

**Obama's million
millionaires**

United States Wealth Report

Data Snapshot: United States

As of 2011, there are 5.1 million HNWI's in the United States, 3.1% fewer than in 2007.

From the end of 2008, when President Obama was elected to the White House, to the end of 2011, the US has added more than 1.1 million millionaires, an increase of 28.6%.

Since 2007 the volume of UHNWIs in the financial services sector has risen by 12%, despite the financial crisis.

	2007	2011	2016F
HNWIs (million)	5.27	5.10	6.09
Total Wealth (\$bn)	20,042	18,819	23,518

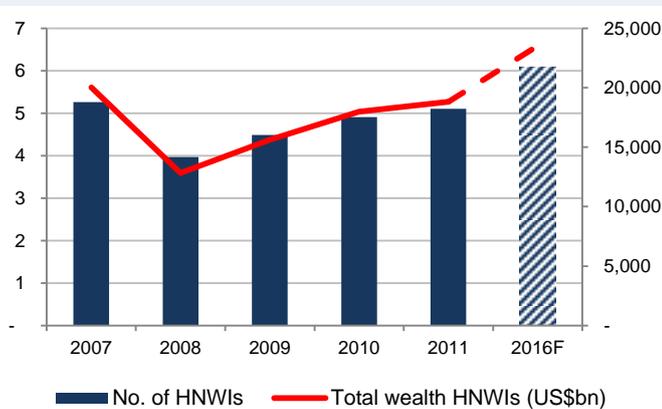
Data Summary

- As of 2011, there are just over 5 million HNWI's in the United States, 165,360 fewer than in 2007.
- These HNWI's hold \$18.8 trillion in wealth, roughly 34% of total individual wealth held in the country.
- The number of HNWI's fell by 3.1% between 2007 and 2011, total HNWI wealth declined by 6.1%.
- From the end of 2008 to the end of 2011, the US has added more than 1.1 million HNWI's, an increase of 28.6%.
- California is the state with the greatest number of UHNWIs, followed by New York and Texas.
- New York is by far the leading city for UHNWIs.
- Of the top 10 states by UHNWI population, 8 voted Democrat in the 2012 presidential election.
- The volume of UHNWIs making their from the financial services sector increased by 12% between 2007 and 2011, despite the financial crisis.

WealthInsight View

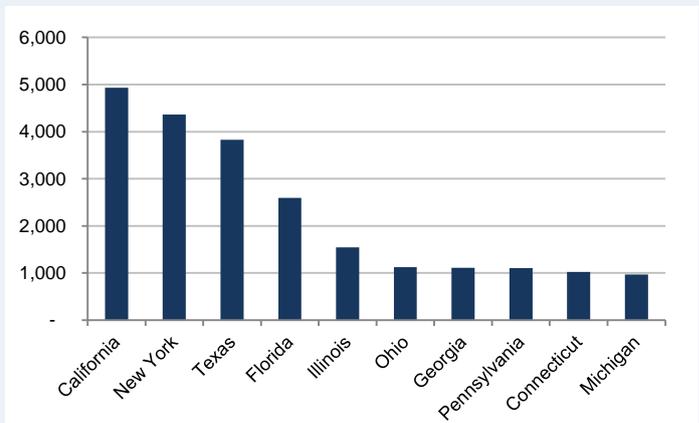
- The state of the broader economy was particularly challenging for wealth creation over the 2007–2011 period.
- During this time, the U.S. economy experienced its most significant downturn since the Great Depression.
- Real GDP fell nearly 5.1% between the Q3 2007 and the Q2 2009; total HNWI wealth fell by over 35% in 2008.
- In this light, the performance of American HNWI's has been reasonably strong in recent years.
- The number of HNWI's is projected to increase by almost a fifth by 2016; total HNWI wealth will increase by 25%.
- But, while the US economy has been improving, considerable downside risks remain with regards to the growth outlook. Specifically, the so-called fiscal cliff looms if political action is absent.
- If the fiscal cliff is not averted HNWI volumes would decline by 5.9% in 2013.

Chart 1: US HNWI's, 2007-2011



Source: WealthInsight

Chart 2: Top 10 States for UHNWIs, 2011



Source: WealthInsight

The number of HNWI in the United States has dropped in recent years as the US economy suffered its most significant downturn since the Great Depression. Despite the economic crash, the drop has been marginal and HNWI wealth is recovering strongly. Looking ahead to 2016, HNWI wealth is forecast to increase by a quarter, but considerable downside risks remain.

As of 2011, there are 5.1 million HNWI in the United States. The number of US HNWI fell by 3.1% between 2007 and 2011; HNWI wealth dropped 6.1%. Considering this reduction came during the most significant downturn in the US since the Great Depression, the performance of American HNWI should be considered reasonably strong in recent years.

From the end of 2008, when Obama won the presidential election, to the end of 2011, the US has added more than 1.1 million millionaires, an increase of 28.6%. This is equivalent to over a thousand new millionaires per day during President Obama's first three years in office.

Looking ahead the number of HNWI is projected to increase by almost a fifth by 2016; total HNWI wealth will increase by 25%. However, significant downside risks remain which could hit HNWI wealth, specifically the so-called fiscal cliff looms if political action on fiscal policy is absent in the months ahead. As things stand, HNWI volumes are projected to rise by 4.3% in 2013. If GDP growth for the year were to fall to 0% (as the IMF predicts if the fiscal cliff were not averted), the HNWI population would decline by 5.9% - a 10.2% swing in the US' millionaire population.

Report definitions:

- *For the purposes of this report, the phrase "review period" relates to the years 2007–2011 and the "forecast period" relates to the years 2011–2016.*
- *"High net worth individuals" otherwise known as "millionaires" or "HNWI" refer to individuals with net assets of US\$1 million or more excluding primary residences*
- *"Ultra high net worth individuals" or "UHNWI" or "ultras" or "multi-millionaires" are individuals with net assets of US\$30 million or more, excluding their primary residences*
- *The report focuses on HNWI performance between 2007 (the peak before the global financial crisis) and the end of 2011. This enables us to determine how well the country's HNWI have performed through the crisis.*

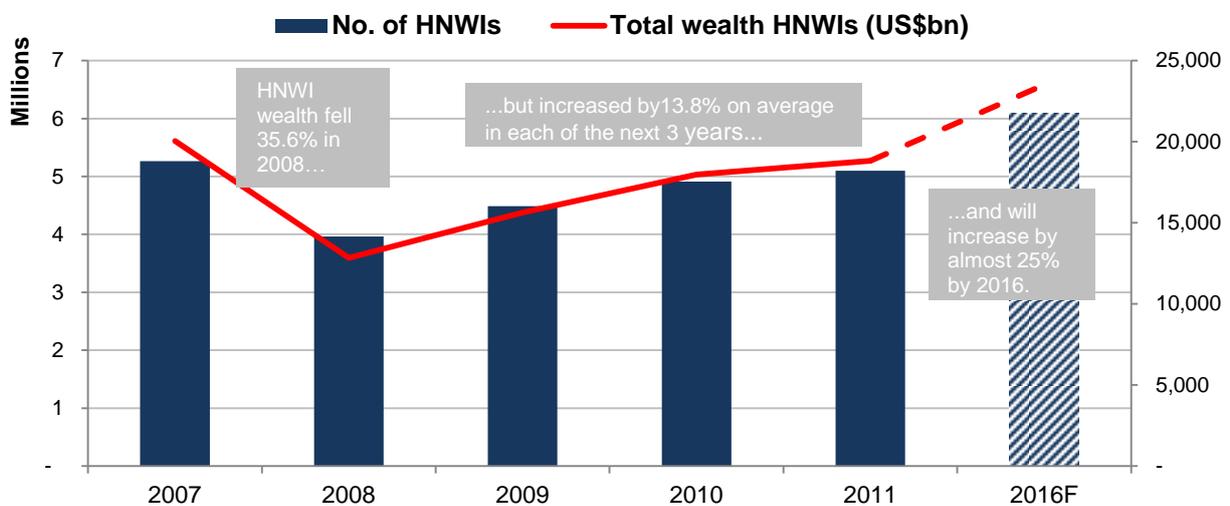
This paper uses data from WealthInsight's report, *"United States 2012 Wealth Book: The American Dream Revisited"*.

For more information, see: <http://timetric.com/research/list/?subject=wealth>.

Overview of US Wealth, 2007-2011

As of 2011 there are just over 5.1 million HNWI in the United States, 165,360 fewer than in 2007. These HNWI hold \$18.8 trillion in wealth which equates to 34% of total individual wealth held in the country. This is above the global average of 29%, indicating a relatively uneven spread of wealth.

In 2007 - prior to the *Great Recession* - there were over 5.2 million individuals with net assets of \$1 million or more (excluding primary residences). This marginal, 3.1%, decline in the HNWI population emerged during the most severe downturn in the US economy since the 1930s. Real GDP fell nearly 5.1% between Q3 2007 and Q2 2009; total HNWI wealth fell by over 35% in 2008.



The impact of the economic downturn had even less of an effect on the ultra-wealthy population. As of 2011, there are 39,378 UHNWI individuals in the US, individuals with net assets of \$30 million or more, excluding primary residences. In 2007 there were 40,197 ultras, only fractionally more. Similarly, the wealth of ultras currently sits at about \$5.5 trillion, down from \$5.6 trillion in 2007.

Given the state of the broader economy, and the challenging environment for wealth formation, the performance of America’s wealthy has been reasonably strong in recent years. From the end of 2008, when Obama won the presidential election, to the end of 2011, the US has added more than 1.1 million HNWI, an increase of 28.6%. This is equivalent to over a thousand new millionaires per day during President Obama’s first three years in office.

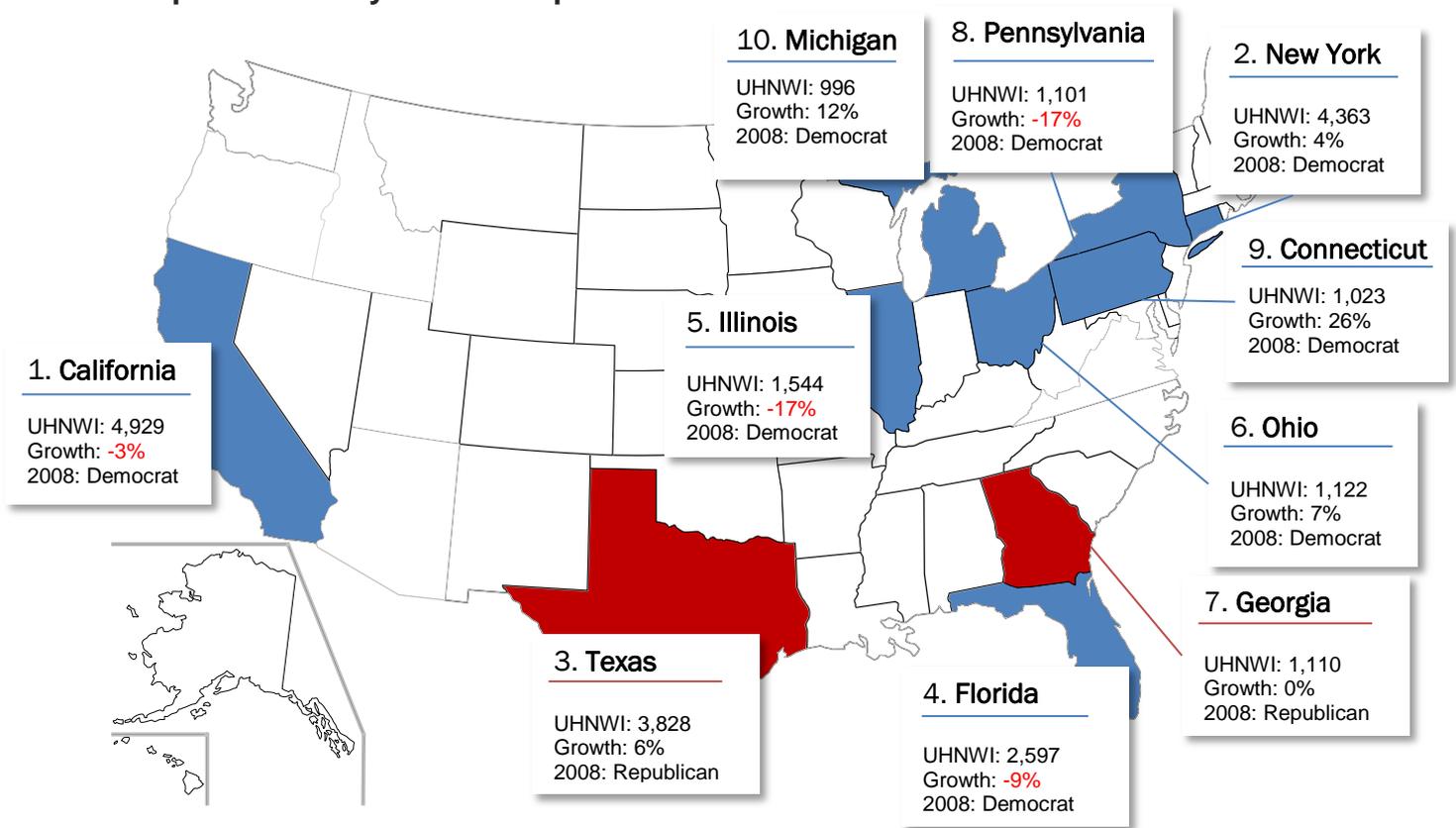
Looking forward, the total number of US HNWI is forecast to grow by 19% between 2011 and 2016, to reach 6.1 million. HNWI wealth will see a larger percentage increase, growing by 25% to reach \$23.5 trillion by 2016. But despite some improvements in the US economy, considerable downside risks remain. Ongoing political gridlock is blocking an agreement on fiscal policy. If a compromise is not reached before January 1 2013, the “fiscal cliff” would automatically follow: a combination of reductions in government spending and higher taxes which could extract about \$600 billion from the economy and lead to an abrupt decline in US economic growth next year, hitting HNWI volumes and wealth.

Avoiding the fiscal cliff requires legislation passed by both houses of Congress and the President. Whoever is elected President will have to negotiate with a House controlled by Republicans and a Senate with a narrow majority of Democrats or Republicans. It is not entirely clear how either candidate would overcome the current impasse.

HNWI volumes are currently projected to increase by 4.3% in 2013. If GDP growth were to fall to 0% in 2013 (as the IMF predicts if the fiscal cliff were enacted) HNWI volumes would decline by 5.9% - a swing of over 10%.

US UHNWIs, regional performance

Top 10 States by UHNWI Population



UHNWI = volume of UNWIs by state (2011)
 Growth = % change in UHNWI Population, 2007-2011
 2008 = popular vote, 2008 presidential election

As of 2011, California is the US state with the highest number of UHNWIs. A total of 4,929 individuals with net assets of \$30 million or more, excluding primary residences, reside there. New York comes a close second with 4,363 UHNWIs. Growth in New York ultras was better over the review period though, they increased in number by 4%, while the number of Californian ultras fell by 3%.

Of the top 10 states by UHNWI population, 8 voted Democrat in the 2012 presidential election. Texas is the biggest Republican state for UHNWIs: the southern state had 3,828 ultras in 2011, the third highest overall.

Connecticut was the state with the fastest growth in ultras over the review period; its UHNWI population increase by more than a quarter between 2007 and 2011. Comparing UHNWI growth rates of states¹ voting Democrat in 2008 (“Democrat states”) against Republican voting states (“Republican states”) shows little between the two, with Republican states performing marginally better. On average, Republican states saw UHNWI volumes drop by 2% over the review period, Democrat states saw a fall of 3%.

Top 10 Growth States for Ultras (2007-2011)

Rank	State	UHNWI	2007-2011	2008
1	Connecticut	1,023	26%	Dem
2	Kansas	539	20%	Rep
3	New Jersey	891	16%	Dem
4	Tennessee	776	16%	Rep
5	Michigan	966	12%	Dem
6	Oregon	490	11%	Dem
7	Arizona	698	9%	Rep
8	Virginia	855	8%	Dem
9	Ohio	1,122	7%	Dem
10	Indiana	656	6%	Dem

New York City, the centre of the US financial industry, is by far the top city by UHNWI population. There are just under 3,000 UHNWIs in the city, about three times more than Los Angeles in second.

Top 10 Cities for Ultras (2011)

Rank	City	UHNWI
1	New York	2,929
2	Los Angeles	950
3	Chicago	804
4	Houston	777
5	Dallas	564
6	San Francisco	511
7	Atlanta	441
8	Boston	380
9	Greenwich	351
10	Washington DC	336

Top 10 Growth Cities for Ultras (2007-2011)

Rank	City	2007-2011
1	Greenwich	39%
2	San Antonio	36%
3	Oklahoma City	34%
4	Houston	34%
5	Wichita	27%
6	Seattle	27%
7	Detroit	20%
8	Indianapolis	15%
9	Dallas	13%
10	Columbus	10%

¹ Growth rates were calculated for 27 out of 51 states, subject to the size of their UHNWI populations.

US UHNWIs, Sector Performance

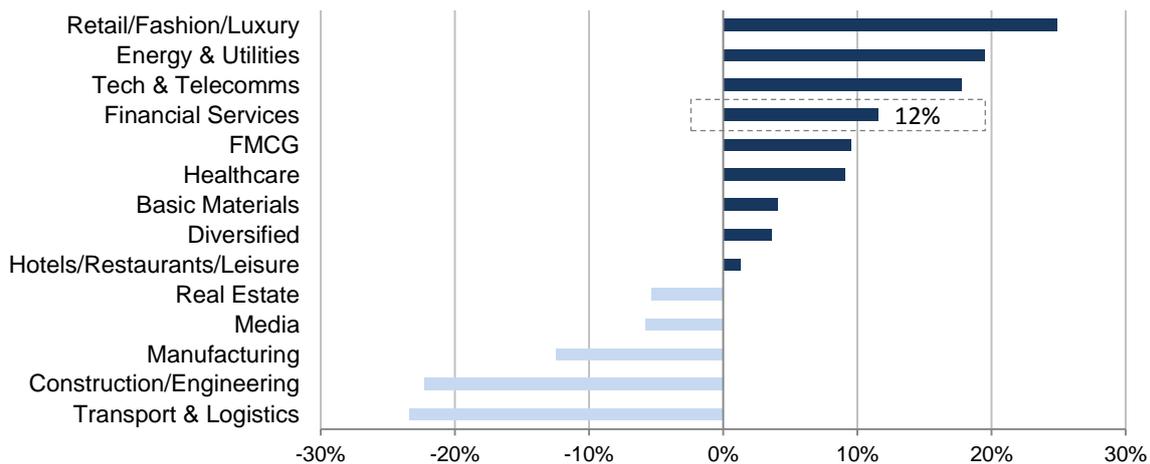
As of 2011, these are over 6,600 UHNWIs coming from financial services. Indeed, financial services is the leading sector for US multi-millionaires, making up almost a fifth of the country’s UHNWI population.

During the course of the review period, changes in the UHNWI population varied significantly across sectors. The best performing sector between 2007 and 2011 was Retail, Fashion & Luxury goods, followed by Energy & Utilities. The worst performing sectors for ultras were Transport & Logistics and Construction & Engineering. Together these sectors account for 17% of American ultras, but are highly vulnerable to recession.

Industry	UHNWIs (2011)	% of UHNWIs
Financial Services	6,614	17%
Manufacturing	6,248	16%
Transport & Logistics	4,088	10%
Tech & Telecommunications	3,240	8%
Media	2,776	7%
Construction & Engineering	2,745	7%
Retail/Fashion/Luxury Goods	2,638	7%
Hotels/Restaurants/Leisure	1,997	5%
FMCG	1,691	4%
Healthcare	1,661	4%
Energy & Utilities	1,553	4%
Basic Materials	1,532	4%
Real Estate	1,312	3%
Diversified	1,282	3%

Despite the impact of the financial crisis, Financial Services was the fourth best performing sector for American ultras between 2007 and 2011. During this period, the volume of UHNWIs coming from this sector increased by 12%.

Change in no. of UHNWIs, by sector (2007-2011)



Election 2012: Top Individual Donors²



Mr. Jeffrey Katzenberg

Estimated Donations:
\$2.5m



Gender: Male
 Year of Birth: 1950
 Hometown: Los Angeles, California
 Estimated Net Worth: \$1 billion
 Wealth Band: Billionaire
 Primary Source of Wealth: Earned
 Primary Position, Company: Co-Founder, DreamWorks SKG
 Industry Sector: Media



Mr. Sheldon Adelson

Estimated Donations:
\$34.2m



Gender: Male
 Year of Birth: 1933
 Hometown: Las Vegas, Nevada
 Estimated Net Worth: \$24.9 billion
 Wealth Band: Billionaire
 Primary Source of Wealth: Entrepreneur
 Primary Position, Company: Chairman and CEO of the Las Vegas Sands
 Industry Sector: Hotels, Restaurants & Leisure



Dr. Irwin Jacobs

Estimated Donations:
\$2.1m



Gender: Male
 Year of Birth: 1933
 Hometown: La Jolla, San Diego, California
 Estimated Net Worth: \$1.6 billion
 Wealth Band: Billionaire
 Primary Source of Wealth: Entrepreneur
 Primary Position, Company: Founding Chairman and CEO Emeritus, QUALCOMM Incorporated
 Industry Sector: Tech & Telecommunications



Mr. Harold Simmons

Estimated Donations:
\$16m

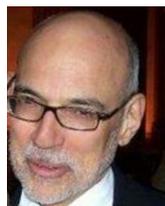


Gender: Male
 Year of Birth: 1931
 Hometown: Dallas, Texas
 Estimated Net Worth: \$9 billion
 Wealth Band: Billionaire
 Primary Source of Wealth: Entrepreneur
 Primary Position, Company: Owner and Chairman, Conran Corporation, Inc.
 Industry Sector: Basic Materials



Mr. Fred Eychaner

Estimated Donations:
\$2m



Gender: Male
 Year of Birth: 1945
 Hometown: Chicago, Illinois
 Estimated Net Worth: \$500 million
 Wealth Band: Centimillionaire
 Primary Source of Wealth: Entrepreneur
 Primary Position, Company: Chief Executive Officer, Newsweb Corporation
 Industry Sector: Media



Mr. Bob Perry

Estimated Donations:
\$15.3m



Gender: Male
 Year of Birth: 1932
 Hometown: Houston, Texas
 Estimated Net Worth: \$650 million
 Wealth Band: Centimillionaire
 Primary Source of Wealth: Entrepreneur
 Primary Position, Company: Board member, Perry Homes Building Company
 Industry Sector: Real Estate

² Democrat = Republican =
 Source for donations: *The Associated Press, 19 October 2012*

About WealthInsight

WealthInsight provides detailed data and insightful analysis on the world's high-net-worth individuals (HNWI) and wealth sector. With decades of experience providing business information, WealthInsight helps organizations to make informed decisions and win new business.

At WealthInsight's core is our proprietary HNWI Database of the world's wealthiest individuals. Around this database we have built a number of valuable research based products and services that make WealthInsight much more than just a rich contact list.

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