

GOVERNMENT

82pc of world's wealth distributed among top 1pc

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Wealthy individuals acquire more wealth than rest of humanity

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According to Oxfam, the number of billionaires in the world saw its largest jump in history during 2017, bringing the demographic's total number of individuals with personal wealth in the billions up to 2,043.

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The top 1 percent of wealthy affluents obtained 82 percent of the world's wealth created last year. In Canada, for example, affluence has seen consistent growth in the last 20 years, but from 2016 to 2017 the North American country saw a \$28 billion increase in total wealth of its billionaires.

"The global inequality crisis is reaching frightening new levels, fueled by the choices of our political and business leaders," said Kate Higgins, director of policy and campaigns at **Oxfam Canada**. "In Canada, the situation is not getting any better," said Canadian billionaire fortunes grew by \$28 billion last year alone.

"That's enough to pay for universal child care and lift 4.9 million Canadians out of poverty," she said. "What's new in this year's report is that we really zero in on the impacts on women.

"We make a direct link between extreme inequality and gender inequality, demonstrating that the super-rich amass their wealth on the backs of the poorest and most marginalized women of our society. For example, it takes just four days for a CEO of one of the top five global fashion brands to earn what a Bangladeshi garment worker will earn in her entire lifetime, and housekeepers in Toronto must work more than a year and a half to earn what the top global hotel CEOs earn in a single day. There is something wrong with this picture."

For its calculations, Oxfam's looked at global wealth distribution data provided by the Credit Suisse Global Wealth Data book 2017 and Forbes' 2017 billionaires list.

Uneven distribution

OxFam's latest report "**Reward Work, Not Wealth**," found that nine out of 10 billionaires worldwide are men. While the total wealth of these individuals has increased, the bottom half of non-wealthy individuals saw no rise at all.

Canada's billionaires are becoming more common, with a jump of 24 from 2000 to today, and these individuals are all male.



Wealth management is taking steps into the future. Image credit: FutureVault

In the United States, the country's three wealthiest individuals have the same amount of capital as the combined lower half of the total population.

Individuals surveyed by Oxfam believe that the gap between the top percent and lower half needs to be addressed, with 66 percent agreeing. About 60 percent of respondents believe that it is the government's job to help fix this situation.

From 2006 to 2015, standard workers saw only a yearly 2 percent increase in wages, while billionaires saw an increase of 13 percent a year, a six times faster rate.

Also, 42 affluent individuals from around the world have the same amount of wealth as the entire 3.7 billion bottom-half individuals. The top 1 percent owns more wealth than the rest of the world combined.

Oxfam believes that the top 10 percent should not have more income than the combined bottom 40 percent. The organization believes that ending extreme wealth will end severe poverty.

As such, Oxfam calculated that a global tax of 1.5 percent on billionaires' wealth could pay for every child to go to school.

Billionaire's club

After a \$300 billion decline to \$5.1 trillion in 2015, UBS and PwC report that the total wealth of the world's billionaires rose 17 percent in 2016 to \$6 trillion.

According to UBS and PricewaterhouseCoopers' annual joint "Billionaires Report 2017: New Wealth Creators Gain Momentum," there has been a return to growth for the billionaire community, with Asian billionaires outpacing those from the United States for the first time. In its findings, UBS and PwC examined wealth creation, but also the community contributions of the world's billionaires, ranging from art patronage and sports team investments to how these individuals act as a workforce vehicle ([see more](#)).

The controversial United States tax bill passed by Congress last month has given the country's luxury business a serious boost, according to Savigny Partners.

The Savigny Luxury Index saw a 3 percent bump in December following the passage of the new tax bill, which critics feel has been designed to give more money to the wealthiest U.S. citizens. With more money and lower taxes, luxury investors are celebrating and the U.S. luxury industry felt the effects ([see more](#)).

"The most surprising finding is that 82 per cent of the wealth created last year went to the richest 1 per cent of the global population," Oxfam's Ms. Higgins said. "Meanwhile, the 3.7 billion people who make up the poorest half of the world saw no increase in their wealth.

"That is simply unjustifiable," she said. "This just goes to show that the inequality crisis continues to worsen, as the benefits of economic growth continue to concentrate in fewer hands."