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International Mobility of the Wealthy in an Age of Growing Inequality

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1. Introduction

Two main mega-trends of the 21st century: economic globalization and rising inequality have encouraged the mobility, across national boundaries and jurisdictions, of people with different levels of income and wealth. At one end of the spectrum we find the mobility of labor in search for higher wages and better employment opportunities abroad. As we move up in the ladder of skills and qualifications there is the international mobility of talent, say people with special skills and advanced human capital such outstanding professionals, executives, academics, artists, writers and people in the entertainment sector and sports, (Solimano, 2008, 2010). A new, related field, is the *global mobility of the wealthy*, or "High-Net Worth Individuals (HNWIs"), often defined as people with net assets above one million dollars. The pyramid of HNWIs include also multi-millionaires, ultra-HNWIs and billionaires (see section 2 for operational definitions). This is a small but economically powerful elite: they represent

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less than one percent of the total world population but control near 45-50 percent of total household wealth in the world.

The wealthy face at least two critical decisions: (a) where (including their families) to reside and (b) in which countries and what instruments place their wealth for which competing investments include company shares, residential and commercial property, bonds, works of art, gold and other valuable commodities.

The geography of big wealth creation and circulation matters. In the last decades, large fortunes have been accumulated in Russia, China, India, Latin American nations, Africa. Given the history of instability and potential for confiscation (real or imaginary) in these countries and regions the very rich is starting to establish their residence in high income nations. A main goal of this mobility is to achieve protection for their asset holdings in countries with sophisticated financial systems, well enforced property rights, good educational facilities for their children and cosmopolitan cities. With the proliferation of investment migration schemes, the wealthy enjoy special advantages to acquire permanent residence and citizenship in the host country in exchange for capital contributions to special government funds, the acquisition of real estate and the opening of bank accounts in the receiving countries. Thus, the migration of the wealthy is not really motivated by the desire of accessing better jobs abroad as in the case of worker's migration or talent migration but is geared to protect assets and family and enjoy first world amenities (safe neighborhoods, good schools, efficient public transportation systems, ample availability of cultural activities and sports enjoyment).

The level of income and wealth taxes and the cost of enforcement in the host country also matter in the decision to move from one country to another country.

The wealthy can also enhance its international mobility through engaging in investment migration programs in "exotic countries" -- often small islands and independent jurisdictions -- that enable the wealthy to acquire nationality of countries with low or no income taxes and, importantly, access to a large number of countries, in visa- free fashion. In fact, a citizen of , say, the Caribbean island of Saint Kitts and Nevis, that in exchange for a certain investment say around half- million dollars receives a passport that entitles the holder free-visa entry to 152 countries. In turn, a citizen of Cyprus, a EU-member state, has access to 172 nations without visa.[2] At the same time, the direction of this mobility is not only from core to periphery but we are also witnessing outflows of the wealthy from traditionally recipient locations such as London and Paris as the rich want to escape taxation and, at times, terrorist activity that is staring to affect also these privileged cities.

This paper examines the main pulling and pushing factors behind the growing phenomenon of the international mobility of wealthy individuals, including the impact of taxation, the role of economic and political instability, violence, the migration regime and inequality. In addition, we provide recent orders of magnitude of the size of the HNWI pool and its patterns of international mobility across countries and cities. The paper also discusses, briefly, differences between mass and elite migration in

[2] This feature can be very valuable for citizens of Iran, Russia, China, Mexico, Colombia, India and other countries that face restrictions to entry to a host of countries.

terms of their impact on the host country in areas such as labor market, access to social services and differentiated migration rules facing those endowed with capital in comparison with those who bring mainly their labor effort. The section also highlights the potential impact of inflows of the wealthy on the price of real estate (making preferred city locations more expensive for locals) and the potential for corruption of local political and policy elites.[3]

2. The Global Wealthy and the Rise of Inequality

The wealthy are often defined by their net asset holdings (assets minus debt); these definitions can be also complemented by his or her income flows. Some operational definitions are used in the emerging literature, largely connected with wealth-management companies, in the field. Besides HNWIs we find multi-millionaires (net worth over U$ 10 million), billionaires (net worth over one billion; New World Wealth, NWW, Research and Markets, 2018). Other definitions are Ultra-Net Worth individuals with net wealth over U$ 50 million and Demi-billionaires for those with net worth over U$ 500 million (Knight Frank, 2018).

Personal wealth can be accumulated from individual savings, inherited from parents, acquired through privatization processes or grabbed through opaque or openly illegal means. Wealth increases when it earns a positive return (flow of income) when invested in the capital market, real estate, art work or productive enterprise. In general, wealth tends to be

[3] See IMC- Transparency International Report (2017).

much more concentrated than income (wealth-Gini coefficients are systematically higher than income-Gini coefficients, Solimano, 2017). [4] It is estimated that in 2017 there were around 36 million HNWIs worldwide, with 31.3 million having net assets between one and five million dollars, near 150,000 “ultra-HNWIs”, 5,700 Demi-billionaires and 2,252 billionaires.[5] It is apparent that we are in the presence of a rapidly shrinking pyramid of HNWIs that controls a large share of personal global wealth (see table 1).

Geographically, the millionaires (HNWIs) are concentrated mostly in the United States that holds 43 percent of the world’s millionaires. The next country in terms of HNWIs, but with a much smaller percentage, is Japan with 7 percent of the total, followed by the United Kingdom (6 percent) and France, Germany and China, each with 5 percent of the HNWIs.

Table 1. Global Indicators of wealthy individuals (number, 2017)

Millionaires (HNWIs)	36 million
HNWI with net worth between U$ 1 and U$5 million)	31.3 million

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[4] From a statistical perspective, wealth data come, generally, from six main sources: (a) household balance sheets, (b) national wealth surveys prepared by central banks, (c) tax-based wealth data, including estate tax records at death, coming from national tax agencies in countries where wealth taxes do exist, (d) indirect income tax capitalization method using data from revenues from capital incomes provided by tax agencies, (e) data provided by wealth-management companies and commercial banks, (f) list of billionaires. Consensus has developed that tax-based information on income and wealth is deemed superior in accuracy compared with self-reporting household or individual surveys due to problems of under-reporting of income and/or wealth. Still tax -based information suffer from problems of tax avoidance and elusion, (Solimano, 2017, ch.3).

[5] Credit Suisse (2017).

Ultra-HNWI (net worth over U$ 50 million)	148,200
of which:	
--UHNWI with net worth over 100 Million	54,800
--UHNWI with net worth over 500 million	5,700
Number of billionaires (net worth over U$ 1 billion)	2,252
Share of HNWIs in:	
World adult population	0.7%
Total household wealth	45.9 %

Source: Elaboration from Credit Suisse (2017).

In 2017 the four countries that concentrated the largest number of ultra-HNWIs are the United States (72,000), China (18,100), Germany (7,200) and the United Kingdom (4,200).[6] Even though most of the Ultra-HWNI are located in advanced capitalist economies (US, UK, Germany), an "emerging economy" such as China has the second largest number of ultra-HWNIs after the United States.[7]

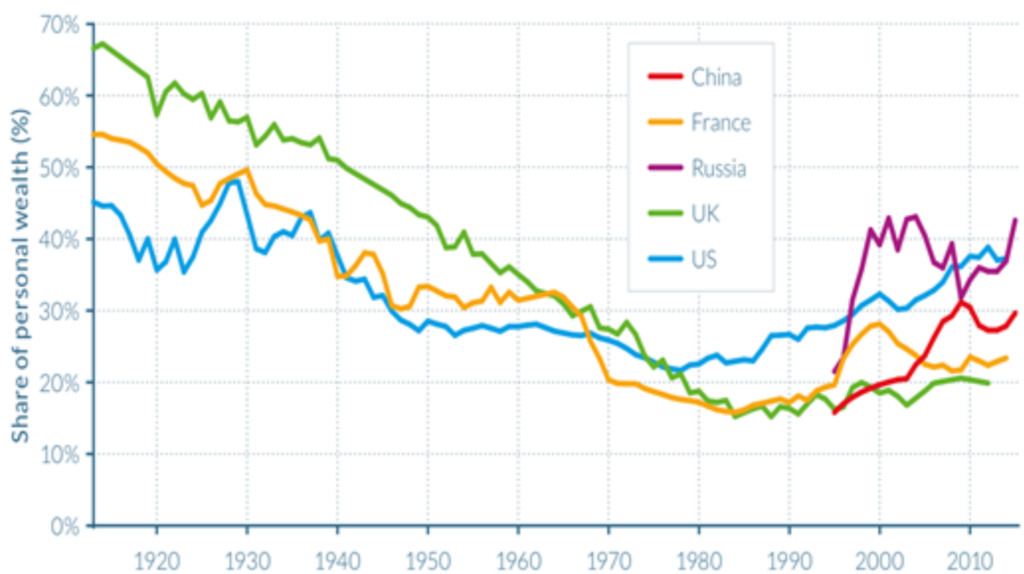
[6] Other countries with significant concentrations of Ultra-HWNIs are France, Australia, Canada, (each with 3,000 HNWIs), Switzerland (2,800), Italy (2,600) and Korea (2,300), Credit Suisse (2017).

[7] Countries with very large levels of wealth per capita are small jurisdictions in Europe such as Monaco, Liechtenstein, Luxembourg, Cyprus, Malta and others. In Monaco, for example, it is estimated that one-third of its total population (of around 35,000 people) is composed by HNWIs (residents do not pay income-taxes in Monaco).

During the 20th century personal wealth inequality in advanced capitalist countries followed a sort of U-pattern (see figure 1): initially, it declined from 45-65 percent in 1913 to 20-30 percent in the 1970s in the US, UK and France to be followed by a tendency of this share to increase. The period of declining wealth concentration includes the two world wars, the interwar years and the golden age of capitalism phase after world war II to the early 1970s. However, in the last third of the 20th century, the wealth share started to increase sharply in the United States, coinciding with the neo-conservative revolution of Ronald Reagan in the early 1980s, a trend that continued during Democratic party governments in the 1990s. In fact, the top wealth's share in the U.S roughly doubled from close to 20 percent in the late 1970s to near 40 percent in 2013. The trend towards higher wealth inequality in the United States was well above that of other advanced capitalist nations. In the United Kingdom the wealth's share of the top 1 percent also increased since the Thatcher conservative government, reversing its previous downward trend experienced during a part of the 20th century but it remained substantially lower level than the top wealth share in the United States (it stabilized at around 20 percent in the period 1980-2015). In France there was a surge in the mid 1990s in the top wealth share to decline afterwards, stabilizing at a higher level than its historical record (see figure 1).

The trends towards higher wealth concentration did not only take place in core capitalist countries in the last third of the 20th century and early 21st century but also in former communist countries such as Russia and China. In Russia, since the mid 1990s the wealth's share of the top 1 percent went up from close to 20 percent to near 45 percent in 2015 (a jump somewhat similar to the large increase in the United States). In addition, since the 1990s there has been a substantial increase in the wealth share of the top 1 percent in China (figure 1). The egalitarian wealth distribution of their socialist periods was reversed in the last two decades with the advent of oligarchic capitalism in Russia and state capitalism in China.

Figure 1. Top 1% shares across the world, 1913-2015: the fall and rise of personal wealth inequality (selected countries)



Source: www.WID.world (2018).

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3. <u>International Mobility and Migration of the Wealthy</u>

The global age makes it far more easy the possibilities of migration for the wealthy (a small group) than for the working poor (mass migration) through the use of investment migration regimes. Free market economist Gary Becker (Becker 1987) argued, decades ago, that letting immigrants to pay for the right to reside in another country (say for obtaining visas and/or eventually residence) was more efficient than subjecting them to lengthy waiting periods for obtaining residence permits and/or citizenship rights. In turn, other authors such as Surak (2016), Sumption and Hooper (2014) and Prats (2017) examine various dilemmas of the market for visas and citizenship rights driven by money contributions noting that rights should not be treated as a commodity to be traded in a market. In a market for visas and nationalities the wealthy get an advantage: having substantial wealth provides them with a critical advantage for obtaining residence permits and citizenship and enjoy the superior living standards of rich nations. In contrast, foreign workers and poor migrants could not afford, in general, hefty payments to get visas. Existing inequalities of income and wealth are clearly reflected in prevailing migration policies.

3.1 Why the Wealthy emigrate? Pulling factors

Historically, individuals of high-wealth, including entrepreneurs and *rentiers* have moved internationally for at least three reasons: (a) in response to new opportunities for obtaining good profits abroad, (b) escaping from political or ethnic persecution and nationalization policies, (c) seeking to shield their assets from taxation and financial uncertainty in their home countries.

The financial empire built by the Rothschild family in the 19th century required an important degree of international mobility of those at the helm of the family business.[8] In turn, successful entrepreneurs such as Mellon, Vanderbilt, Carnegie, Rockefeller, Soros and others migrated to the United States where their careers and fortunes (including philanthropic activities) received a big boost. [9] On the other hand, in several countries during the 20th century, the wealthy left home at the time of anti-capitalist revolutions. That was the case of the Russian revolution of 1917 in which the Russian wealthy went, mainly, to Europe to escape the Bolsheviks. The Chinese revolution of 1949 also led to Chinese economic elites to leave mainland China and settle in other parts of Asia where they became important engines of entrepreneurial activity and the Cuban revolution of 1959 prompted a massive exodus of the wealthy and upper middle class, chiefly to the United States. In recent decades, the threat of socialism evaporated and global capitalism consolidated (albeit with a high incidence of economic crises) which has favored the free migration of the rich. The risks for the wealthy did not disappear but shifted from socialism and the possible nationalization of their assets to other causes such as terrorism and financial uncertainty. Migration theory (Solimano, 2010) and attitude surveys conducted by wealth management companies highlight the following list of factors that can be relevant to high-net worth individuals in choosing a country to establish a residence for them and their families:

(A) Personal safety.

[8] For an interesting biography of the Rothschild family and their times, see Ferguson (1999).
[9] Solimano (2010).

(B) Availability of high-quality health services.

(C) Favorable tax treatment.

(D) Protection of wealth and property rights.

(E) Good education opportunities for the children.

(F) Visa-free mobility to third countries.

(G) Cosmopolitan settings and good transport connections.

Analysts have developed the concept of a "global market of nationalities" in which governments compete among them to attract a small elite of wealthy people[10] in sharp contrast with the bureaucratic procedures applied to unskilled migrants often coming from developing countries. This shows the asymmetric nature of the "global market for nationalities" in which people with high wealth face much more favorable immigration rules than middle class and working class immigrants.

In the market for nationalities framework a "Quality of Nationality Index, QNI" (H&P and Kochenov, 2016) ranks countries in terms of levels of economic and human development, internal peace and political stability, visa-free access to third countries (freedom to travel), ability to work without permits and special visas (freedom of settlement) and quality of the legal system. Interestingly, the index gives a considerable weight –as a very valued trait by prospective immigrants-- to the fact that holding citizenship of certain countries (e.g member nations of the European Union) enhances the ability to

[10] Solimano (2014) discusses the formation and impacts of economic elites in the neoliberal era.

travel without restrictions to other nations.[11] Another feature of a preferred host country is the ability to place assets in a safe environment, although the physical location/destination of the rich may not necessarily coincide with the location of their assets. The latter often go to "fiscal paradises" such as the Cayman Island, U.S Virgin Island, British Virgin Island, Switzerland, Panama, Jersey Island, Hong Kong, Singapore, Macau that offer discretion/secrecy on the owners of bank accounts and property and establish low taxes (or no taxation at all) on yields of assets and other sources of income of foreign depositors (see Solimano, 2018).[12] Also wealthy migrants will value for settling themselves, countries with well-developed banking systems, currency and capital convertibility, adequate legal services, predictable policies and "capital-friendly" tax structures.

3.2 Why the Wealthy Leave their Home Nations? Pushing Factors

In general, economic insecurity, cumbersome taxation systems, lack of adequate protection of property rights, political uncertainty, austerity policies, depressed asset prices, violence and terrorism are factors that induce the rich (and the non-rich) to *leave* their country of residence. A telling case is Russia where a large number of multi-millionaires (often formed by enterprise directors during the communist period) were created in a short time period after the abolition of the Soviet Union. The new oligarchs moved fast and grabbed valuable state assets

[11] This may be particularly valued by international investors who are nationals from certain countries that seek to travel to nations where entry-visas may be hard to obtain.

[12] Zucman (2013) offers detailed estimated of "hidden wealth" in fiscal paradises around the world. An update of these estimates is in Alstadsaeter, Johannesen and Zucman (2017).

through insider's privatization --a sort of "post-socialist accumulation by dispossession" -- opening the door for private wealth accumulation at large scale. Nowadays, this new oligarchic class wields a strong presence and influence on contemporaneous Russian society.[13] These developments led, among other things, to the worsening in income and wealth distribution indicators in Russia.[14]

The Latin America case can be also illustrative of the formation of economic elites following privatization and free market policies in the 1980s and 1990s (Solimano, 2016). Historically, inequality in the region in the colonial period was associated with concentrated patterns of land ownership (including gold and silver deposits underneath) allotted by the Spanish crown to its delegates and local oligarchies of Spanish descent. More recently, land ownership was replaced by an unequal distribution in the holdings of financial assets, capital and natural resources such as copper, oil, thin, rubber and others as main sources of overall inequality. Current estimates of Gini coefficients for net personal wealth yield numbers in the range of 70-80 percent for some developing countries such as Chile. Even more concentrated is financial

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[13] The term "accumulation by dispossession" was elaborated by social scientist David Harvey in its analysis of privatization, transformation of commons, conversion of public goods and communal goods in private property during neoliberal capitalism, see Harvey (2005).

[14] The Russian income Gini coefficient went up (representing an increase in inequality) from near 25 percent in the mid 1980s (still in the socialist period) to over 45 percent and the wealth Gini climbing over 75 percent in 2013-2014. See Novokmet, Piketty and Zucman (2017) and Popov (2015).

wealth, with the financial assets- Gini coefficient climbing to 90 percent. [15]

High inequality, though benefitting the wealthy, can also induce the rich to leave their home countries (or at least place part of their assets abroad) as unequal societies are more prone to experience macroeconomic and financial crises, and cycles of populism and authoritarianism. In contrast, these cycles are rarely observed in more socially cohesive and egalitarian societies (e.g Scandinavian and Central European nations)[16]. This favorable combination of social attributes often encourage the rich to *remain* at home (see below). [17]

Another set of factors that can trigger the flight of people and capital are violence, terrorist activity and taxes. France had outflows of HNWIs coinciding with the Paris terrorist attacks of late 2015 and the Nice's attack of July 14th, 2016. A similar situation can be attached to Turkey (also experiencing outflows of HNWIs, see table 3 below) affected by terrorism and heightened Islamic fundamentalist activity. In the Latin American context, economic collapse since 2014 in Venezuela with hyperinflation, scarcities and massive output contraction has prompted the wealthy and large segments of the population such as

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[15] The world average Gini coefficient for income is around 40 percent and for wealth Gini is near 70 percent, Solimano (2017).

[16] See Easterly, 2001 for cross-country econometric evidence on this.

[17] When destabilization entails a financial crisis and bouts macroeconomic instability the very wealthy may either gain or lose. The gains may accrue for those with liquidity that can buy assets at fire-sale prices during a crisis to sell them at higher prices in the economic rebound. On the other hand, losses for owners of productive assets and entrepreneurs whose activities can be affected by recessions, falling sales and credit crunches.

professionals, middle class and also working people to leave the country.

High taxes can also stimulate the rich to leave home but not in all countries. In 2014 prominent French actor Gerald Depardieu was granted Russian nationality following his desire to stop paying what he considered high taxation in his home country. There is also a number of wealthy (and middle- class Americans), mostly living outside the U.S. and holding other nationalities, that have relinquished their American citizenship in recent years. Interviews highlight that a main motivation for doing so is not so much a very high *level* of taxation but the *complexity* of the US tax system, including the high cost of filing taxes every year outside the U.S. when tax experts conversant on that tax system are in short supply. Also concerns on the invasion of privacy on asset holdings by U.S. tax authorities is reported to be another cause for relinquishing US citizenship.[18] On the other hand, countries with a high level of personal taxation such as Scandinavian countries do not figure prominently among the nations in which rich nationals depart from their home countries (see below). Therefore, the relationship between the level of taxation and the departure of the very rich is not that straightforward. The rich may not like paying high taxes but if they receive, like in any other citizen in universal systems of provision, good quality social services such as education for their children, health services, pensions provided by the state and funded with income and

[18] Durden (2014).

wealth taxation as in the case of Scandinavian countries, the rich (and the non-rich) may decide to stay at home.

4. Statistical estimates of migration of the wealthy

The international mobility of wealthy individuals has been increasing in recent years.[19] In 2017 there were near 95,000 HNWIs that moved to reside abroad compared to 82,000 HNWIs in 2016 and 65,000 in 2015 (WWN, Research and Markets, 2018). As the total stock of migrants is near 250 million, we are speaking of a very small group of individuals worldwide but with a large command of financial resources (see section 2).

The wealthy is benefitting by having second nationalities: it is estimated that 34 percent of HNWIs, globally, have a second passport/dual nationality. This percentage is the highest for wealthy Russians/CIS, (58 percent), followed by wealthy Latin Americans, (41 percent), and wealthy individuals from the Middle-East, (39 percent). Asian and Australasian have the lowest percentage of second passports/dual nationality. [20]

4.1 Inflows and Outflows

[19] Private sources of information on wealth holdings, with an international bent, are prepared wealth management companies and investment banks. They include *The Wealth Report* prepared by the London-based global property company Knight-Frank, *The Global Wealth Report* (Credit Suisse), *Global Wealth Migration Review* (New World Wealth, Research and Markets based in Johannesburg). In turn, the Bank of International Settlements (BIS) is a public repository of offshore wealth registers held in member countries. Some of this data is presented in high detail as in the case of Switzerland but in other countries that also entertain tax havens and cater international depositors the information tends to be rather aggregate and murky. See Alstadsaeter, Johannesen and Zucman (2017).

[20] Knight-Frank (2018). See also Fernandez (2017).

The three most preferred country *destinations* for HNWIs in 2017 (countries with *net inflows* of HNWIs above 1,000 individuals) were Australia, the United States and Canada, followed by the United Arab Emirates and small countries in the Caribbean such as Bermuda, Cayman Island, Virgin Island, St. Kitts and Nevis and others (table 2). [21]

In turn, a list of 11 countries with the largest *net outflows* of HNWIs in 2017 (table 3) is headed by China and India (the scale factor has to be considered here) followed by Turkey, France, the United Kingdom and Russia. It is quite remarkable that two advanced countries such as the UK and France appear with significant net outflows.

Two Latin American countries, Brazil and Venezuela, both affected by serious economic and political crises , are among the top ten countries with the largest outflows of HNWIs.

Table 2 Countries ranked by HNWI net inflows, 2017

Country	Net inflows of HNWIs in 2017
Australia	10000
United States	9000
Canada	5000
United Arab Emirates	5000
Caribbean*	3000

[21] The exact meaning of "effective residence" in some of these countries —particularly small islands— is unclear. Some of these nations offer residence permits and citizenship that require minimal staying periods besides financial contributions to national development funds and purchase of real estate and government bonds.

Israel	2000
Switzerland	2000
New Zealand	1000
Singapore	1000

Note: figures rounded to nearest 1000

*Caribbean includes Bermuda, Cayman Islands, Virgin Islands, St Barts, Antigua, St Kitts & Nevis, etc

Source: New World Wealth, NWW, Research and Markets (2018).

Table 3 Countries ranked by HNWI net outflows, 2017

Country	Net outflows of HNWI net outflows in 2017
China	10000
India	7000
Turkey	6000
United Kingdom	4000
France	4000
Russian Federation	3000
Brazil	2000
Indonesia	2000
Saudi Arabia	1000
Nigeria	1000
Venezuela, RB	1000

Note: figures rounded to nearest 1000
Source: New World Wealth, NWW, Research and Markets (2018).

Main *cities* that received *inflows* of HNWIs above 1,000 in 2017 were Auckland, Sydney, Melbourne, and Perth, Tel Aviv, Dubai, San Francisco, Vancouver and others (table 4). It is worth noting that Canada and Australia concentrate large inflows of HNWIs in recent years. In contrast, cities that experienced *outflows* of HNWIs above 1,000 in 2017 were Istanbul, Jakarta, Lagos, London, Moscow, Paris and Sao Paulo (table 5). Some of these cities are identified with the typical factors that encourage the exit of people from their home countries/cities such as violence, terrorism, high taxes, pollution and traffic congestion; nonetheless, cities such as Paris and London that have traditionally been preferred destination for the wealthy show now positive *net outflows* of wealthy individuals. Reasons for these reversal are related to incidences of violence such rape, terrorism, attacks on women, religious tensions and anti-Semitism. In turn, it seems that the level of inheritance taxes in the UK and France (over 40 percent) also acts as a deterrent for the very rich (New World Wealth, NWW, Research and Markets , 2018).

Table 4 Cities with large (1,000+) inflows of HNWIs in 2017

City (alphabetical)	Location
Auckland	New Zealand
Dubai	UAE
Gold Coast	Australia
Los Angeles	USA
Melbourne	Asutralia
Montreal	Canada
Miami	USA
New York City	USA
San Francisco Bay area	USA
Seattle	USA
Sydney	Australia
Tel Aviv	Israel
Toronto	Canada
Vancouver	Canada

Source: New World Wealth, NWW, Research and Markets (2018).

Table 5 Cities with large (1,000+) outflows of HNWIs in 2017

City (alphabetical)	Location
Istanbul	Turkey
Jakarta	Indonesia

Lagos	Nigeria
London	UK
Moscow	Russia
Paris	France
Sao Paulo	Brazil

Source: New World Wealth, NWW, Research and Markets (2018).

Bilateral corridors (see box 1) include wealthy Chinese going to the US, UK and Canada; wealthy Indians going to the US, UAE, Canada, Australia and New Zealand; rich Britons going to Australia and the US, wealthy Russians moving to the US, Cyprus, Switzerland, the UK; the French going to Canada, Switzerland and the US; Brazilians going to Portugal, Spain and the US, Venezuelans going to the US and so on. The diversity of countries of origin is wide and include emerging economies and post-socialist, post-statist countries as well as advanced economies. Destination nations include mature advanced capitalist economies (US, UK, Switzerland, Australia) as well as southern European nations as Cyprus, Portugal, Spain and small islands in the Caribbean.

Box 1: Main corridors for the wealthy

- Chinese HNWIs moving to USA, Canada and Australia.
- Indian HNWIs moving to USA, UAE, Canada, Australia and New Zealand.
- Turkish HNWIs moving to Europe and the UAE.
- UK HNWIs moving to Australia and USA.
- French HNWIs moving to Canada, Switzerland and USA.
- Russian HNWIs moving to USA, Cyprus, UK, Portugal and the Caribbean.
- Brazilian HNWIs moving to Portugal, US and Spain.
- Indonesian HNWIs moving to Singapore.
- Saudi HNWIs moving to UK, France, Switzerland, South Africa and the UAE.
- Venezuelan HNWIs moving to USA.

Source: New World Wealth, NWW, Research and Markets (2018).

4.2 Levels of HNWIs by Country and City

Let us turn to the *level* of HNWI per country and city rather than yearly flows. The country that has the largest concentration of HNWI,(including multi-millionaires and billionaires) is the United States (with around 5 million HNWIs) followed by Japan (1.3 million), China (877.700) and the UK (826,900) for HWNIs (table 6). For the case of multi-millionaires and billionaires the second main country of origin/residence is China, followed by the UK for multi-millionaires and India for billionaires. In 2017 New York had the largest number of HNWIs (393,500), followed by London (353,600), and Tokyo (321,800), table 7. These three cities entertain prime property market, cosmopolitan environments and have highly developed financial systems. These cities are followed by Hong Kong, Singapore, San Francisco Bay Area and Los Angeles (all in the range of 200,000-250,000 HNWIs) with Chicago, Beijing and Shanghai having over 250,000 HNWIs. For multi-millionaires New York is also the main city of concentration followed by London and Hong Kong. For billionaires, New York is followed by Hong Kong, Beijing and Shanghai. In spite of the net outflows of HNWIs (see table 5) both London and Moscow are still high in the world ranking of resident billionaires.

Table 6 The Top 10 countries for HNWIs, multi-millionaires and billionaires, 2017

Rank	**HNWIs**		**Multi-millionaires**		**Billionaires**	
	Country	No. Of resident	Country	No. Of resident	Country	No. Of resident
1	United States	5,047,400	United States	221,580	United States	737

2	Japan	1,340,900	China	40,930	China	249
3	China	877,700	United Kingdom	26,130	India	119
4	United Kingdom	826,900	Japan	25,470	United Kingdom	103
5	Germany	813,300	Germany	25,070	Germany	82
6	Switzerland	406,900	Switzerland	21,400	Russian Federation	79
7	Australia	376,600	India	20,730	Hong Kong SAR, China	56
8	Canada	372,700	Canada	12,510	Canada	44
9	India	330,400	Australia	12,340	France	41
10	France	305,200	Hong Kong SAR, China	11,200	Australia	36

Source: New World Wealth, NWW, Research and Markets (2018).

Table 7 The top 10 cities for HNWIs, Multi-millionaires and Billionaires, 2017

Rank	**HNWIs**		**Multi-millionaires**		**Billionaires**	
	City	No. Of resident	City	No. Of resident	City	No. Of resident
1	New York City	393,500	New York City	17,610	New York City	68
2	London	353,600	London	11,950	Hong Kong	56
3	Tokyo	321,800	Hong Kong	11,200	Beijing	52
4	Hong Kong	250,700	San Francisco Bay area*	10,250	Shanghai	52
5	Singapore	239,000	Los Angeles*	8,900	London	47
6	San Francisco Bay area*	220,000	Tokyo	7,770	Moscow	45
7	Los Angeles*	199,300	Singapore	7,700	San Francisco Bay area	41
8	Chicago	150,200	Beijing	7,110	Los Angeles	35
9	Beijing	149,000	Chicago	6,950	Seoul	28
10	Shanghai	145,800	Shanghai	6,940	Mumbai	28

**San Francisco Bay area includes: San Francisco, San Jose, Oakland, Palo Alto, Los Altos, Redwood City, Moraga, San Mateo and Mountain View. Los Angeles includes: Los Angeles, Beverley Hills and Malibu.*

Source: New World Wealth, NWW, Research and Markets (2018).

Concluding Remarks

This paper shows a very high concentration of wealth in small elites and identify the various incentives for the wealthy to leave their home countries and reside in locations where their assets are better protected and the quality of life is good. The international mobility of people (global migration) is showing signs of increasing divides driven, in part, by the existence of more favorable migration regimes catered to the wealthy compared with the immigration rules for the non-wealthy. The so-called investment migration regimes offer visas and citizenship rights in exchange for capital contributions to the host country government funds and investments in real estate and the local banking system. This is in contrast with bureaucratic and cumbersome migration systems oriented to deter the entrance and permanence of the working migrants often coming from the periphery of the world economy. Mass migration can be politically contentious due to possible adverse effects on wages, pressures on publicly provided education, housing and health services and different cultural backgrounds. In the case of the migration of the wealthy most of these considerations are not that relevant. The number of wealthy migrants is small compared with the immigration of working people, the wealthy often does not take jobs competing with nationals (although this may be the case of senior managers and highly paid professionals). Moreover, the wealthy bring fresh funds and market contacts. At the same time, there are certain features associated with the arrival of the wealthy that can be disruptive: their investments in residential or commercial property in recipient countries is pushing up the price of property in recipient countries, crowding-out nationals that can not afford to acquire or rent housing that has become expensive after the buying of foreigners. In addition, the potentially corruptive effect associated with inflows of foreign money on the local political system should not be discarded a priori.

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