

“What it takes to be rich”

By Tommy Williams, CFP®

How much wealth is there in the world?



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In 2016, the Earth’s inhabitants were worth about \$256 trillion, according to the *Global Wealth Report by Credit Suisse Research Institute*. Population has grown along with wealth.

1. North America, which has more than 5 percent of the world’s population, is the wealthiest region with about \$92 trillion of the world’s wealth.
2. Europe, which accounts for about 12 percent of the world’s population, is

next with about \$73 trillion.

3. China has more than 20 percent of the world’s population and comes in just above \$23 trillion.
4. Latin America has less than 10 percent of the world’s people and accounts for about \$7.5 trillion of the world’s wealth.
5. India, with more than 15 percent of earth’s inhabitants, has almost \$3.1 trillion.
6. Africa has more than 10 percent of the world’s population and about \$2.5 trillion of its wealth.

The Economist reported:

“If you had only \$2,220 to your name (adding together your bank deposits, financial investments, and property holdings, and subtracting your debts) you might not consider yourself terribly

fortunate. But you would be wealthier than half the world’s population... If you had \$71,560 or more, you would be in the top tenth. If you were lucky enough to own over \$744,400 you could count yourself a member of the global 1% that voters everywhere are rebelling against.”

Of course, where a person lives factors into how wealthy they feel. For instance, last week, *Expatison.com* reported living in New York was 15 percent more expensive than living in London, and London was 30 percent more expensive than living in Toronto. Living in Toronto was 115 percent more expensive than living in Belgrade, and Belgrade was 60 percent less expensive than Singapore.

As we all know, wealth dispersion in America was a hot topic during the Presidential campaigns. Surprising as it may be, *Fortune* recently reported:

“Despite little wage growth and declining job prospects among young Americans, the U.S. is home to vast stores of wealth and a millionaire class that outsizes that of any other country in the world. And it’s about to get even bigger. The number of Americans who meet the millionaire threshold is set to increase by an average of 1,700 every day for the coming years, Bloomberg reports, based on projections by the Boston Consulting Group. By the year 2020, the U.S. is expected to welcome 3.1 million new members into its millionaire’s club, which grew by 2.4 million from 2010 to 2015. The coming spike in individual wealth will largely be due to what Bloomberg calls, ‘the largest generational transfer of wealth in history.’ Much of America’s wealth is concentrated among older generations, whose mostly already affluent offspring are about to inherit a fortune. But being a millionaire may not matter as much as it used to. Bloomberg says a net worth of \$1 million today has the buying

power of, say, \$341,000 in 1980, or \$45,000 in the early 20th century. Being a millionaire these days doesn’t even necessarily qualify one as ‘rich,’ as living expenses, education, and retirement easily chip away at the sum.”

Having considered the above, I am reminded of the words of Ben Franklin, *“Wealth is not his that has it, but his that enjoys it.”*

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