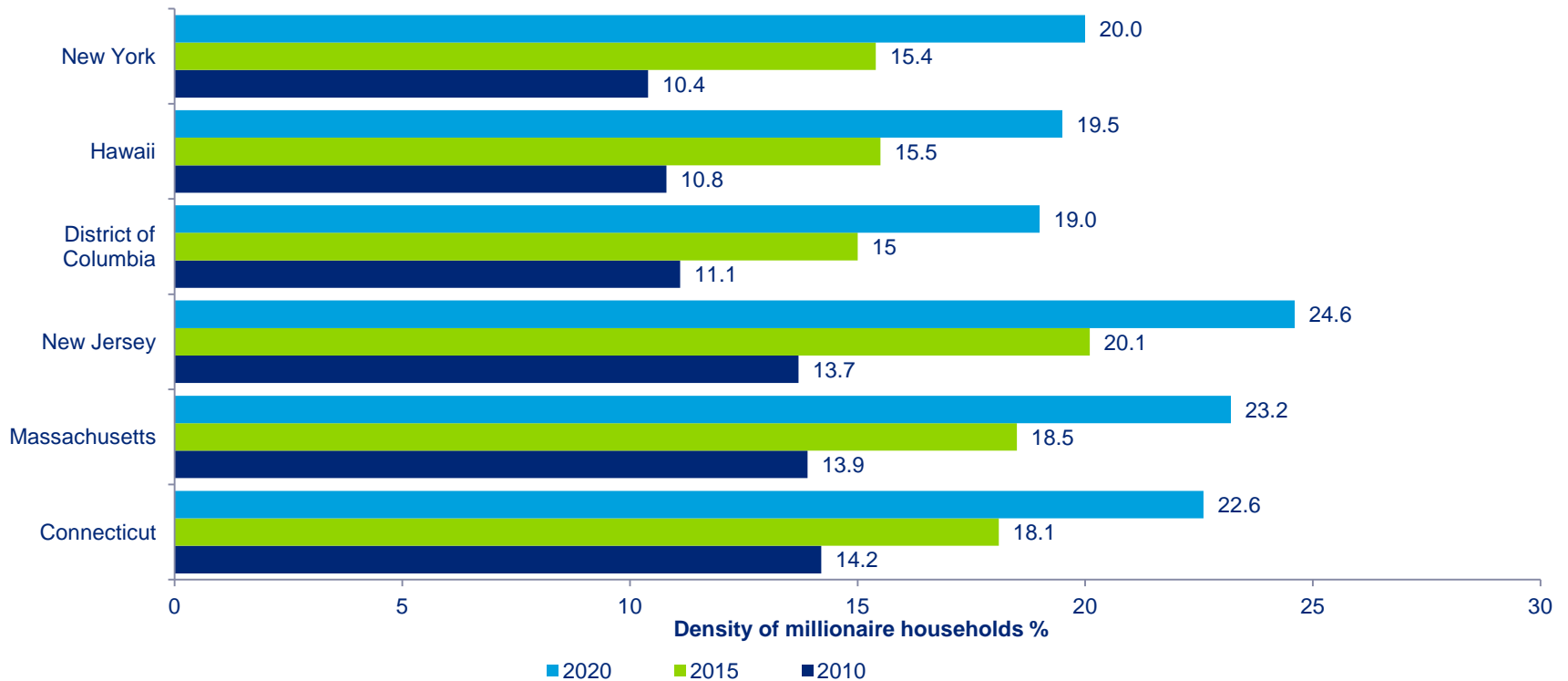
- Our analysis indicates that in 2010, Connecticut held the highest density of millionaires with 14.2% of households holdings assets valued at more than one million dollars. By 2020, New Jersey will likely be the state with the highest density of millionaires (24.6%).

- Regional Leaders

- In the Northern Pacific region, Washington State may have the region's most number of millionaires — 534,000 by 2020.
- In the Pacific Southwest region, California will likely be a leader in the number of millionaire households — 2.7 million by 2020. However, according to our study, the fastest growth rate of millionaire households in the region is found in Arizona, where millionaire households may grow at an annualized rate of 9%.
- In Mid-America, Texas is likely to have the most number of millionaires with 1.6 million by 2020. Texas may overtake New York in 2020 as the state with the second most amount of millionaires in the United States, next to California
- In the Southeast, Florida may have the highest number of millionaire households with 1.4 million in 2020. Georgia may potentially come in second with 674,000 millionaires in 2020.
- In the Northeast, New York may have the highest number of millionaire households with 1.5 million in 2020, potentially followed by New Jersey.
- In the Midwest, Illinois is likely to have the highest number of millionaires with 803,000 in 2020, potentially followed by Wisconsin with 368,000 in 2020.
- In North Central, Pennsylvania may have the highest number of millionaire households with 804,000 in 2020, potentially followed by Ohio. Most states in this region will likely see a below-average annualized growth rate of 6% over the next decade.

# Density of millionaire households across U.S. states

In 2010, Connecticut was the state with the highest density of millionaire households (14.2%). Our study suggests that in 2020, New Jersey will have the highest density of millionaires (24.6%).

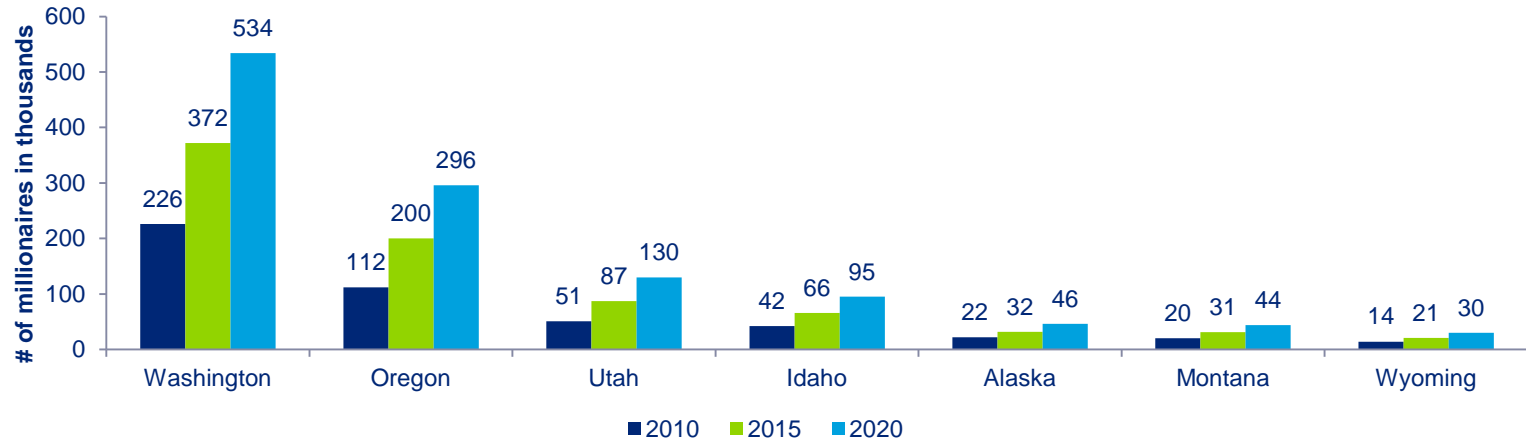


Source: Deloitte analysis and Oxford Economics



# U.S. regional wealth: Northern Pacific

In the Northern Pacific region, Washington state is likely to have the largest number of millionaire households in the region by 2020 (534,000).



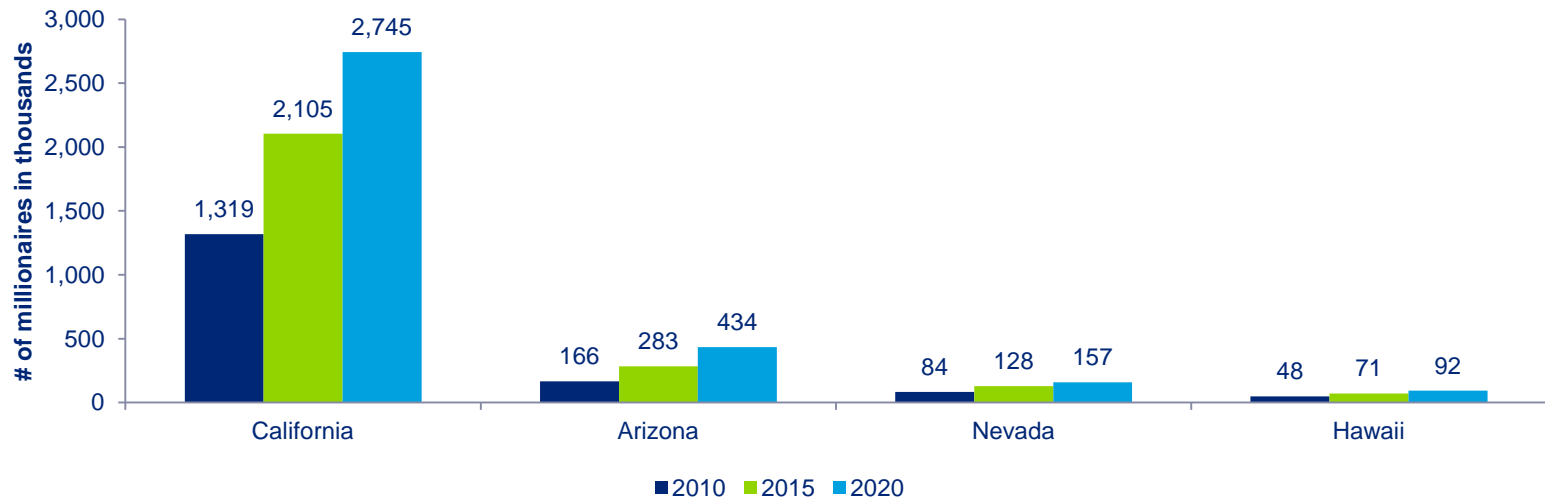
## Growth rates in the Northern Pacific region

	2010–2015	2010–2020
Washington	9%	8%
Oregon	10%	9%
Utah	9%	9%
Idaho	8%	8%
Alaska	6%	7%
Montana	8%	7%
Wyoming	7%	7%

Source: Deloitte analysis and Oxford Economics

# U.S. regional wealth: Pacific Southwest

In the Pacific Southwest region, California will likely be the leading the state with 2.7 million millionaire households in 2020. However, our analysis suggests that the fastest growth rate in the number of millionaire households will be in Arizona with an annualized growth rate of 9%.



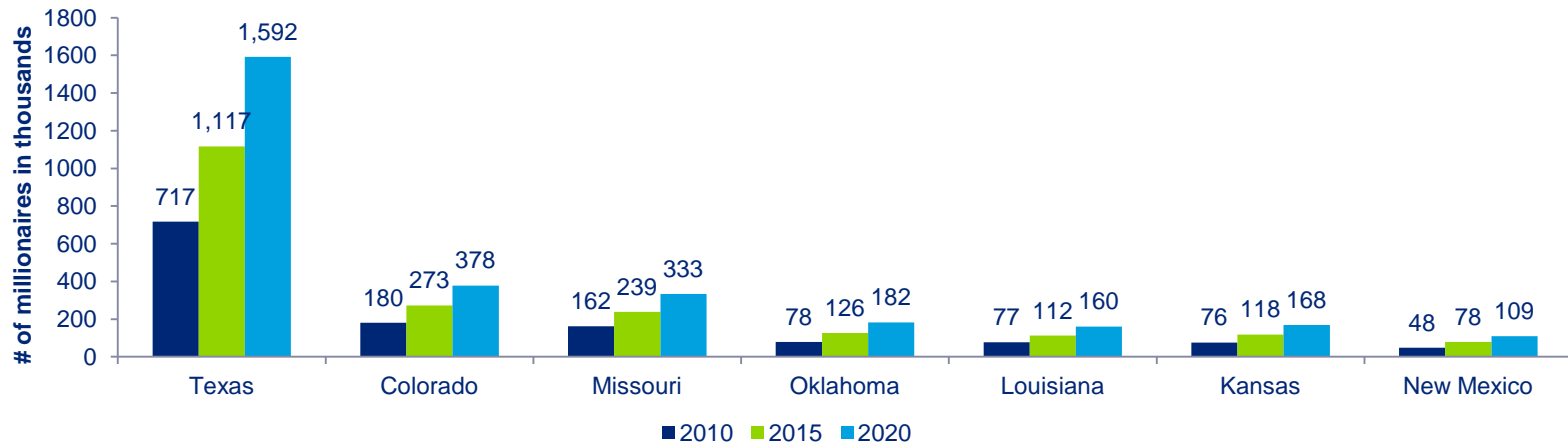
## Growth rates in the Pacific Southwest region

	2010–2015	2010–2020
California	8%	7%
Arizona	9%	9%
Nevada	7%	6%
Hawaii	8%	7%

Source: Deloitte analysis and Oxford Economics

# U.S. regional wealth: Mid America

In the Mid America region, Texas will likely have the highest number of millionaire households in 2020 with 1.6 million. Texas may overtake New York in 2020 as the second richest state next to California.

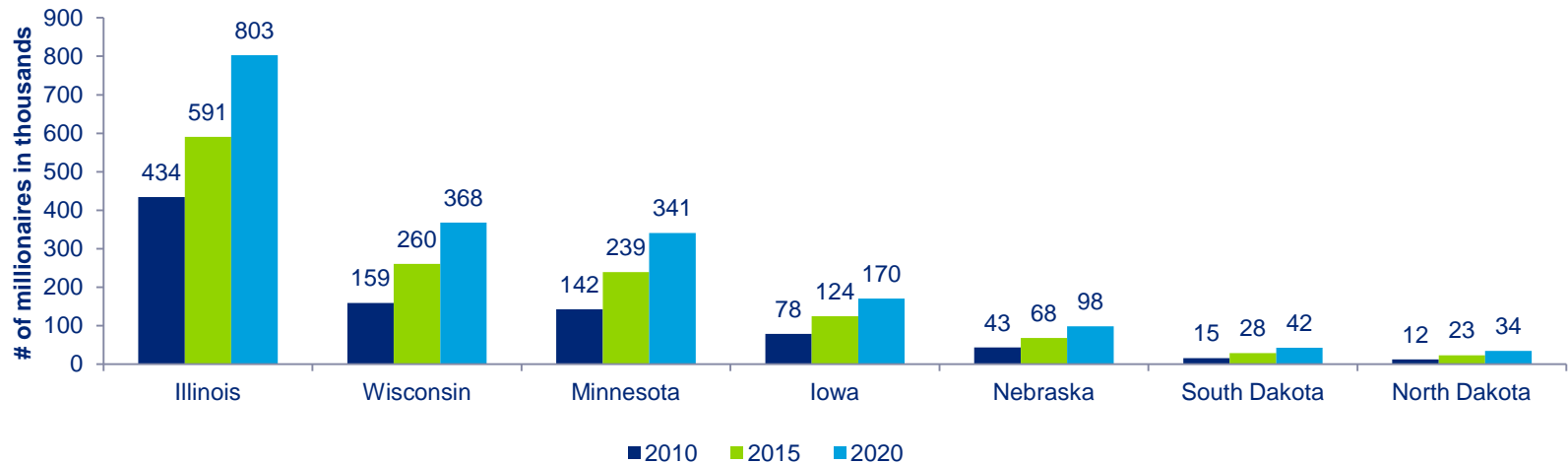


Growth rates in the Mid America region		
	2010–2015	2010–2020
Texas	8%	8%
Colorado	7%	7%
Missouri	7%	7%
Oklahoma	8%	8%
Louisiana	6%	7%
Kansas	8%	7%
New Mexico	8%	8%

Source: Deloitte analysis and Oxford Economics

# U.S. regional wealth: Midwest

In the Midwest region, Illinois will likely top the table with the highest number of millionaire households in 2020 with 803,000, potentially followed by Wisconsin with 368,000 in 2020.



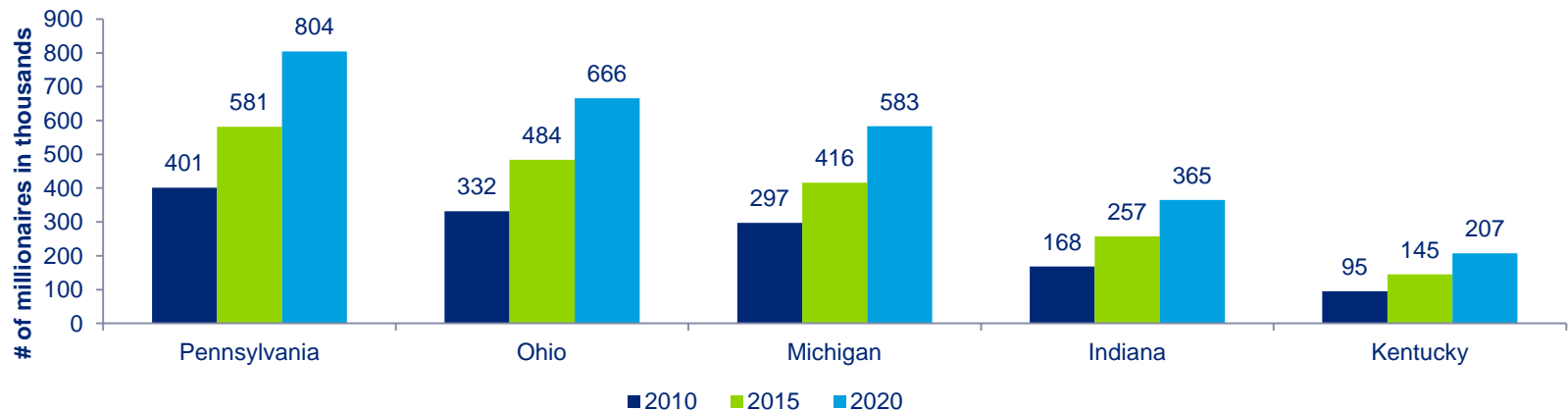
## Growth rates in the Midwest region

	2010–2015	2010–2020
Illinois	5%	6%
Wisconsin	9%	8%
Minnesota	9%	8%
Iowa	8%	7%
Nebraska	8%	8%
South Dakota	11%	10%
North Dakota	11%	10%

Source: Deloitte analysis and Oxford Economics

# U.S. regional wealth: North Central

Pennsylvania may have the highest number of millionaire households with 804,000 in 2020, likely followed by Ohio. Our study indicates that most states in this region will see an annualized growth rate of 6% over the next decade.



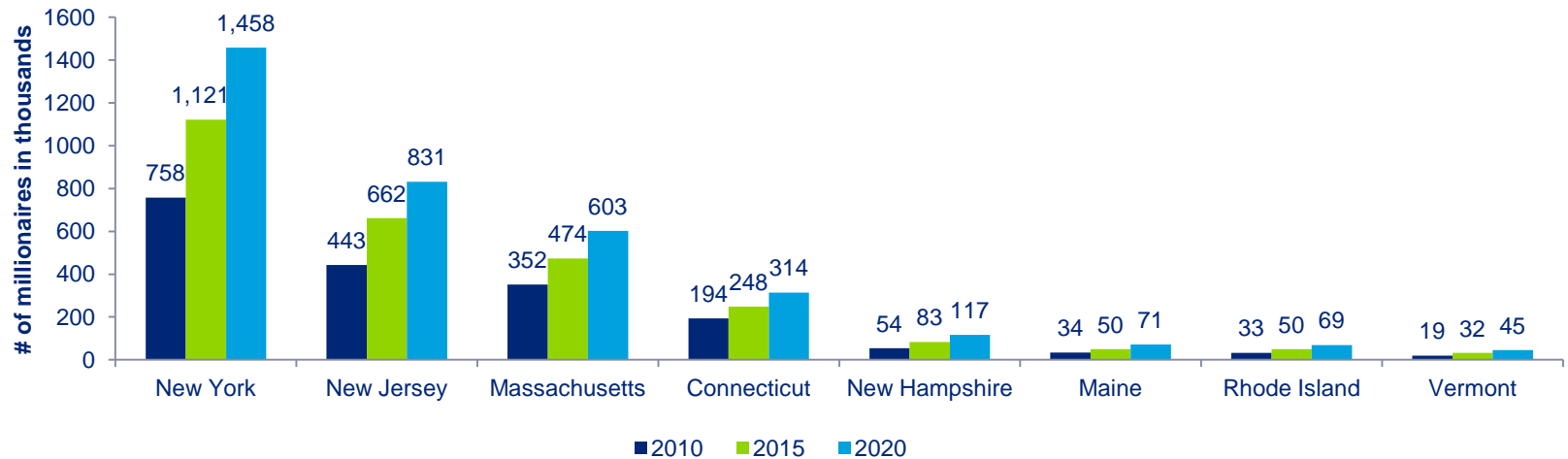
## Growth rates in the North Central region

	2010–2015	2010–2020
Pennsylvania	6%	7%
Ohio	6%	7%
Michigan	6%	6%
Indiana	7%	7%
Kentucky	7%	7%

Source: Deloitte analysis and Oxford Economics

# U.S. regional wealth: Northeast

In the Northeast region, New York may potentially have the highest number of millionaire households in 2020 with 1.5 million, likely followed by New Jersey. Vermont may have the highest increase in its number of millionaires, with an annualized growth rate of 9%.

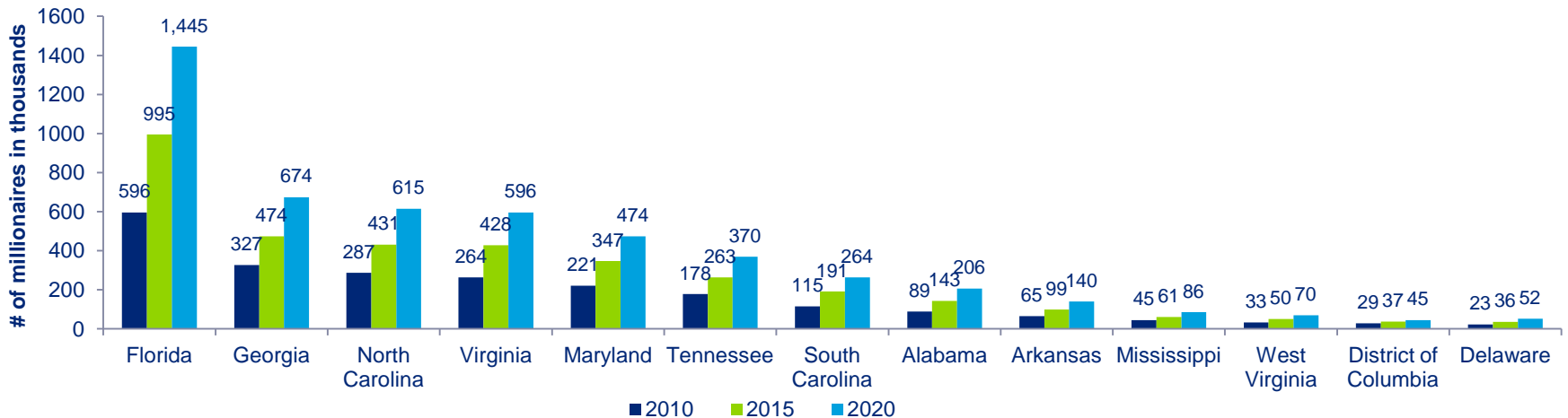


Growth rates in the Northeast region		
	2010–2015	2010–2020
New York	7%	6%
New Jersey	7%	6%
Massachusetts	5%	5%
Connecticut	4%	4%
New Hampshire	7%	7%
Maine	7%	7%
Rhode Island	9%	8%
Vermont	9%	8%

Source: Deloitte analysis and Oxford Economics

# U.S. regional wealth: Southeast

In the Southeast region, Florida may have the highest number of millionaire households in 2020 with 1.4 million, likely followed by Georgia with 674,000.



## Growth rates in the Southeast region

	2010–2015	2010–2020
Florida	9%	8%
Georgia	6%	7%
North Carolina	7%	7%
Virginia	8%	8%
Maryland	8%	7%
Tennessee	7%	7%
South Carolina	9%	8%
Arkansas	9%	8%
Alabama	8%	8%
Mississippi	5%	6%
District of Columbia	5%	4%
Delaware	9%	8%
West Virginia	9%	8%

# Want to learn more?

Deloitte's wealth study offers insights into the next decade of global wealth among millionaire households. The highlights discussed here are just a small sampling of the data points and trends that were unearthed. Deloitte is currently sharing these insights with clients and helping them to strategize on how the study results can help their businesses. For more information or to arrange an appointment to discuss these and hundreds of other findings from the study, please contact:

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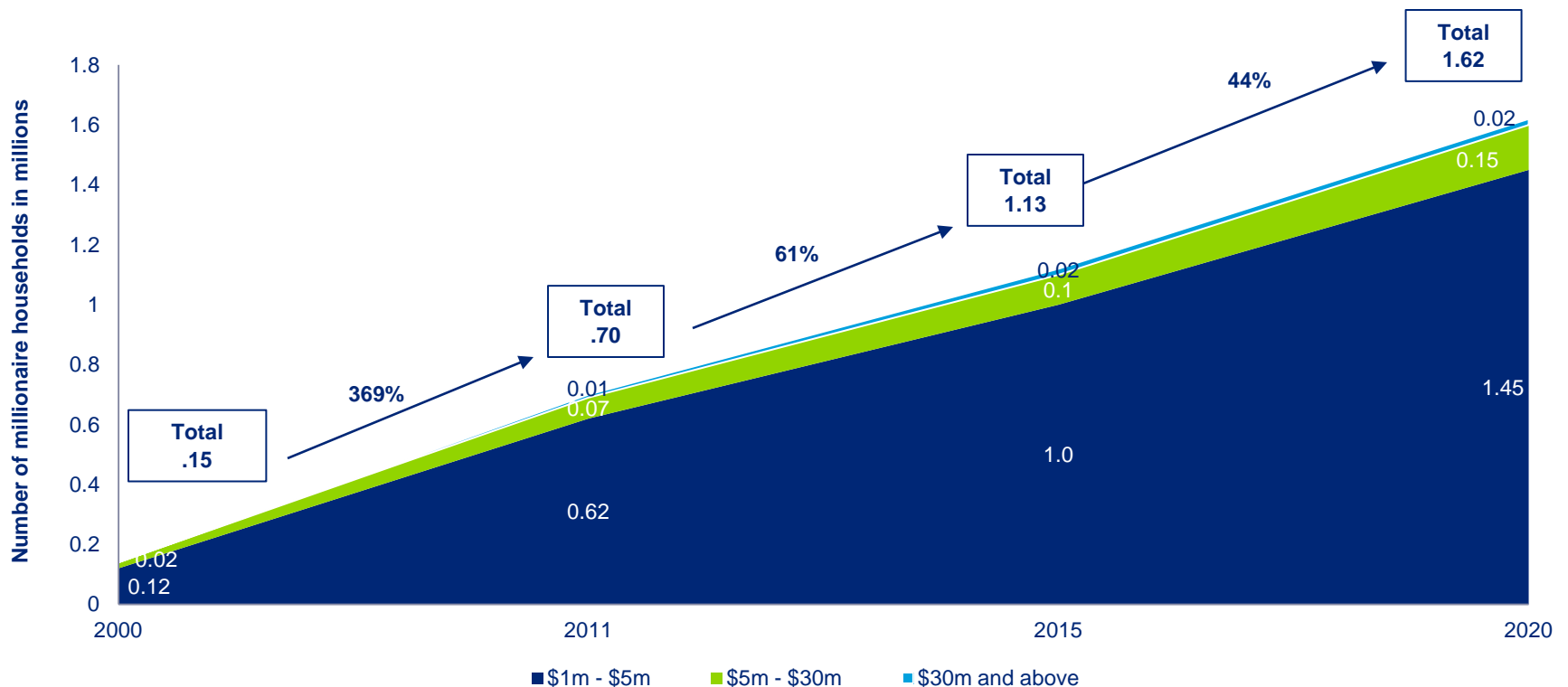


# Appendix

Developed markets

# Australia: Growth in the number of millionaire households by wealth cohort

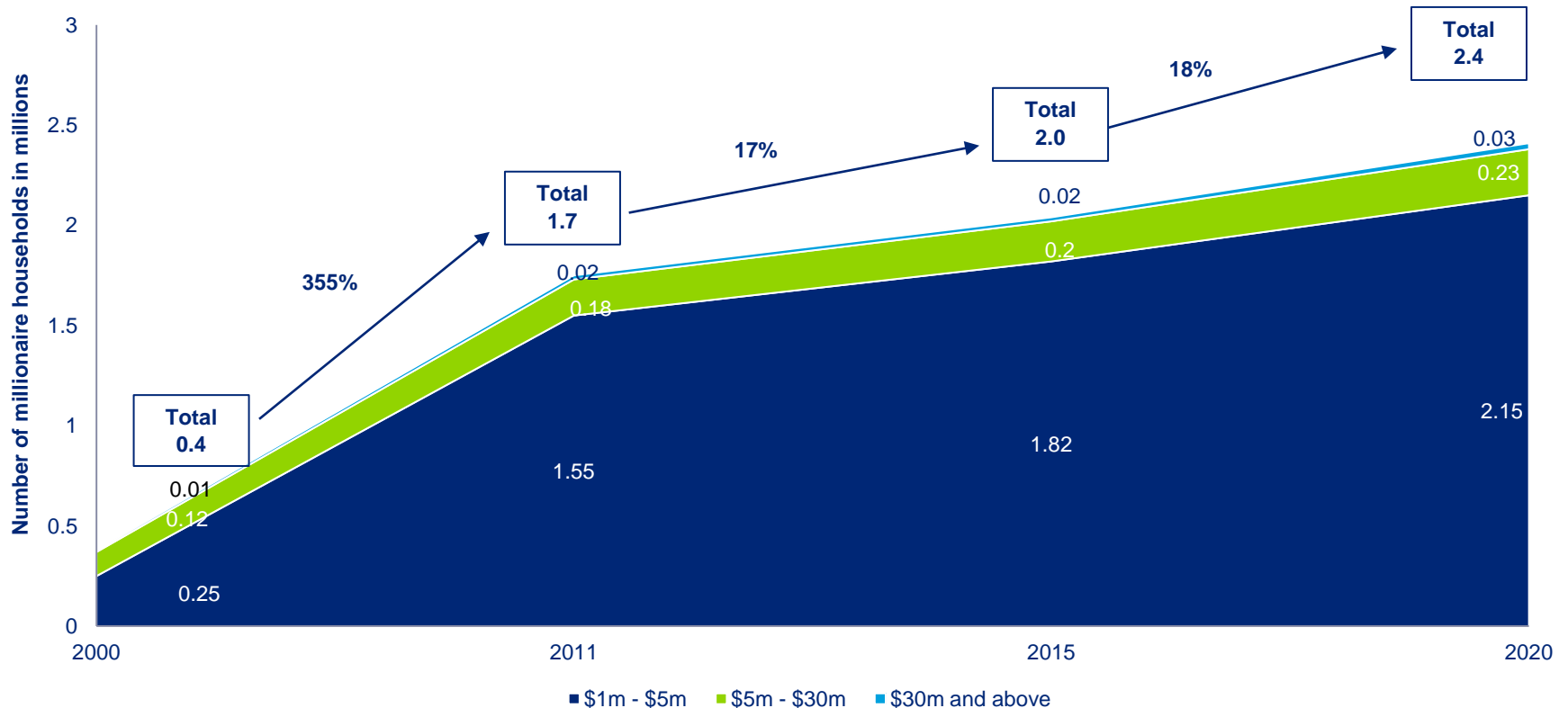
As per our analysis, the number of millionaire households in Australia will grow from 698,000 to 1,620,000 between 2011 and 2020, a growth rate of 132%. The \$1m-\$5m cohort will likely see the greatest growth, at 135%, while the \$5m-\$30m cohort and \$30M+ cohorts will likely grow 107% and 102%, respectively, over the next decade. According to our study, the \$1m-\$5m cohort will continue to dominate the share of millionaire households, with 90% of millionaire households belonging to this cohort in 2020.



Source: Deloitte Analysis and Oxford Economics

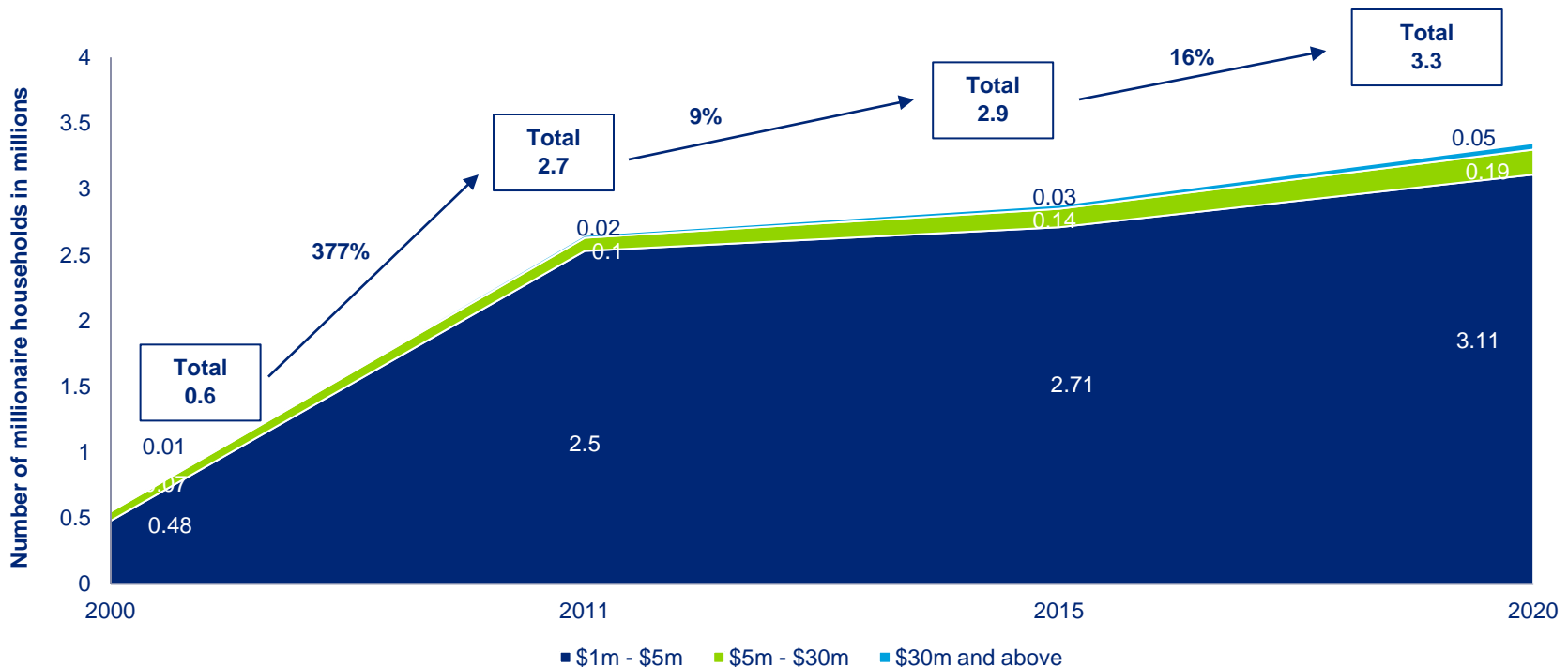
# Canada: Growth in the number of millionaire households by wealth cohort

Our study suggests that the number of millionaire households in Canada will grow from 1,745,000 to 2,413,000 between 2011 and 2020, a growth rate of 38%. At 57%, the \$30m+ cohort will likely see the greatest growth while the \$1m-\$5m cohort and \$5m-\$30m cohorts will likely grow 39% and 28%, respectively, over the next decade. However, as per our analysis, the \$1m-\$5m cohort will continue to dominate the share of millionaire households, with 89% of millionaire households belonging to this cohort in 2020.



# France: Growth in the number of millionaire households by wealth cohort

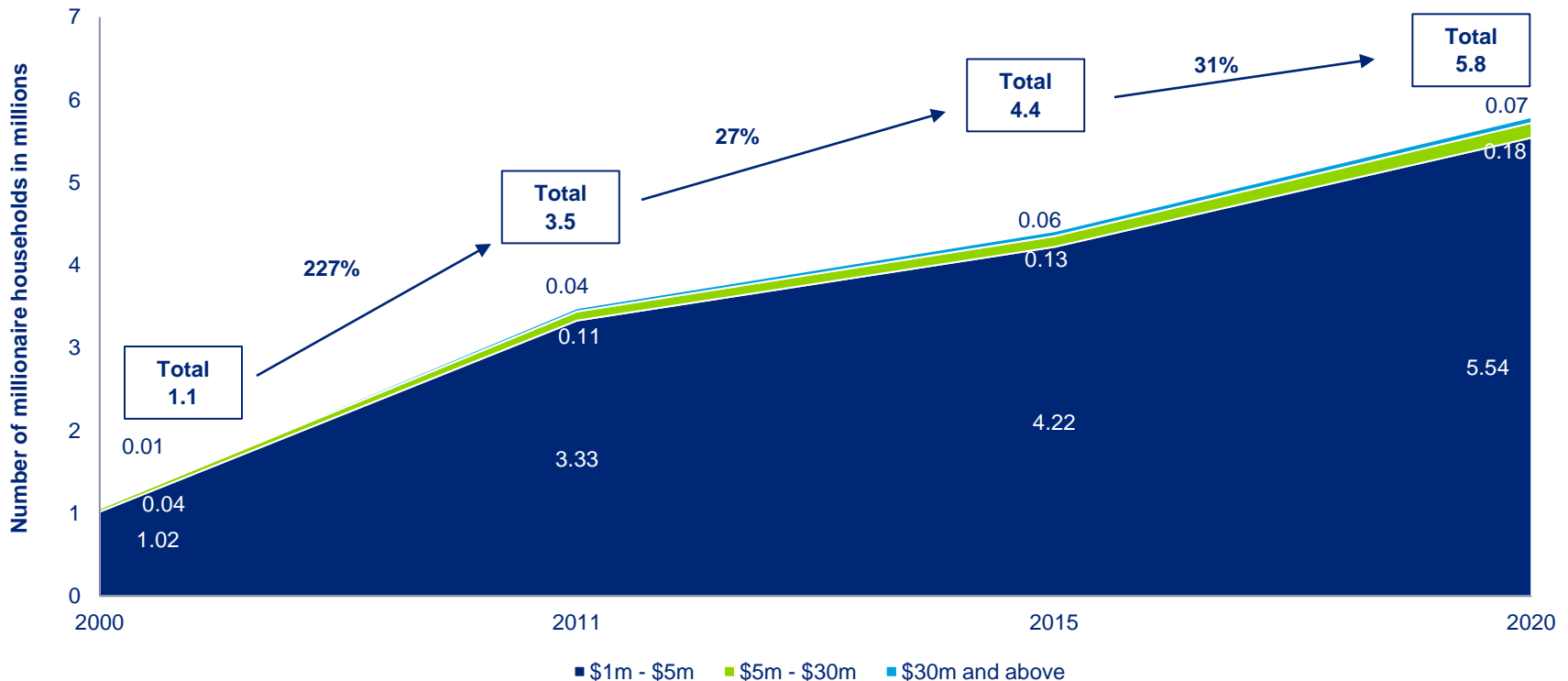
As per our study, the number of millionaire households in France will grow from 2,653,000 to 3,346,000 between 2011 and 2020, a growth rate of 26%. At 116%, the \$30m+ cohort will likely see the greatest growth, while our analysis suggests that the \$1m-\$5m cohort and \$5m-\$30m cohorts will grow 23% and 93%, respectively, over the next decade. However, the \$1m-\$5m cohort will likely continue to dominate the share of millionaire households, with 93% of millionaire households belonging to this cohort in 2020.



Source: Deloitte Analysis and Oxford Economics

# Germany: Growth in the number of millionaire households by wealth cohort

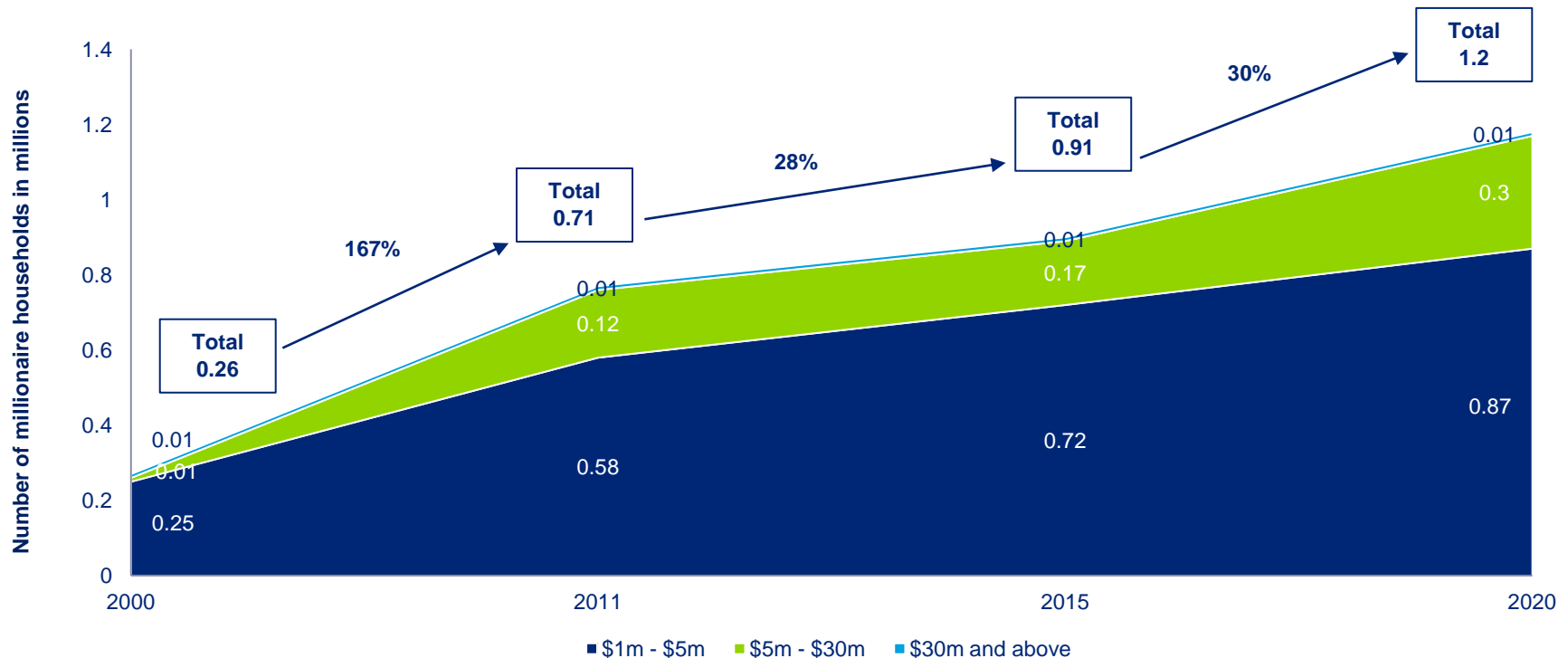
As per our analysis, the number of millionaire households in Germany will grow from 3,485,000 to 5,789,000 between 2011 and 2020, a growth rate of 66%. The \$30m+ cohort will likely see the greatest growth, at 86%, while the \$1m-\$5m cohort and \$5m-\$30m cohorts will likely grow 66% and 56%, respectively, over the next decade. However, the \$1m-\$5m cohort will likely continue to dominate the share of millionaire households, with 96% of millionaire households belonging to this cohort in 2020.



Source: Deloitte Analysis and Oxford Economics

# Hong Kong: Growth in the number of millionaire households by wealth cohort

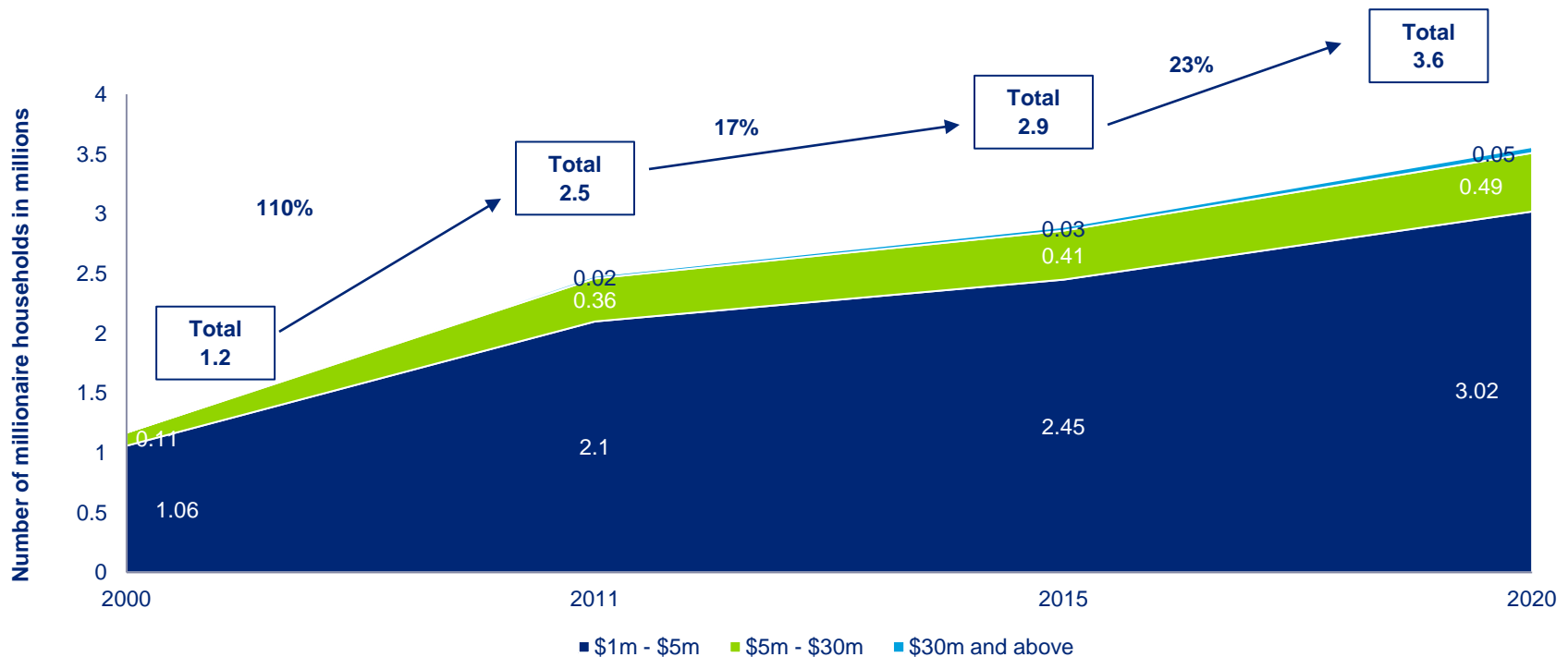
As per our analysis, the number of millionaire households in Hong Kong will grow from 711,000 to 1,178,000 between 2011 and 2020, a growth rate of 66%. The \$5m-\$30m cohort will likely see the greatest growth, at 147%, while the \$1m-\$5m cohort and \$30m+ cohorts will likely grow 49% and 31%, respectively, over the next decade. However, the \$1m-\$5m cohort will likely continue to dominate the share of millionaire households, with 74% of millionaire households belonging to this cohort in 2020.



Source: Deloitte Analysis and Oxford Economics

# Italy: Growth in the number of millionaire households by wealth cohort

Our study suggests that the number of millionaire households in Italy will grow from 2,476,000 to 3,552,000 between 2011 and 2020, a growth rate of 43%. The \$30m+ cohort will likely see the greatest growth, at 175%, while the \$1m-\$5m cohort and \$5m-\$30m cohorts will likely grow 43% and 37%, respectively, over the next decade. However, the \$1m-\$5m cohort will likely continue to dominate the share of millionaire households, with 85% of millionaire households belonging to this cohort in 2020.

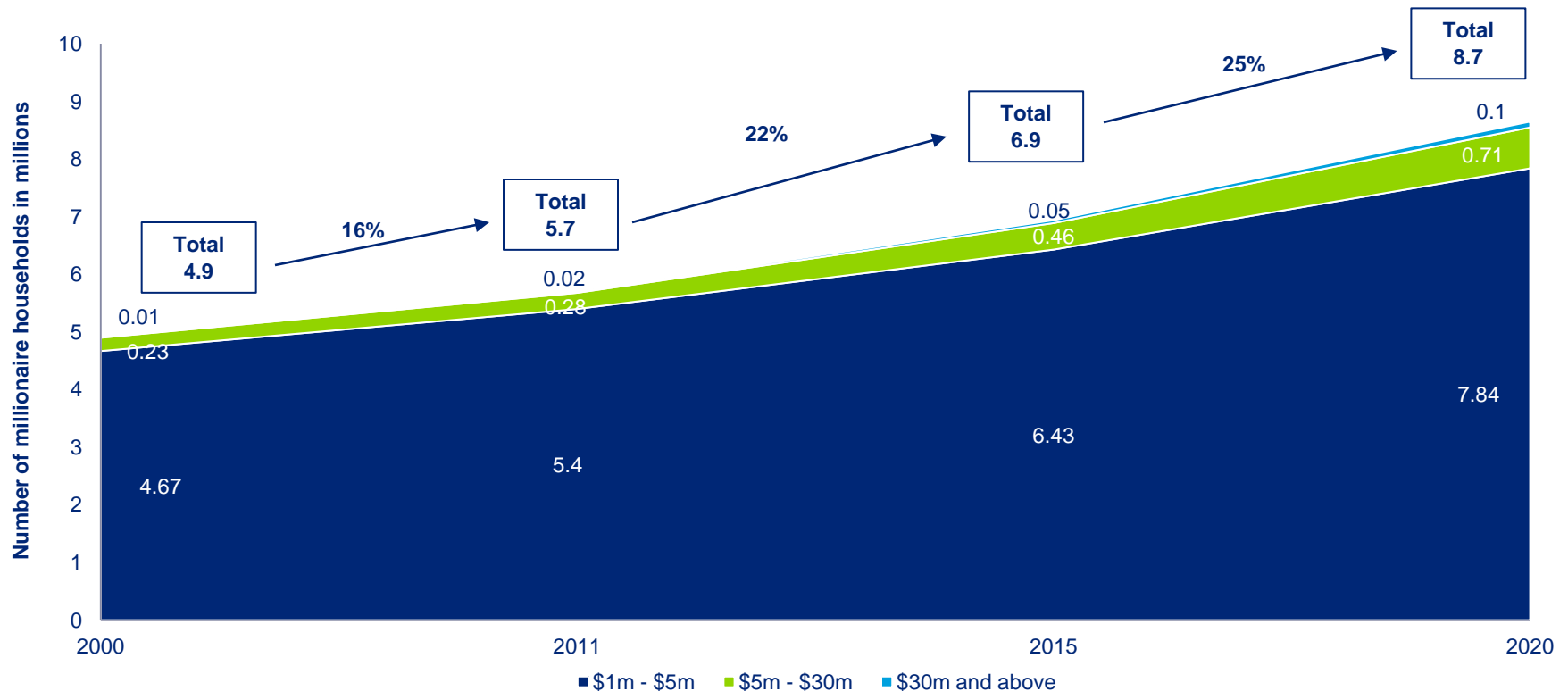


Source: Deloitte Analysis and Oxford Economics



# Japan: Growth in the number of millionaire households by wealth cohort

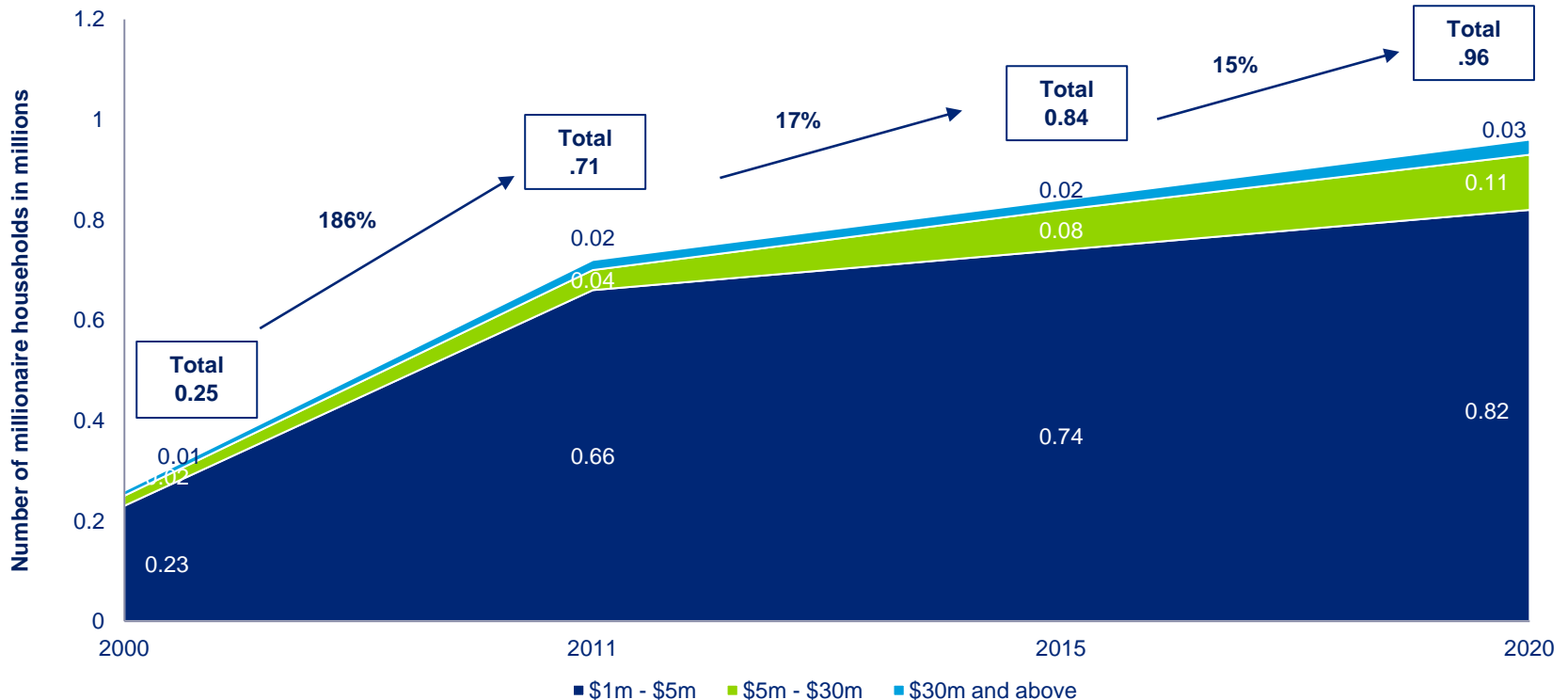
Our study suggests that the number of millionaire households in Japan will grow from 5,705,000 to 8,649,000 between 2011 and 2020, a growth rate of 52%. According to our analysis, the \$30m+ cohort will see the greatest growth, at 376%, while the \$1m-\$5m cohort and \$5m-\$30m cohorts will grow 45% and 153%, respectively, over the next decade. However, the \$1m-\$5m cohort will likely continue to dominate the share of millionaire households, with 91% of millionaire households belonging to this cohort in 2020.



Source: Deloitte Analysis and Oxford Economics

# Netherlands: Growth in the number of millionaire households by wealth cohort

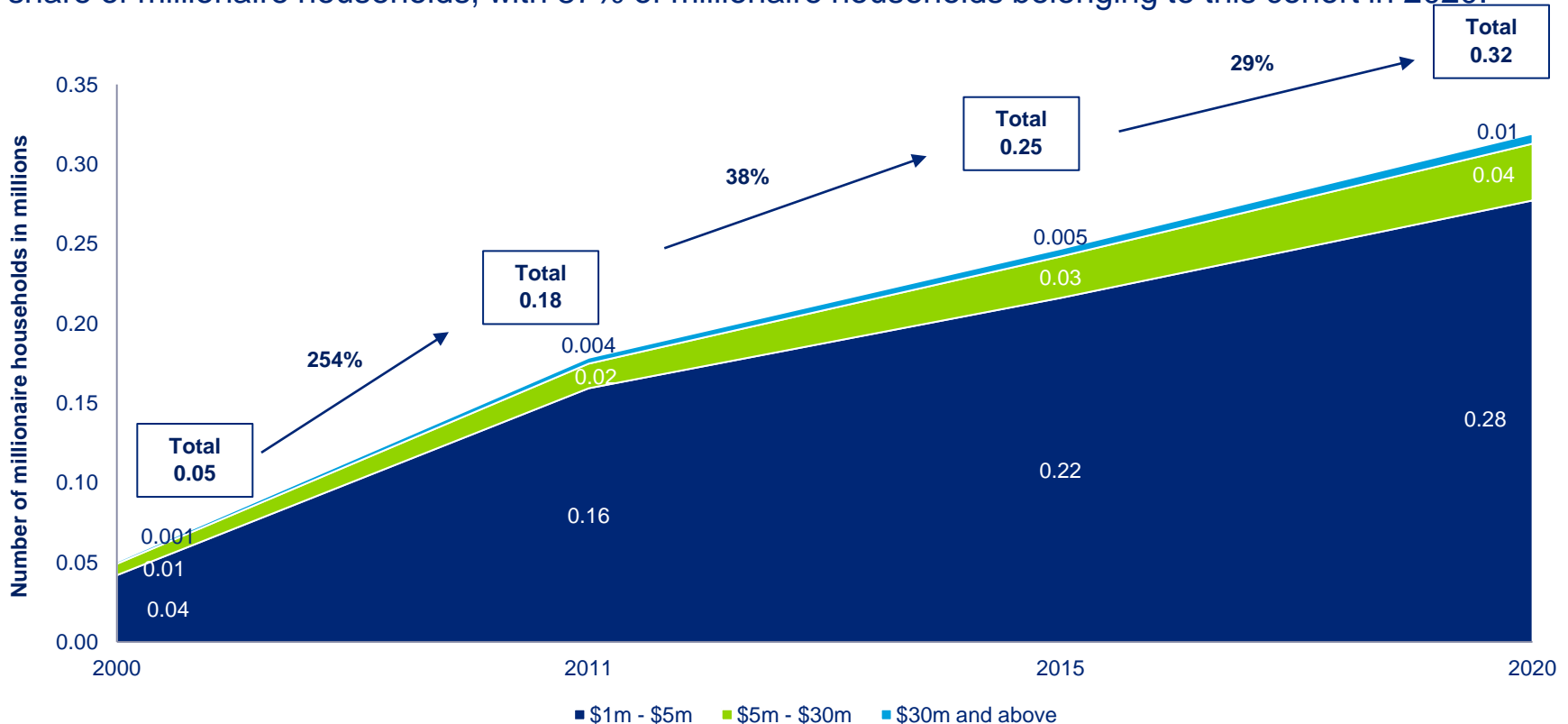
As per our analysis, the number of millionaire households in Netherlands will grow from 713,000 to 959,000 between 2011 and 2020, a growth rate of 34%. The \$5m-\$30m cohort will likely see the greatest growth, at 173%, while the \$1m-\$5m cohort and \$30m+ cohorts will likely grow 25% and 81%, respectively, over the next decade. However, the \$1m-\$5m cohort will likely continue to dominate the share of millionaire households, with 86% of millionaire households belonging to this cohort in 2020.



Source: Deloitte Analysis and Oxford Economics

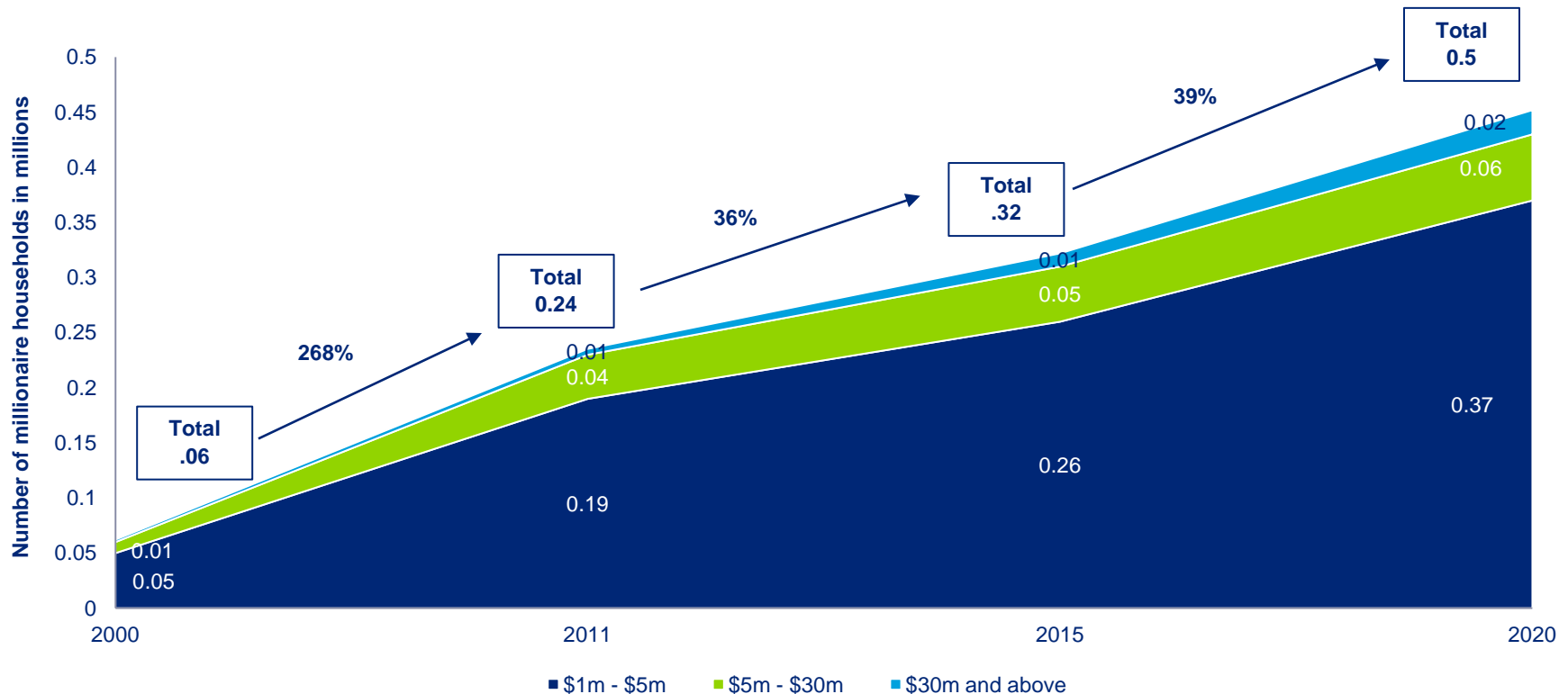
# Norway: Growth in the number of millionaire households by wealth cohort

Our analysis suggests that the number of millionaire households in Norway will grow from 178,000 to 319,000 between 2011 and 2020, a growth rate of 79%. The \$5m-\$30m cohort will likely see the greatest growth, at 130%, while the \$1m-\$5m cohort and \$30m+ cohorts will likely grow 74% and 69%, respectively, over the next decade. However, the \$1m-\$5m cohort will likely continue to dominate the share of millionaire households, with 87% of millionaire households belonging to this cohort in 2020.



# Singapore: Growth in the number of millionaire households by wealth cohort

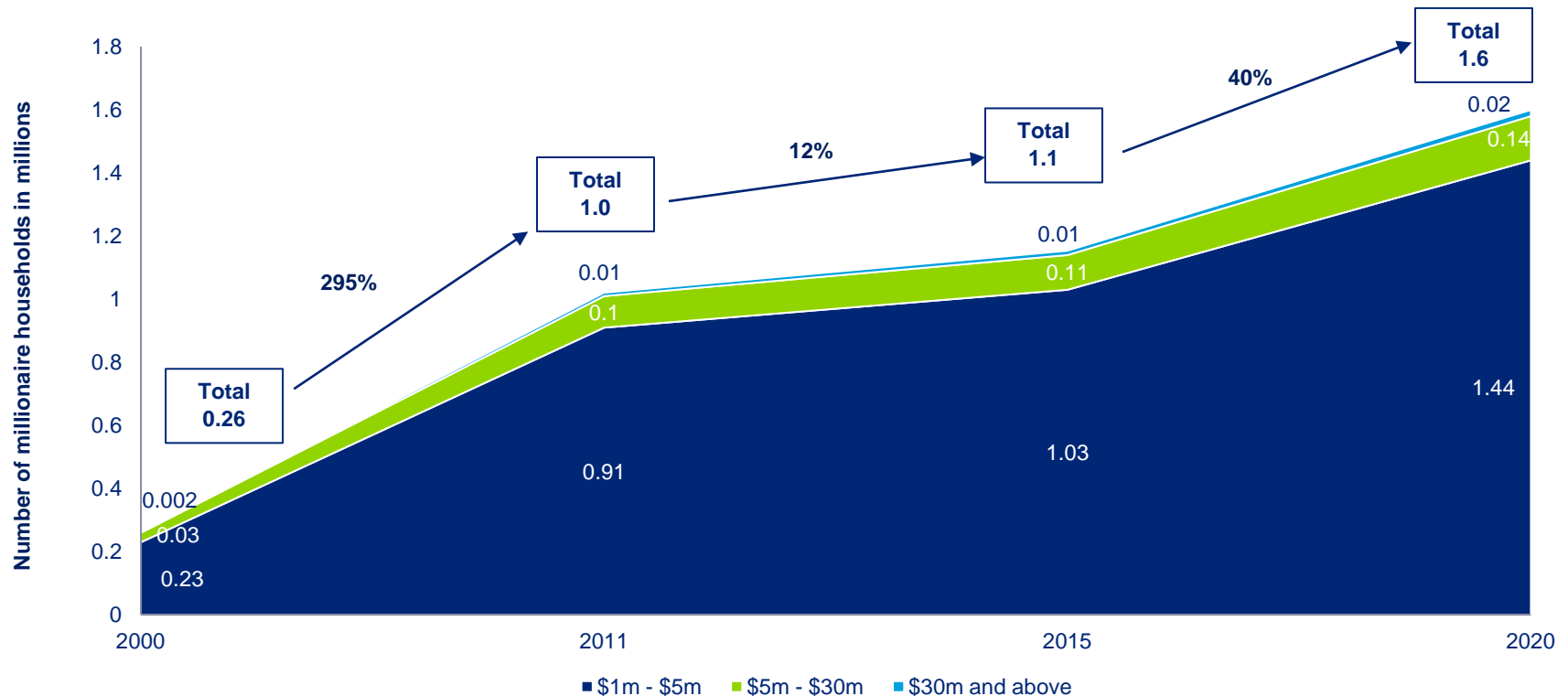
As per our analysis, the number of millionaire households in Singapore will grow from 237,000 to 449,000 between 2011 and 2020, a growth rate of 90%. The \$30m+ cohort will likely see the greatest growth, at 315%, while the \$1m-\$5m cohort and \$5m-\$30m cohorts will likely grow 95% and 41%, respectively, over the next decade. However, the \$1m-\$5m cohort will likely continue to dominate the share of millionaire households, with 82% of millionaire households belonging to this cohort in 2020.



Source: Deloitte Analysis and Oxford Economics

# Spain: Growth in the number of millionaire households by wealth cohort

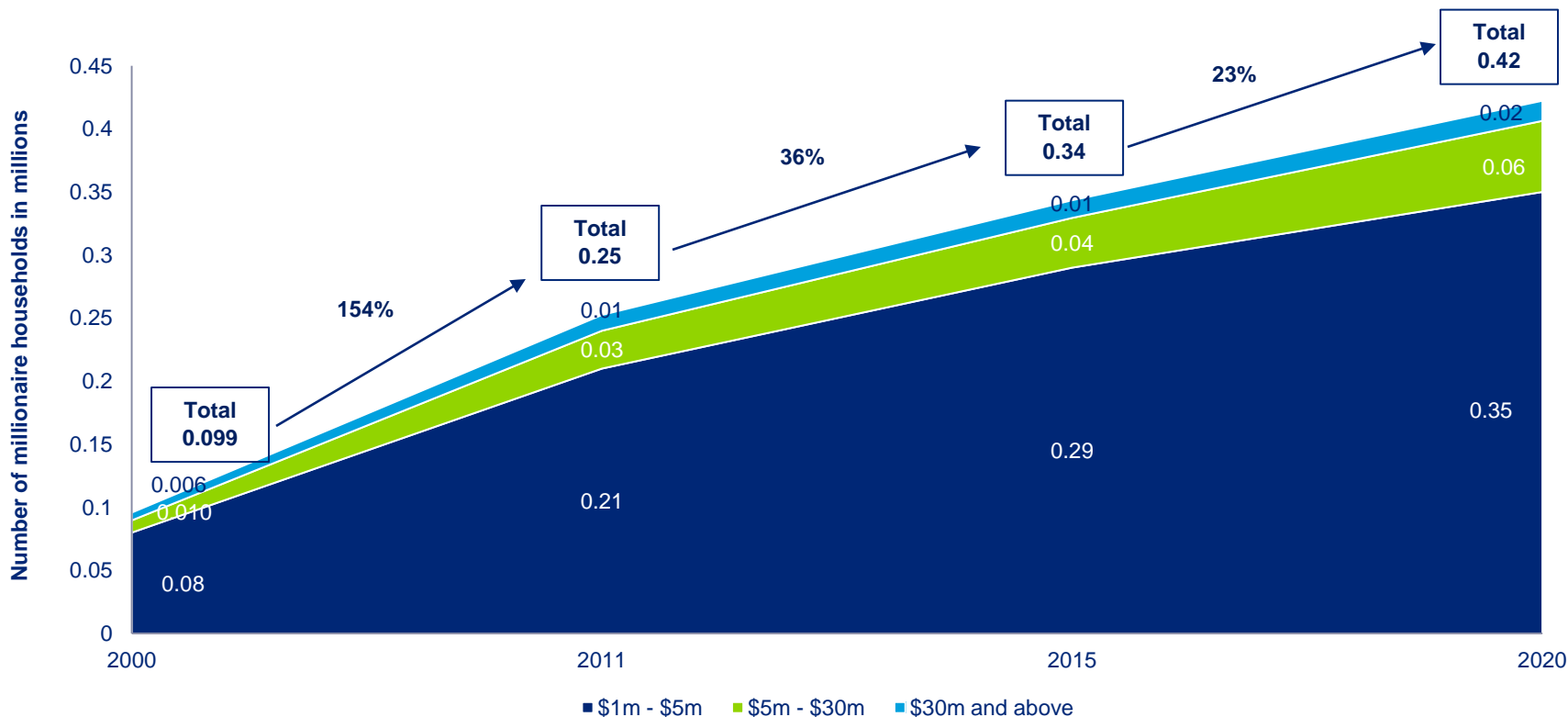
Our study suggests that the number of millionaire households in Spain will grow from 1,022,000 to 1,602,000 between 2011 and 2020, a growth rate of 57%. The \$30m+ cohort will likely see the greatest growth, at 84%, while the \$1m-\$5m cohort and \$5m-\$30m cohorts will likely grow 58% and 41%, respectively, over the next decade. However, the \$1m-\$5m cohort will likely continue to dominate the share of millionaire households, with 90% of millionaire households belonging to this cohort in 2020.



Source: Deloitte Analysis and Oxford Economics

# Sweden: Growth in the number of millionaire households by wealth cohort

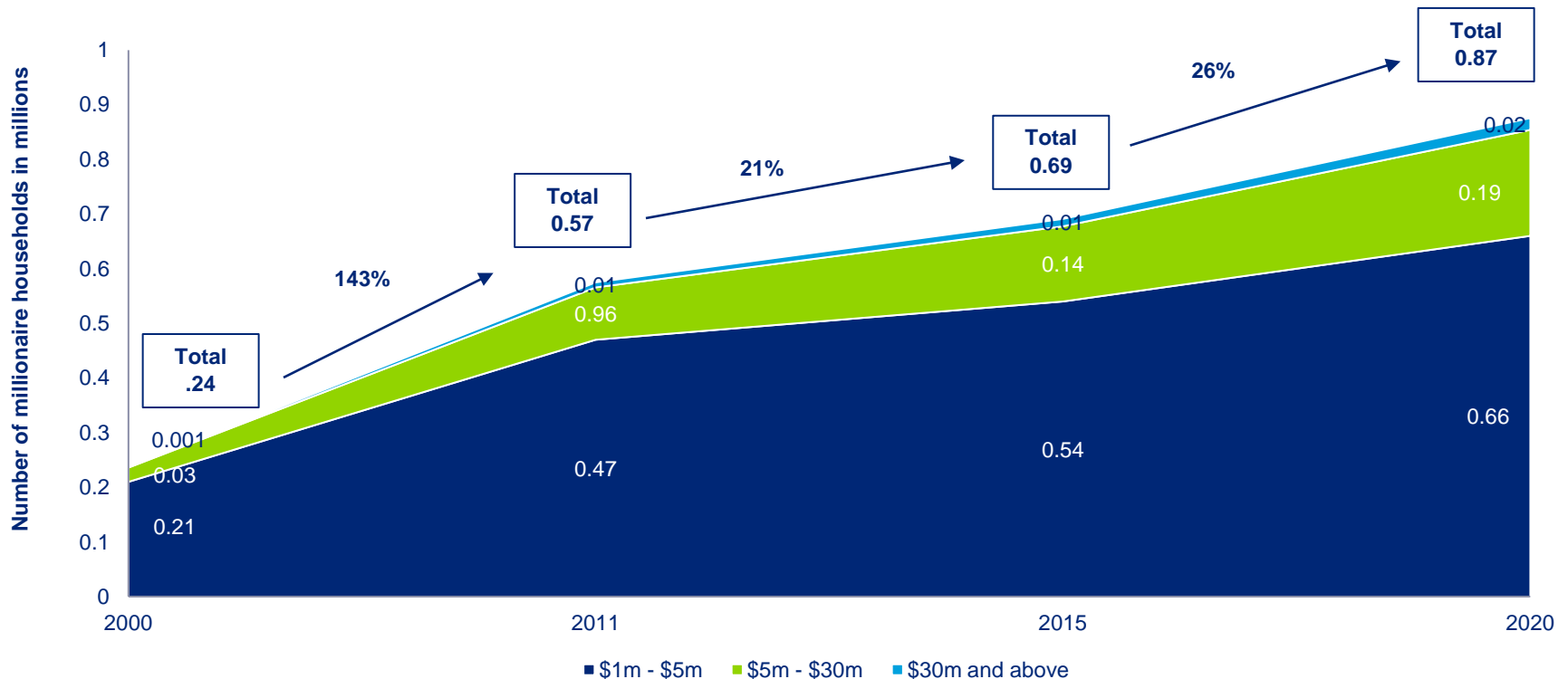
As per our analysis, the number of millionaire households in Sweden will grow from 252,000 to 422,000 between 2011 and 2020, a growth rate of 67%. Our study suggests that the \$5m-\$30m cohort will see the greatest growth, at 88%, while the \$1m-\$5m cohort and \$30m+ cohorts will grow 67% and 27%, respectively, over the next decade. However, the \$1m-\$5m cohort will likely continue to dominate the share of millionaire households, with 83% of millionaire households belonging to this cohort in 2020.



Source: Deloitte Analysis and Oxford Economics

# Switzerland: Growth in the number of millionaire households by wealth cohort

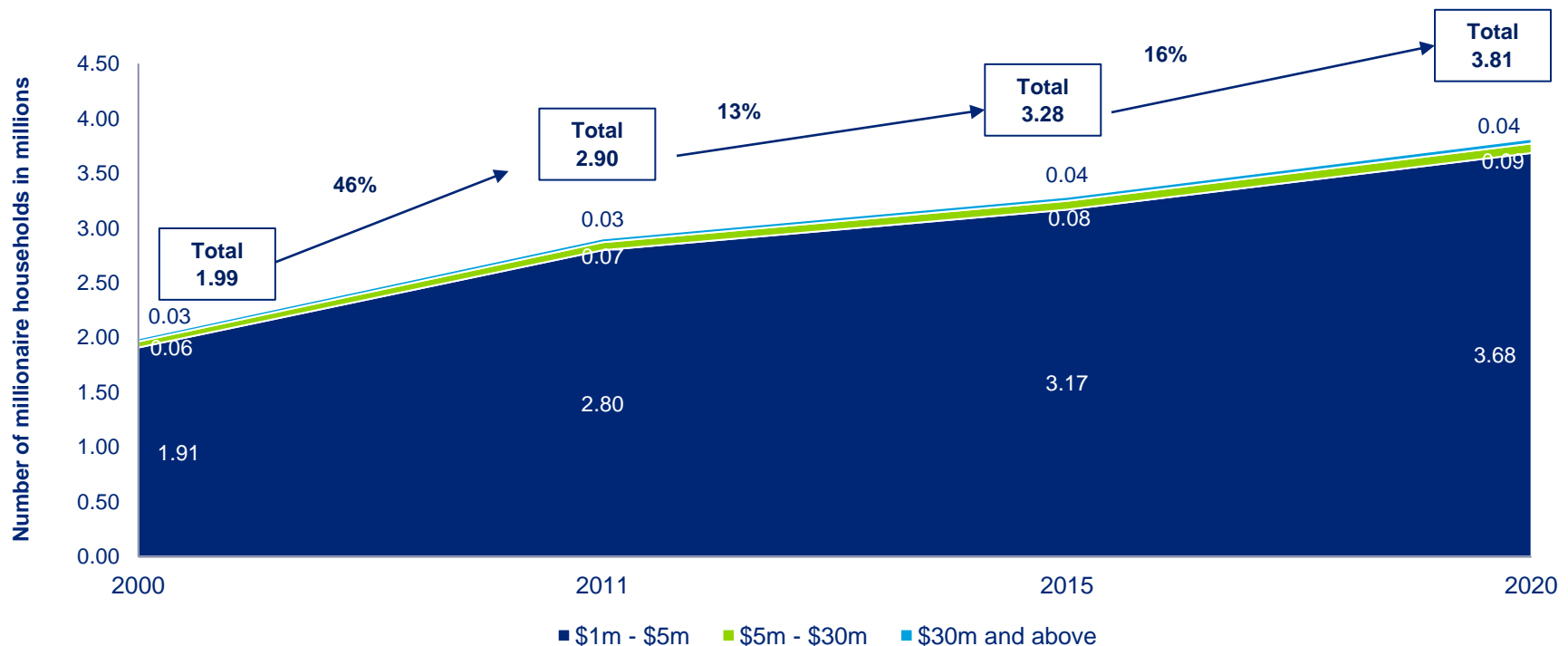
Our study suggests that the number of millionaire households in Switzerland will grow from 573,000 to 872,000 between 2011 and 2020, a growth rate of 52%. As per our analysis, the \$30m+ cohort will see the greatest growth, at 134%, while the \$1m-\$5m cohort and \$5m-\$30m cohorts will grow 40% and 103%, respectively, over the next decade. However, the \$1m-\$5m cohort will likely continue to dominate the share of millionaire households, with 75% of millionaire households belonging to this cohort in 2020.



Source: Deloitte Analysis and Oxford Economics

# United Kingdom: Growth in the number of millionaire households by wealth cohort

As per our analysis, the number of millionaire households in the United Kingdom will grow from 2,904,000 to 3,814,000 between 2011 and 2020, a growth rate of 31%. Similarly to Australia, but unlike other DM economies included in this study, the \$1m-\$5m cohort in the United Kingdom will likely see the greatest growth, at 32%, while the \$5m-\$30m cohort and \$30m+ cohorts will likely grow 20% and 27%, respectively, over the next decade. Our study suggests that the \$1m-\$5m cohort will continue to dominate the share of millionaire households, with 97% of millionaire households belonging to this cohort in 2020.



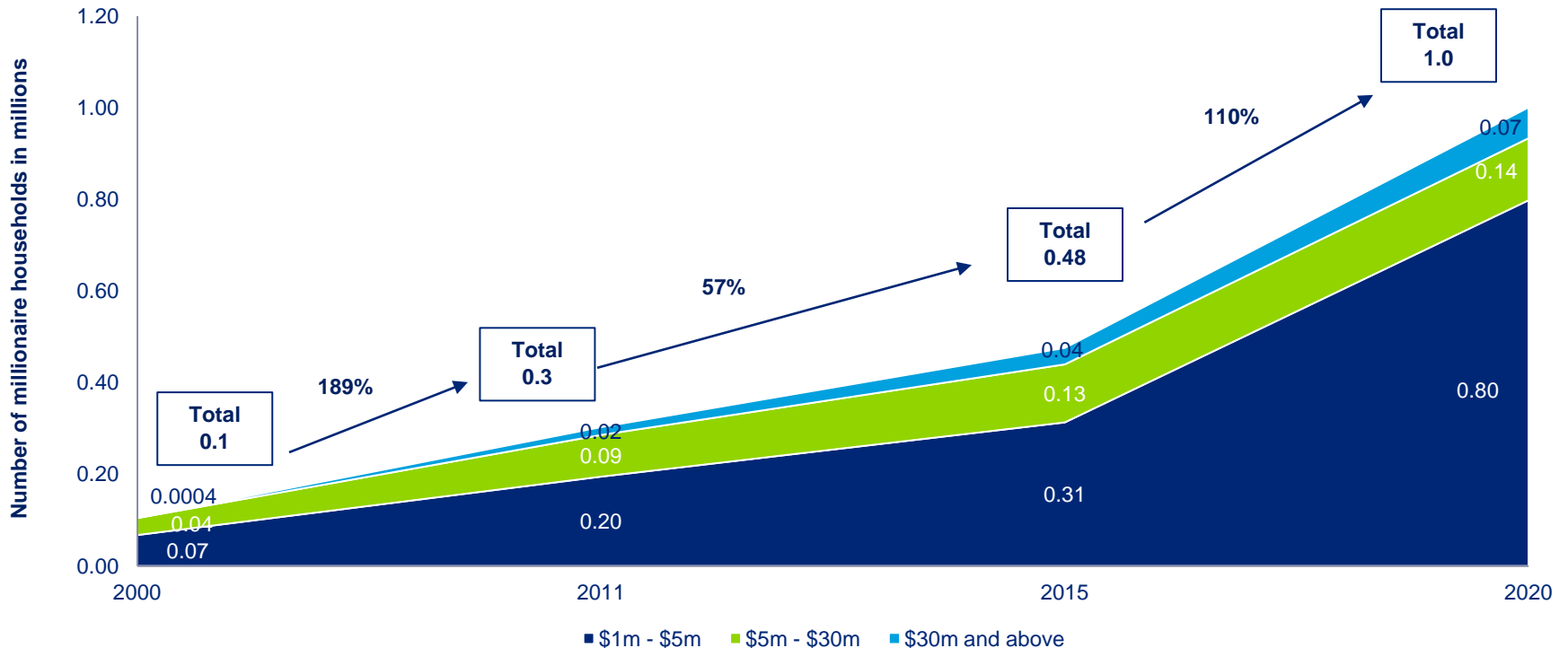
Source: Deloitte Analysis and Oxford Economics



Emerging markets

# Brazil: Growth in the number of millionaire households by wealth cohort

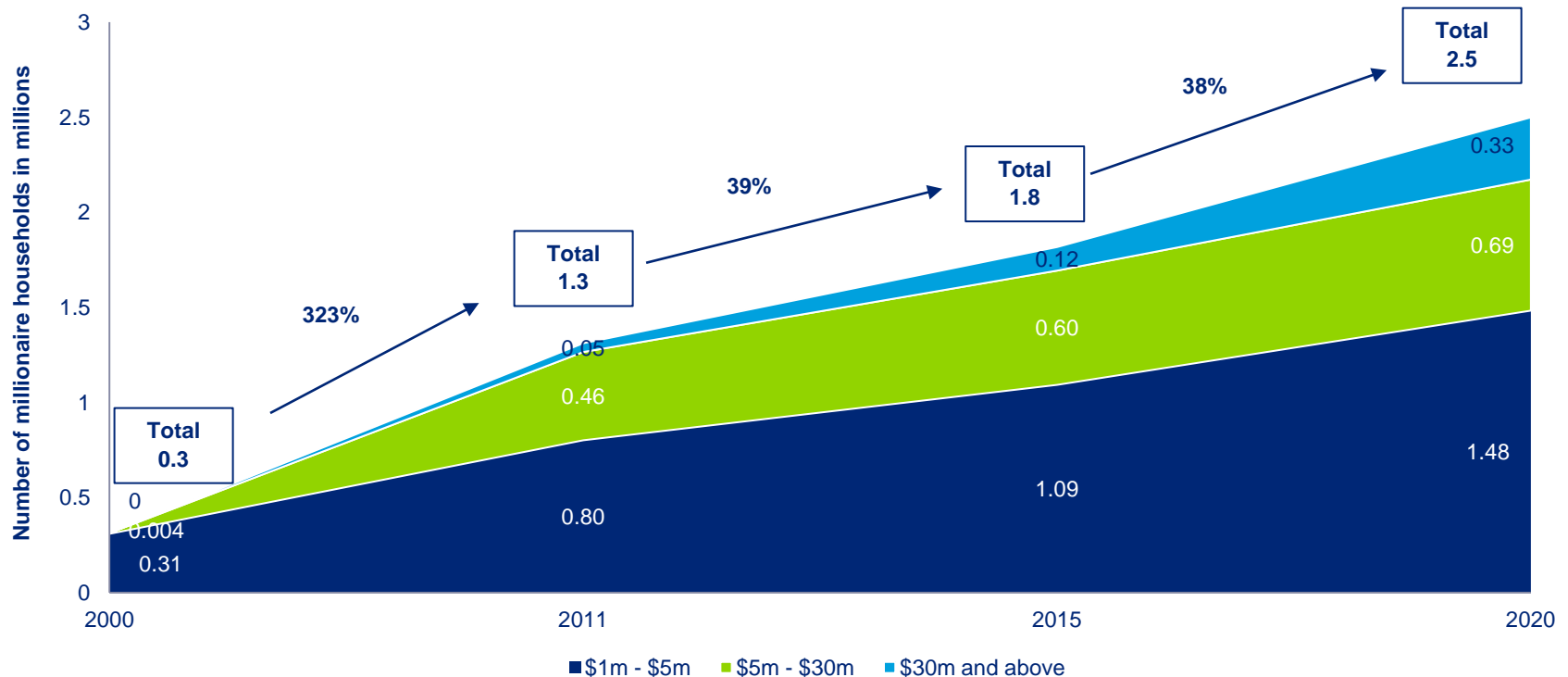
Our study suggests that the number of millionaire households in Brazil will grow from 303,000 to 1,001,000 between 2011 and 2020, a growth rate of 230%. The \$1m-\$5m cohort in Brazil will likely see the greatest growth, at 309%, while the \$5m-\$30m cohort and \$30m+ cohorts will likely grow 49% and 295%, respectively, over the next decade. The \$1m-\$5m cohort will likely continue to dominate the share of millionaire households, with 80% of millionaire households belonging to this cohort in 2020.



Source: Deloitte Analysis and Oxford Economics

# China: Growth in the number of millionaire households by wealth cohort

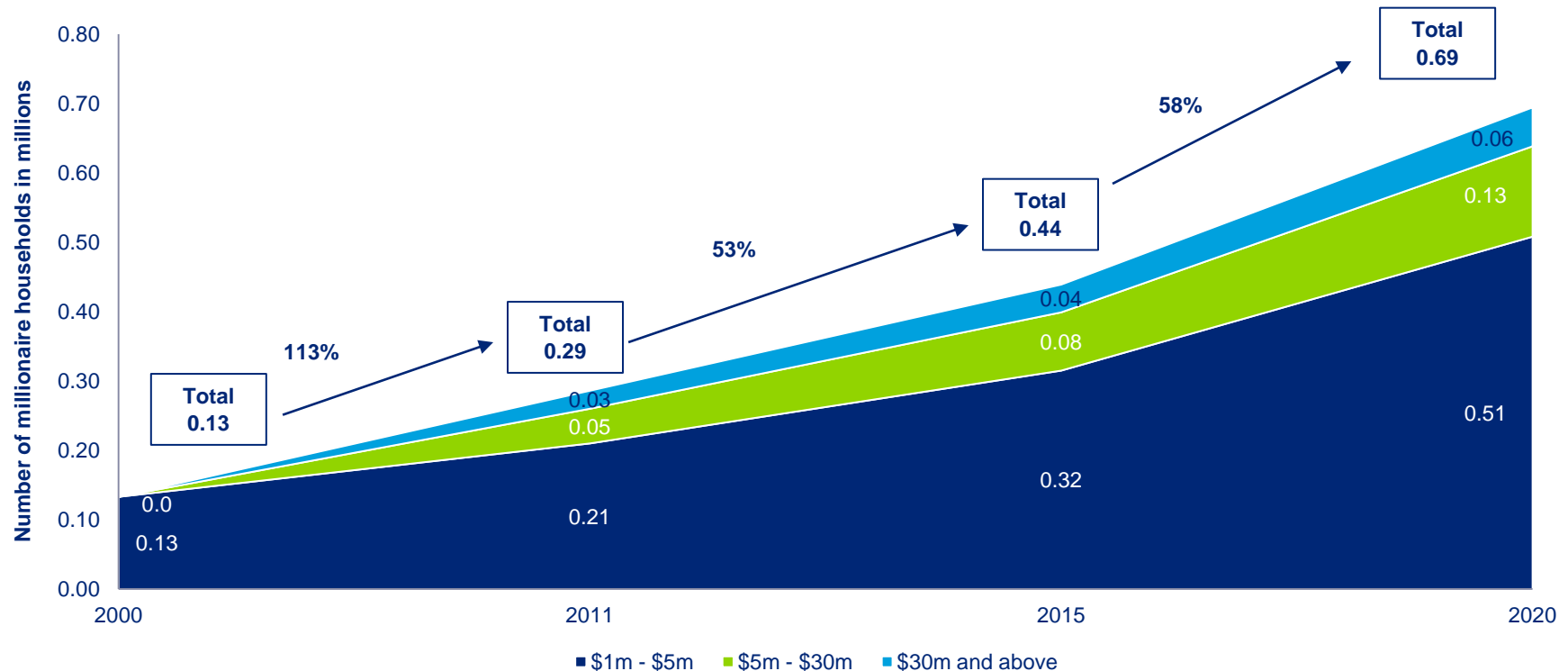
According to our study, the number of millionaire households in China will grow from 1,312,000 to 2,500,000 between 2011 and 2020, a growth rate of 91%. The \$30m+ cohort will likely see the greatest growth, at 609%, while the \$1m-\$5m cohort and \$5m-\$30m cohorts will likely grow 85% and 48%, respectively, over the next decade. However, our analysis suggests that the \$1m-\$5m cohort will continue to dominate the share of millionaire households, with 59% of millionaire households belonging to this cohort in 2020.



Source: Deloitte Analysis and Oxford Economics

# India: Growth in the number of millionaire households by wealth cohort

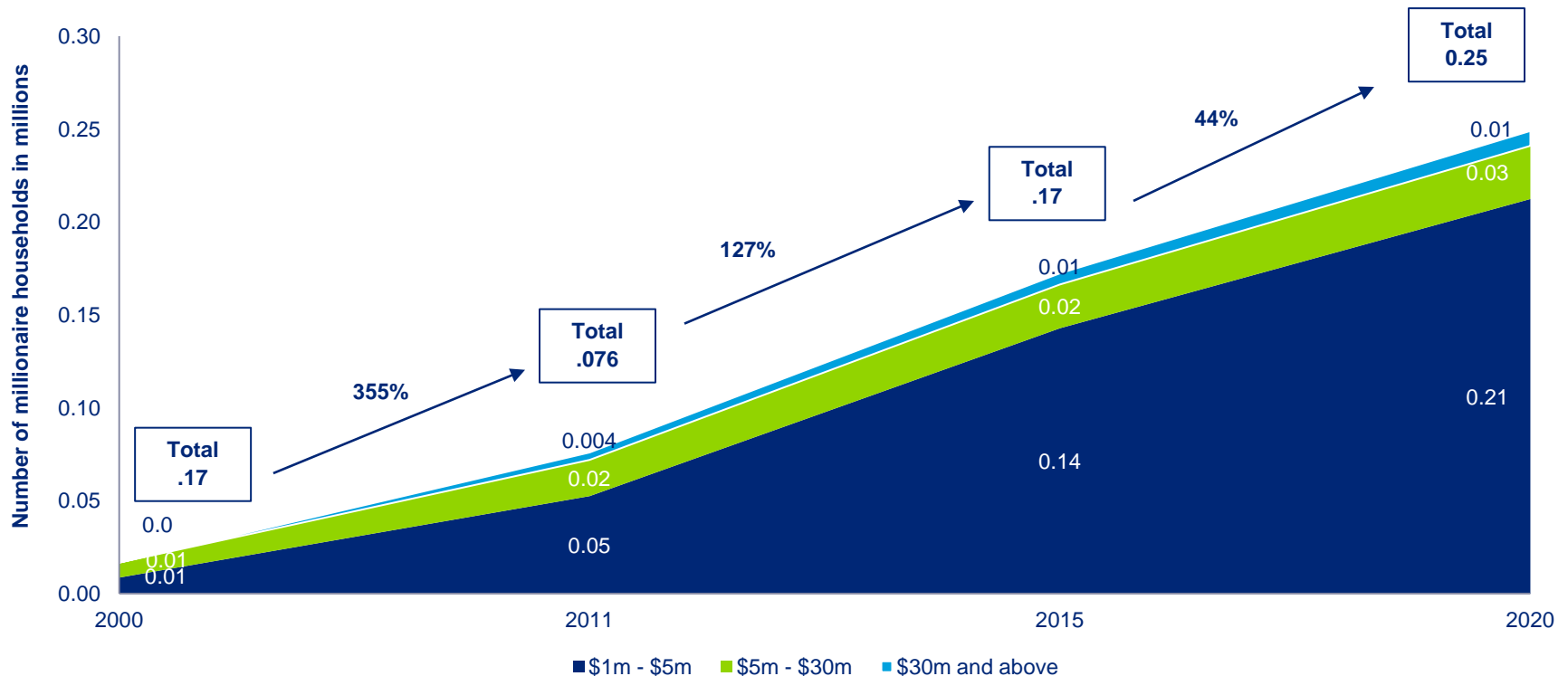
Our analysis suggests that the number of millionaire households in India will grow from 286,000 to 694,000 between 2011 and 2020, a growth rate of 143%. The \$5m-\$30m cohort in India will likely see the greatest growth, at 161%, while the \$1m-\$5m cohort and \$30m+ cohorts follow closely with likely growth rates of 142% and 115%, respectively, over the next decade. The \$1m-\$5m cohort will likely continue to dominate the share of millionaire households, with 73% of millionaire households belonging to this cohort in 2020.



Source: Deloitte Analysis and Oxford Economics

# Malaysia: Growth in the number of millionaire households by wealth cohort

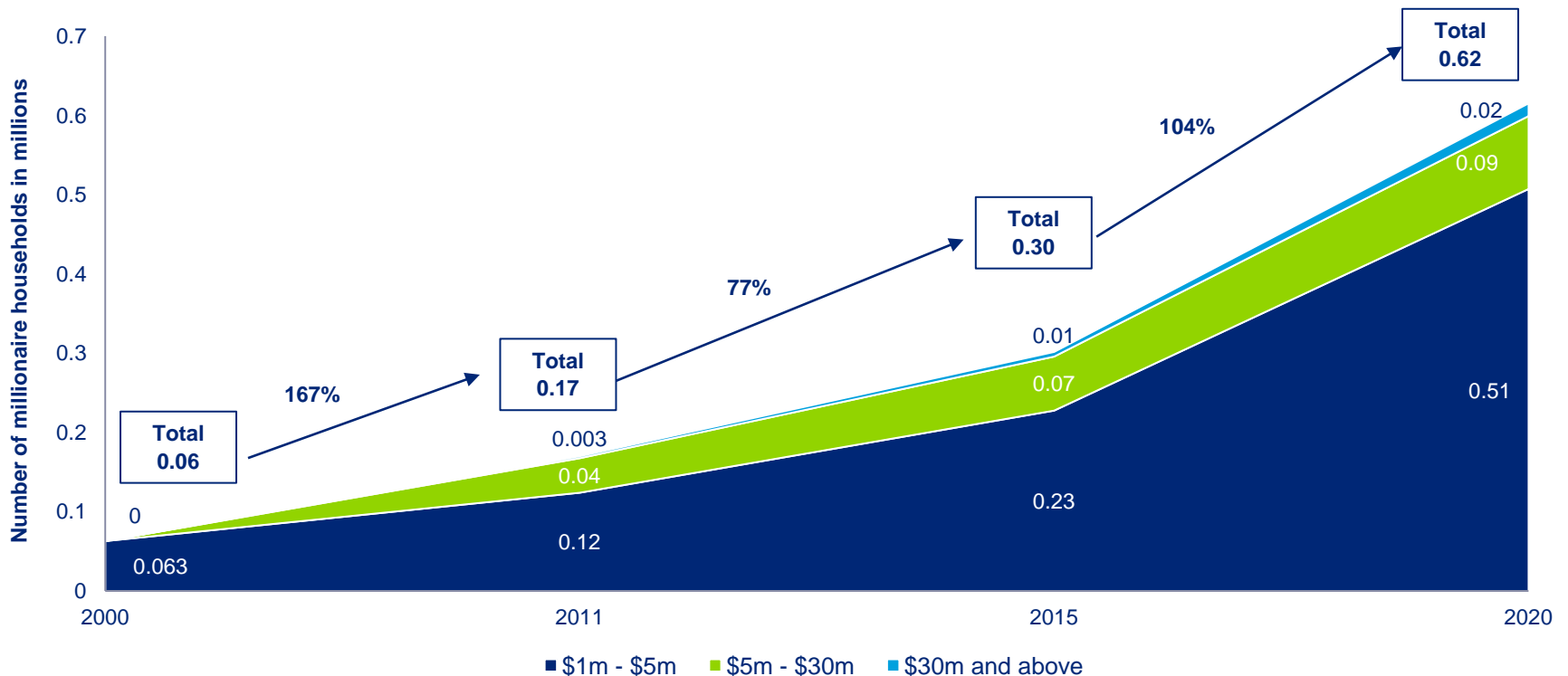
Our study suggests that the number of millionaire households in Malaysia will grow from 76,000 to 249,000 between 2011 and 2020, a growth rate of 228%. The \$1m-\$5m cohort in Malaysia will likely see the greatest growth, at 305%, while the \$5m-\$30m cohort and \$30m+ cohorts will likely grow 47% and 100%, respectively, over the next decade. The \$1m-\$5m cohort will likely continue to dominate the share of millionaire households, with 85% of millionaire households belonging to this cohort in 2020.



Source: Deloitte Analysis and Oxford Economics

# Mexico: Growth in the number of millionaire households by wealth cohort

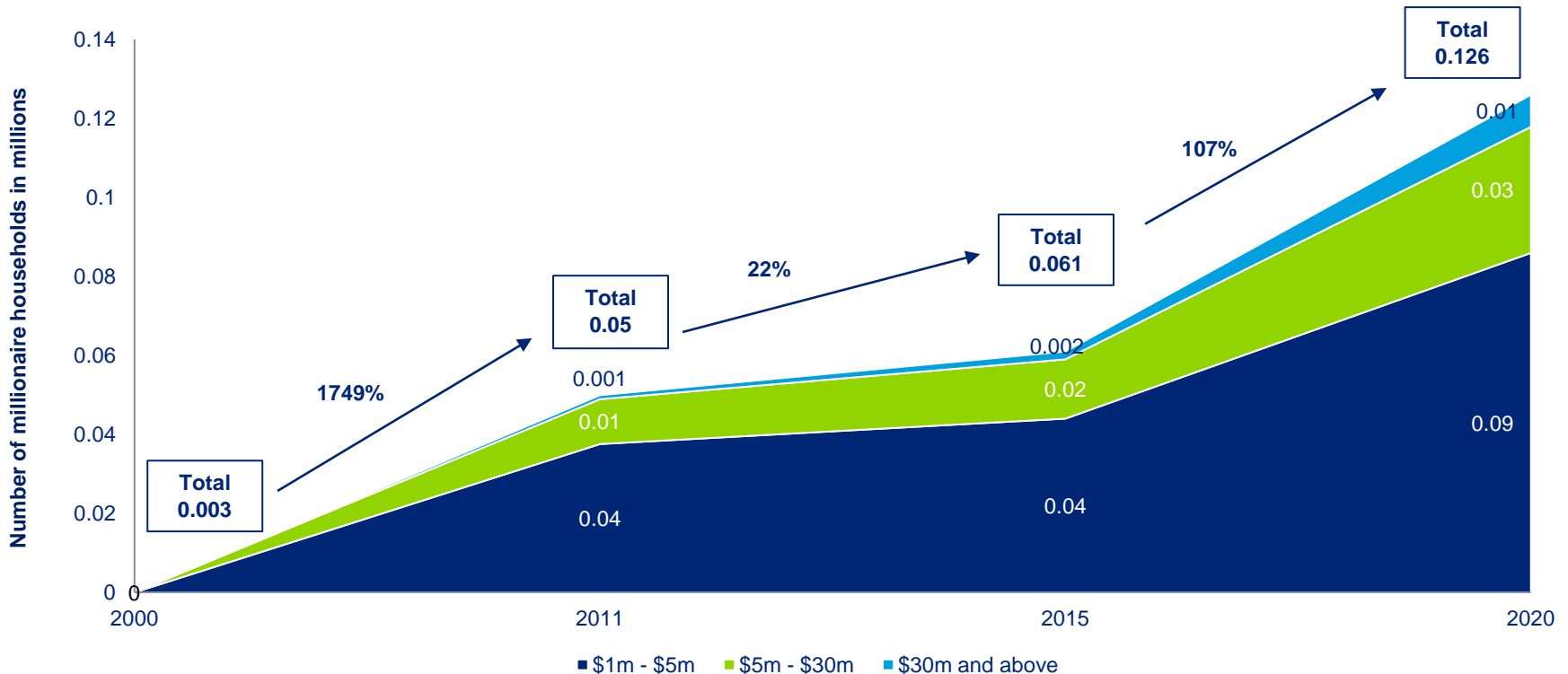
As per our analysis, the number of millionaire households in Mexico will grow from 170,000 to 615,000 between 2011 and 2020, a growth rate of 262%. The \$30m+ cohort will likely see the greatest growth, at 540%, while the \$1m-\$5m cohort and \$5m-\$30m cohorts will likely grow 309% and 111%, respectively, over the next decade. However, the \$1m-\$5m cohort will likely continue to dominate the share of millionaire households, with 82% of millionaire households belonging to this cohort in 2020.



Source: Deloitte Analysis and Oxford Economics

# Poland: Growth in the number of millionaire households by wealth cohort

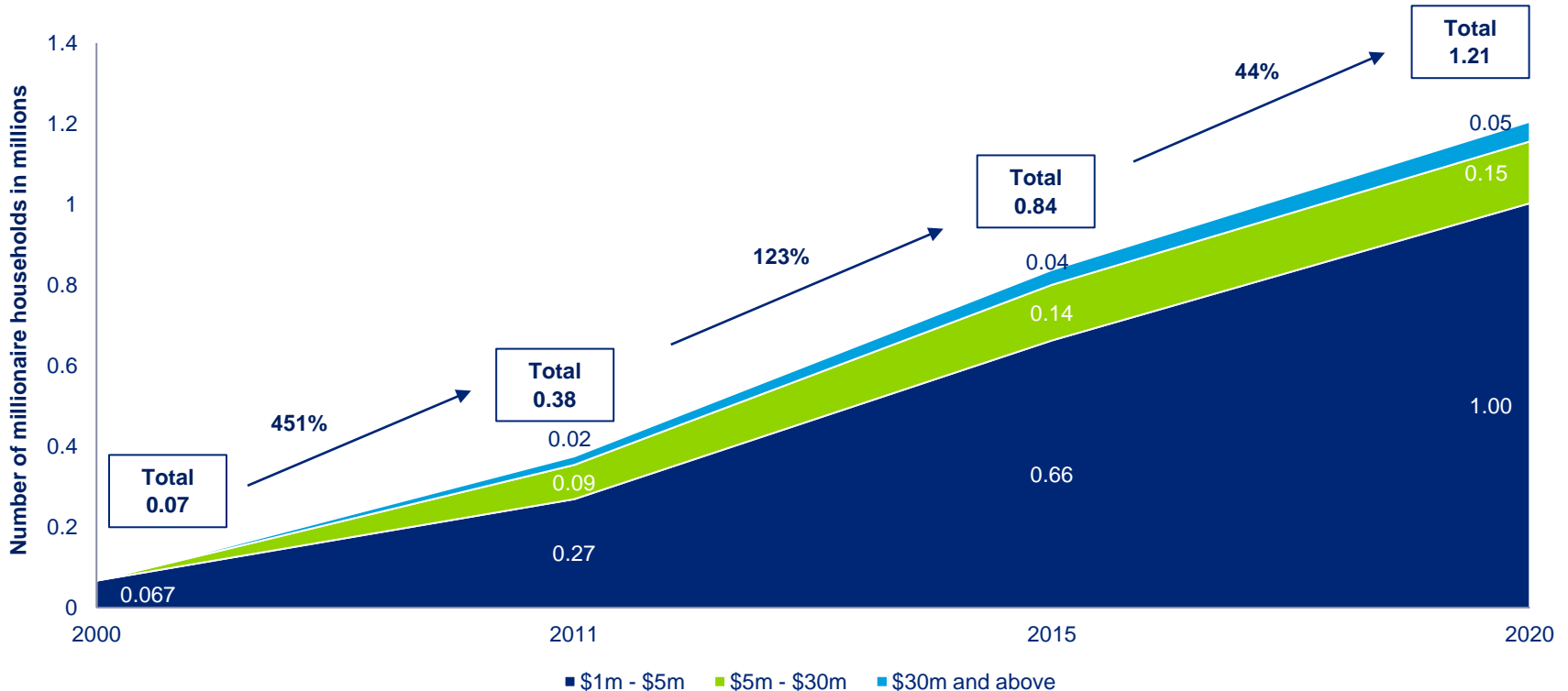
Our analysis suggests that the number of millionaire households in Poland will grow from 50,000 to 126,000 between 2011 and 2020, a growth rate of 152%. The \$30m+ cohort will likely see the greatest growth, at 712%, while the \$1m-\$5m cohort and \$5m-\$30m cohorts will likely grow 129% and 181%, respectively, over the next decade. However, the \$1m-\$5m cohort will likely continue to dominate the share of millionaire households, with 68% of millionaire households belonging to this cohort in 2020.



Source: Deloitte Analysis and Oxford Economics

# Russia: Growth in the number of millionaire households by wealth cohort

As per our analysis, the number of millionaire households in Russia will grow from 375,000 to 1,205,000 between 2011 and 2020, a growth rate of 221%. The \$1m-\$5m cohort in Russia will likely see the greatest growth, at 273%, while the \$5m-\$30m cohort and \$30m+ cohorts will likely grow 80% and 133%, respectively, over the next decade. The \$1m-\$5m cohort will likely continue to dominate the share of millionaire households, with 83% of millionaire households belonging to this cohort in 2020.

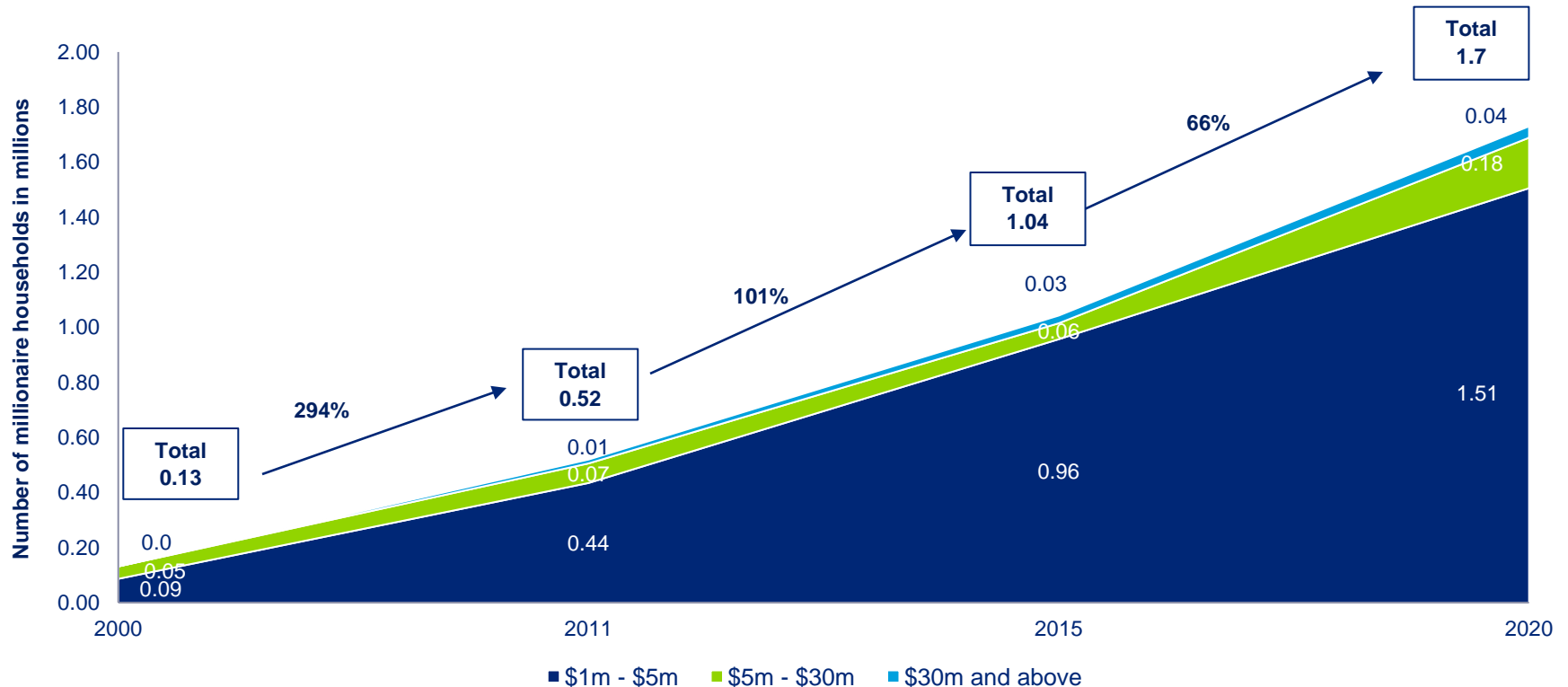


Source: Deloitte Analysis and Oxford Economics



# South Korea: Growth in the number of millionaire households by wealth cohort

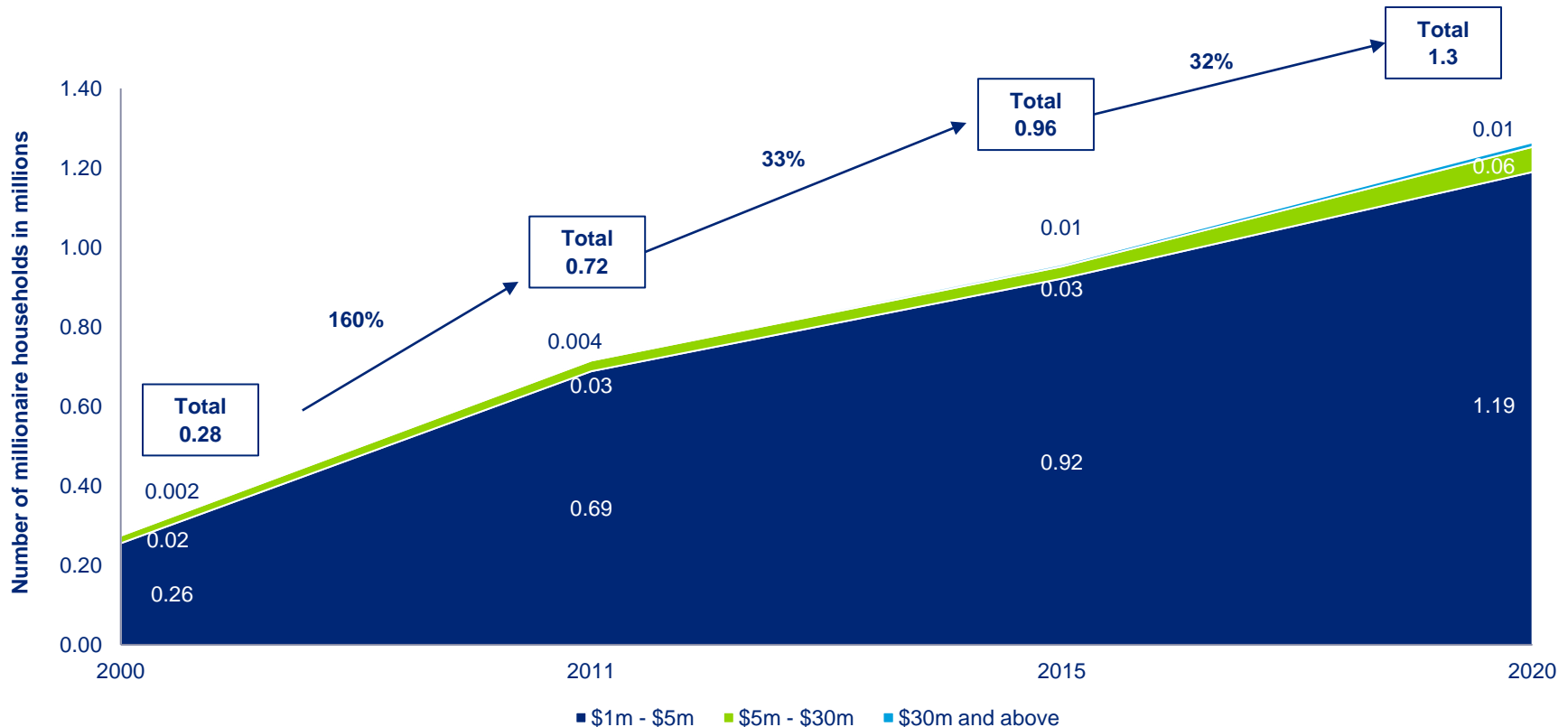
Our study suggests that the number of millionaire households in South Korea will grow from 520,000 to 1,730,000 between 2011 and 2020, a growth rate of 233%. As per our analysis, the \$1m-\$5m cohort in South Korea will see the greatest growth, at 246%, while the \$5m-\$30m cohort and \$30m+ cohorts will likely grow 158% and 197%, respectively, over the next decade. The \$1m-\$5m cohort will likely continue to dominate the share of millionaire households, with 87% of millionaire households belonging to this cohort in 2020.



Source: Deloitte Analysis and Oxford Economics

# Taiwan: Growth in the number of millionaire households by wealth cohort

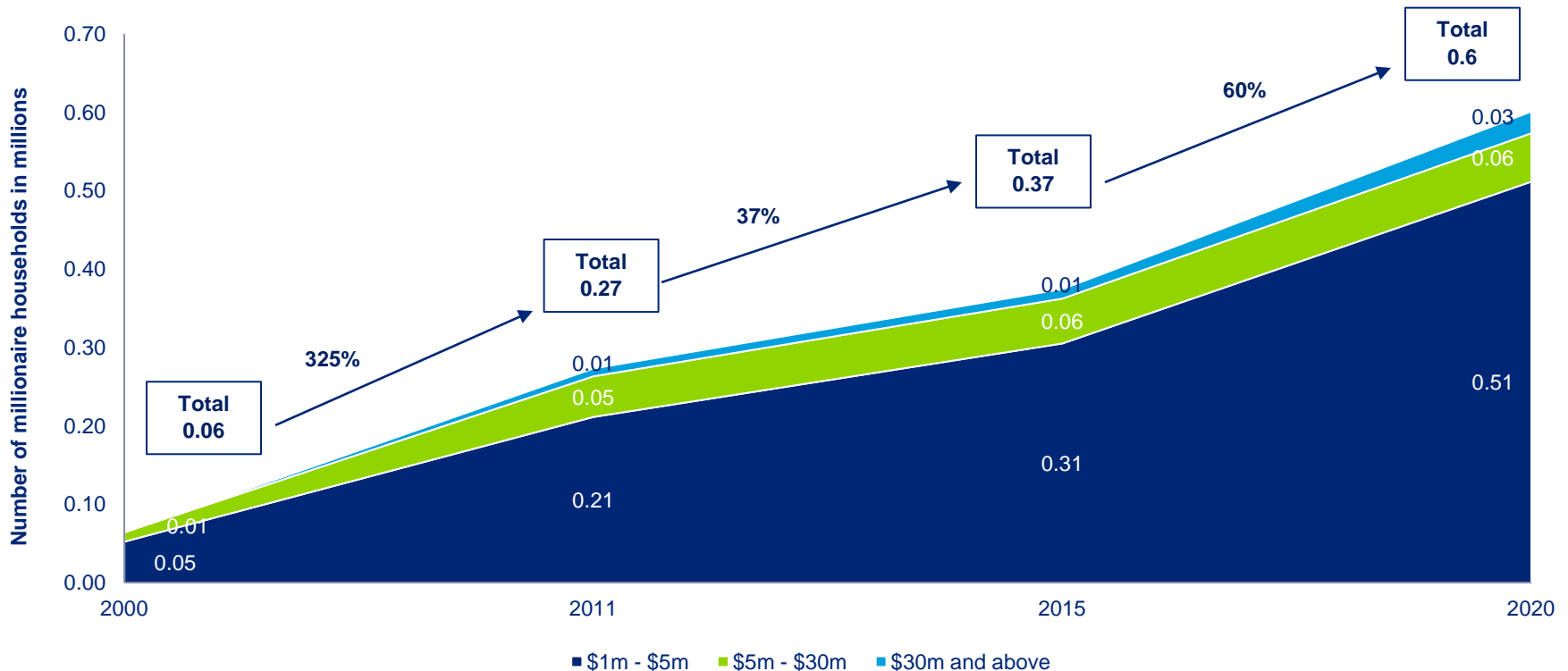
As per our analysis, the number of millionaire households in Taiwan will grow from 719,000 to 1,264,000 between 2011 and 2020, a growth rate of 76%. The \$30m+ cohort will likely see the greatest growth, at 181%, while the \$1m-\$5m cohort and \$5m-\$30m cohorts will likely grow 73% and 135%, respectively, over the next decade. However, our analysis suggests that the \$1m-\$5m cohort will continue to dominate the share of millionaire households, with 94% of millionaire households belonging to this cohort in 2020.



Source: Deloitte Analysis and Oxford Economics

# Turkey: Growth in the number of millionaire households by wealth cohort

Our study suggests that the number of millionaire households in Turkey will grow from 273,000 to 601,000 between 2011 and 2020, a growth rate of 120%. As per our analysis, the \$30m+ cohort in Turkey will likely see the greatest growth, at 179%, while the \$1m-\$5m cohort and \$5m-\$30m cohorts will likely grow 142% and 19%, respectively, over the next decade. The \$1m-\$5m cohort will likely continue to dominate the share of millionaire households, with 85% of millionaire households belonging to this cohort in 2020.



Source: Deloitte Analysis and Oxford Economics

# Study methodology

- The Deloitte Center for Financial Services collaborated with Oxford Economics on this study.
- In this study we report cross-country estimates of the number, density and total wealth of households with net wealth: \$1–\$5m, \$5–\$30m and \$30m+ cohorts.
- Wealth in this study includes financial assets (stocks, bonds, and other investments) and nonfinancial assets including primary residence, durables, business equity, and other assets. Although it is customary for the wealthy to be grouped into categories according to levels of investable assets (i.e., excluding primary residence), on a cross-country basis the available data rarely makes such distinctions possible.
- The analysis presented in this report relies solely on actual published data based on surveys and other analyses and not on subjective judgements of individuals, thereby maximising the reliability of our estimates.
- Official exchange rates are used on the grounds that this metric is more directly relevant to wealth managers seeking to compare market size and investment opportunities across economies.
- Having estimated the current population of wealthy individuals by economy, our approach to forecasting future changes in their numbers involves two steps. First, a breakdown of wealth holdings across broad asset categories is established for each cohort of interest. Second, the value of these portfolios is projected using forecasts for relevant factors such as stock prices, house prices, and interest rates, which are contained within the Oxford Economics Global Model. This modelling approach allows for shifts in the overall distribution of wealth across time, rather than imposing aggregate wealth projections onto a static distribution. Using this global model also enables alternative forecasts of wealthy individuals to be made under varying assumptions for key economic and financial variables.
- Of course, concepts of what makes an individual ‘wealthy’ vary between economies and through time. This is because perceptions of relative wealth are framed by economic factors, such as the cost of living, which varies due to differences in relative price levels. Comparing the US and China, for example, it is clear that the standard of living associated with a given level of wealth would be very different between the two economies. Correcting for these differences in relative price levels using purchasing power parity (PPP) exchange rates shows that \$1 million in the US, for example, feels more like \$1.8 million in China. Equally, the real value of assets is eroded over time due to the effects of inflation, so an American with \$1 million of assets in 1990 would have seen their real value fall to just \$600,000 today. This helps to explain why being a ‘millionaire’ in the US is no longer viewed as the milestone of success that it was in the past. These caveats should be borne in mind when reviewing our results.

# Study methodology: Forecast assumptions

In the estimation of wealth among millionaire households, forecasts derived from the Oxford Economics Global Model were used. The table below summarizes the five year annual averages of some of these forecasts.

	GDP Growth Rate (%)		Inflation (%)		Savings Rate (%)		Population Change (%)	
	2011–2015	2016–2020	2011–2015	2016–2020	2011–2015	2016–2020	2011–2015	2016–2020
US	3.47%	2.80%	2.46%	2.51%	5.57%	2.88%	0.97%	0.96%
China	8.83%	8.19%	3.05%	3.02%	36.11%	34.90%	0.61%	0.50%
Australia	3.50%	3.24%	2.49%	2.51%	13.10%	13.21%	1.00%	0.93%
Brazil	4.31%	3.55%	4.04%	4.00%	0.94%	6.18%	0.75%	0.60%
Canada	3.77%	3.09%	2.42%	2.50%	3.89%	4.03%	0.93%	0.89%
France	2.00%	1.74%	1.84%	1.86%	11.21%	9.92%	0.46%	0.39%
Germany	1.95%	1.68%	1.65%	1.85%	10.32%	9.98%	-0.07%	-0.10%
Hong Kong	4.81%	4.70%	1.97%	2.01%	5.58%	6.74%	0.91%	0.81%
India	8.48%	7.30%	4.46%	3.64%	30.96%	31.89%	1.28%	1.10%
Italy	1.47%	1.37%	2.01%	1.96%	9.42%	9.54%	0.03%	-0.08%
Japan	1.70%	1.01%	0.57%	0.60%	2.94%	5.58%	-0.19%	-0.34%
Malaysia	4.70%	4.29%	2.97%	3.03%	19.36%	21.17%	1.48%	1.28%
Mexico	4.41%	3.50%	3.10%	3.03%	5.53%	4.98%	0.87%	0.71%
Netherlands	2.18%	1.61%	1.91%	1.87%	6.91%	6.48%	0.29%	0.26%
Norway	2.54%	2.25%	2.28%	2.47%	4.35%	4.23%	0.74%	0.70%
Poland	3.98%	2.85%	2.87%	2.40%	5.39%	5.50%	-0.01%	-0.07%
Russia	4.84%	4.20%	5.66%	5.30%	8.45%	8.64%	-0.34%	-0.38%
Singapore	5.34%	4.41%	1.33%	1.33%	4.01%	3.56%	0.90%	0.62%
South Korea	4.33%	3.98%	2.76%	2.38%	3.92%	6.58%	0.27%	0.13%
Spain	1.67%	1.63%	1.35%	1.65%	14.64%	11.06%	0.35%	0.23%
Sweden	2.70%	2.14%	1.78%	1.80%	9.35%	8.04%	0.40%	0.44%
Switzerland	1.88%	1.71%	1.20%	1.51%	13.96%	14.09%	0.75%	0.60%
Taiwan	4.27%	4.08%	1.82%	1.83%	6.62%	5.26%	0.31%	0.20%
Turkey	6.17%	5.38%	4.25%	4.05%	9.45%	10.35%	1.10%	0.96%
United Kingdom	2.89%	2.29%	1.85%	2.00%	3.70%	3.89%	0.54%	0.53%

Source: Oxford Economics

# Glossary

- **Business equity:** Incorporates the value of many business-related wealth not held in share ownership of listed companies.
- **Domestic stock market index:** For each economy, our historical data comes from a standard index (for example for France we use the Paris SBF 250). The index value is then forecasted forward using the Oxford Global Macro Model.
- **Change in the international stock market:** The growth rate was constructed as an unweighted average of the change in the stock market indexes for the U.S. (Willshire 5000), Eurozone (Dow Jones Euro STOXX 50), Japan (TSE 1st Section Composite), and India (SENSEX).
- **Domestic long-term bond yield:** In many cases this is the forecasted yield of domestic government bonds with 10-year maturity. In the cases of Turkey and India, data limitations meant we had to use the short term rate plus a spread.
- **International long-term bond yield:** We used U.S. 10-year maturity bond yields as our benchmark international long term-bond yield.
- **Short-term interest rates:** In most cases the short-term rate is the three month interbank lending rate. However, due to data limitations there are exceptions to this; Brazil (the central bank's overnight lending rate), India (the central bank policy rate), Malaysia (overnight lending rate), and Turkey (one week reference ask rate).

# Glossary (cont.)

- **Nominal residential house building:** For all economies, this series is the forecasted investment in private dwellings, which equates to the value of the new housing stock being created each year.
- **Net acquisition of financial assets:** In all economies this is the forecasted acquisition of financial assets by households, removing any loans made to buy them.
- **Real effective exchange rate:** This is a broad-based measure of the real exchange rate, which covers each economy's major trading partners. For some economies this is not computed (Brazil, India, Malaysia, and Poland), and we use the forecasted exchange rate with the dollar as a proxy.
- **Exchange rate:** For all economies, this is the forecasted end of period exchange rate with the U.S. dollar.
- **Change in house prices:** In most cases, the historical data comes from a standard house price index (for example, the U.S. index is the Federal Reserve's Federal Housing Finance Agency house price index), which is then forecast forward. For those economies where we don't have a house price index (Brazil, India, Russia, Singapore, and Turkey) the forecasted growth in nominal earnings was used as a proxy.

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