

Number of super-rich individuals grew worldwide during the pandemic

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The global real estate consultancy Knight Frank published its “Wealth Report” for 2020 on March 1. The 15th annual report shows that the number of Ultra High Net Worth Individuals (UHNWI) around the world grew by 2.4 percent over the past year to more than 520,000 people.

As always, Knight Frank enthusiastically defines UHNWI as “someone with a net worth of over US\$30 million including their primary residence.” Knight Frank sees no problem whatsoever in celebrating the expansion of the number and wealth of the richest people in the world during a year dominated by the devastation of the coronavirus pandemic.

Like the *Forbes* 400 list of the wealthiest Americans or the *Institutional Investor’s* “Rich List,” Knight Frank’s wealth report hails the unprecedented expanding economic inequality that is a primary characteristic of the world capitalism in the 21st century. This celebration took on a particularly ghastly shade during 2020 when COVID-19 infected 100 million, killed more than 2 million and—due to the drive by the capitalist elite to take advantage of the public health emergency to increase its wealth—has plunged hundreds of millions of people around the world into the greatest social crisis since the Great Depression of the 1930s.

Knight Frank is marking its 125th anniversary this year. Dealing in residential, commercial and agricultural real estate since 1896, the agency currently has more 500 offices in 60 countries and is involved in nearly \$1 trillion in property asset transactions on behalf of its ultra-rich clientele each year.

The report contains a Wealth Sizing Model that predicts an increase by 27 percent in the number of UHNWIs over the next five years to 663,483. Significantly, the report also contains information about

High Net Worth Individuals (HNWI)—also known as millionaires—and points out that the number of these individuals declined over the past year.

Although the report does not make the point, the separation of the ultrawealthy from the “merely” wealthy is the material basis for much of the conflict within bourgeois politics including that within the US between the Republicans and the Democrats. As has been analyzed by the *World Socialist Web Site*, the identity politics of the Democrats is an expression of the desire by better-off layers of the middle class to gain entry into the upper echelons of the financial elite.

The 88-page wealth report is introduced by Rory Penn, Head of the Knight Frank Private Office in London. Penn says he is “delighted” to present the report and makes a passing reference to the pandemic, “I can honestly say that during my career in property, I have never seen things changing as quickly as they are now. ... Some of the long-term trends that we examined last year, such as the changing role of the office, have been supercharged by the Covid-19 pandemic.”

Penn concludes that his firm will help its customers to “capitalize on the opportunities that are being created by this acceleration of trends,” that have taken place during the pandemic. If he were honest, Penn would say that the global wealth gap has been “supercharged” by the trillions in government and central bank funds that have been poured into the financial markets for plundering by the super-rich under the guise of “stimulus.”

Liam Bailey, Knight Frank’s Global Head of Research, reviews the key findings of the wealth report. Bailey writes that the objective of the Knight Frank report is “to assess how the fortunes of UHNWIs are changing, where they spend time, what they invest in and what they are likely to do next. From policymakers

to investors, a lack of insight into the behaviour and attitudes of the ‘1%’ risks a serious misreading of economic trends. This is the knowledge gap we fill.”

In other words, according to Bailey, Knight Frank has its finger on the pulse of the financial oligarchy that controls world capitalism. The wealth report, based upon an Attitudes Survey, declares itself a guide for governments and hedge fund and institutional investors because it knows what makes the ultrawealthy tick.

The report explains, “The 2021 instalment is based on responses provided during October and November 2020 by over 600 private bankers, wealth advisers, intermediaries and family offices who between them manage over US\$3.3 trillion of wealth for UHNWI clients.”

There are 11 wealth trends that Knight Frank analyzed, the primary of which is that “the global response to the pandemic supported the wealthy.” The report says, “With lower interest rates and more fiscal stimulus, asset prices have surged” and this was a major factor in the 2.4 percent growth in the number of UHNWIs in the past year.

A section of the report called “Wealth: resilience through turmoil” explains further “why wealth populations kept growing despite the last year’s economic turmoil” and there were “winners and losers” in 2020 among the ultrawealthy. The report’s findings show that half of UHNWIs increased their wealth in the past year.

Noting that these differences were regionally based, “The expansion in wealth was not universal, with a fall in the number of UHNWIs in Latin America, Russia and the Middle East as currency shifts and the pandemic undermined local economies.”

Another identified trend is the rise of UHNWIs in Asia, “The US is, and will remain, the world’s dominant wealth hub over our forecast period, but Asia will see the fastest growth in UHNWIs over the next five years.” The report then goes on to point out that Asia is home to 36 percent of the world’s billionaires and that “The Chinese Mainland is the key to this phenomenon, with 246 percent forecast growth in very wealthy residents in the decade to 2025.”

That these international and regional differences in wealth accumulation indicate anything significant or fundamental about the direction of geopolitical conflict and the intensification of national antagonisms is

glossed over by the researchers as Knight Frank. Although geopolitics and trade war are included as a topic in the Attitudes Survey, it comes in at number four in the top “wealth worries” among the wealthy elite behind concerns about COVID-19, domestic government policy and taxes.

The same subjective approach is taken to all of the major objective economic, social and political trends in 2020. The fact that outgoing US President Donald Trump attempted to overturn the results of the 2020 elections through a fascist coup is given exactly one sentence in the wealth report, noting, “with the democratic process being called into question, by the then sitting US president no less, we could see populism come to the fore once more.”

It is clear from this that the Knight Frank real estate investment advisers see the emergence of fascism in the United States and elsewhere in the world as a potentially beneficial wealth generating opportunity for the superrich.

In a section entitled, “New social order,” the wealth report addresses the growth of extreme wealth inequality, which came in seventh out of the nine items on the “wealth worry” list. The report states, “While only 8 percent of our respondents cite inequality as a direct issue affecting their clients’ wealth, it could have an impact on domestic government policy and tax issues, which 49 percent and 42 percent respectively of them do cite as a concern.”

According to Filippo Nosedà, a private client lawyer at Mishcon de Reya cited by Knight Frank, “We could see a shift to more wealth taxes as governments scramble to cover the huge costs of the pandemic, and targeting the wealthy tends to be uncontroversial with voters.” The coming revolutionary confrontation of the working class that will be “targeting the wealthy” is not something that the advisers at Knight Frank care to admit or discuss.



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