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## **Richest 2% Own Half of World's Wealth: UNU Study**

More than half of global household wealth is owned by the richest 2 per cent of adults, according to a study (“The World Distribution of Household Wealth”) to be released on 5 Dec. by United Nations University World Institute for Development Economics Research (UNU-WIDER) in Helsinki.

This study of personal wealth, the most comprehensive ever undertaken, also found that (in the year 2000) the world's richest 1 per cent controlled 40 per cent of global assets, while the bottom half of the world's populace owned barely 1 per cent. The study covered all countries and all major components of personal wealth (including financial assets and debts, land, buildings and other tangible property).

### **Some findings from the UNU-WIDER study:**

- Global household wealth in 2000 was roughly \$125 trillion, or about three times the value of total global production (GDP).
- Measured in terms of purchasing power parity dollars (PPP\$) — that is, adjusting for differences in the cost-of-living across nations — the average worldwide was \$26,000/person. Wealth levels varied widely across countries, however, with the average ranging from \$181,000/person in Japan and \$144,000/person in the USA to less than 1 per cent of that level in Indonesia (\$1,400/person) and India (\$1,100/person).
- North America, with 6 per cent of the world's adult population, accounted for 34 percent of global household wealth; Europe represented 30 per cent of global household wealth and the high-income nations of the Asia-Pacific another 24 per cent.
- Among the world's wealthiest 10 per cent of persons, one-quarter are Americans, one-fifth are Japanese, and one-twelfth are German. More than half of the world's wealthiest 10 per cent live in these three countries.
- Japan and the USA show different patterns of wealth distribution. The Gini value, which measures wealth inequality on a scale from 0 (everyone sharing equally) to 1, is .55 for Japan and .80 for the USA (and even higher, .89, worldwide).
- The study found major international differences in the composition of assets; real property (particularly land and farm assets) is more important in less developed countries, savings accounts feature strongly in the rich Asian nations, and stock shares and other equities are more evident in the West.
- Somewhat paradoxically, household debt is relatively low in poor countries (due mainly to an inability to get loans for mortgages or other large purchases) while many people in high-income countries have negative net worth (debt) and rank among the world's poorest.

The study is online for media preview at <http://www.wider.unu.edu/research/2006-2007/2006-2007-1/wider-wdhw-launch-5-12-2006/wider-wdhw-press-release-5-12-2006.htm>; it will be released to the public on 5 December, with launches in London and at UN Headquarters in New York. For more information, or to arrange an interview with one of the study's authors, contact Naoko Yano, UNU Office of Communications (tel: 03-5467-1311; e-mail: [media@unu.edu](mailto:media@unu.edu)).

### **“The World Distribution of Household Wealth”**

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