

Capgemini Press Contacts:

Mary Sacchi (North America)
WE Communications for Capgemini
Tel.: +1 (212) 551 4818
E-mail: msacchi@we-worldwide.com

Josh Graham (EMEA)
WE Communications for Capgemini
Tel.: +44 (0)7518 799 630
E-mail: jgraham@we-worldwide.com

North America retains top spot for High-Net-Worth population and wealth: World Wealth Report 2022

Europe moves past Asia Pacific to second place in growth rate, fueled by a recovering economy in Europe and slowing growth in Asia Pacific; 70% of HNWI globally have invested in digital assets and currencies

Paris, June 14, 2022 – [Capgemini's World Wealth Report \(WWR\)](#), published today, reveals the global High Net Worth Individual (HNWI) population grew 7.8% and their wealth grew 8% in 2021 owing to recovering economies being boosted by the stock market. North America continued along its growth trajectory, boasting the highest increase in HNWI population and wealth, 13.2% and 13.8% respectively. From an overall growth rate standpoint, APAC's lackluster 2021 HNWI growth in population (4.2%) and wealth (5.4%) put the region, which had dominated HNWI growth over the last decade, into third place. Capgemini's 2022 World Wealth Report examines global wealth movements in the past year, exploring trends and influences on the HNWI population.

In 2021, the top-four positions in HNWI population by market were retained by the United States, Japan, Germany, and China respectively, comprising 63.6% of the global HNWI population, an increase of 0.7% from 2020. Ultra-HNWIs (\$30m+) led global wealth and population growth, at the rates of 9.6% and 8.1%. While the Millionaires Next Door (\$1-5m) population (7.7%) and wealth (7.8%) grew the slowest, witnessing an acceleration in population and wealth growth rates. Conversely, the Mid-Tier Millionaire (\$5-30m) population and wealth increased to 8.5% and 8.4%. The report also indicates that the growth gap across wealth bands is shrinking, indicating a more level playing field, due to improved information access for investors and democratization of asset classes.

To capture emerging client segments, firms must rethink their engagement strategies

The demographic of HNWI has continued to evolve, with increasingly more women, LGBTQ+ individuals, millennials and Gen Z's now seeking wealth management services. These emerging client segments each have their own values, preferences, and requirements which many wealth management firms are currently unequipped to provide for, resulting in many of these HNWI pivoting to more adaptive competitors or smaller family offices. For example:

- Women across all wealth brackets are set to inherit 70% of global wealth over the next two generations. They are seeking firms that not only provide fee transparency and data security, but also education in how to grow this wealth.
- Similarly, 39% of millennial HNWI had switched providers in the past year due to a lack of transparency. They are frequently seeking new wealth managers as they demand greater digital interaction, education and convenience.



- The tech boom and surge in VC-backed unicorns has created a unique group of tech-wealth HNWI, and this sizeable mass-affluent segment offers huge potential for wealth management firms, however only 27% of firms say they actively pursue these prospects.

The new wave of HNWI possesses unique client needs which require wealth managers to adjust their business strategies. To unlock this largely untapped client segment, cites the report, wealth management firms must focus on providing greater convenience, personalized experiences and building trust through approaches such as ecosystem collaboration, comprehensive digital solutions, and greater diversity when hiring new talent.

Wealth management firms must embrace data-driven capabilities

The wealth management sector is undergoing a diversification of investment options, from Sustainable Investing (SI) to the growing prevalence of digital assets. As the ESG imperative continues to grow, wealth management firms must strive to make educational support and expansive product selection for HNWI, key pillars of their strategies. The report found that globally, 55% of HNWI have stated that investing in causes with a positive ESG impact is critical, with 64% of HNWI asking for ESG scores to learn about a fund's societal impact. However, 40% of wealth managers find it challenging to showcase an ESG impact.

"The influx of new investment avenues such as sustainable investing and digital assets is having a crucial impact on the wealth management industry. Wealth management firms must prioritize providing timely education around this trend to retain their customers," said Nilesh Vaidya, Global Industry Head, Retail Banking and Wealth Management, Capgemini's Financial Services Strategic Business Unit. *"Additionally, as we usher in the new era of digital assets, wealth management firms should leverage ecosystem partnerships, to prioritize a diversified digital portfolio of offerings for clients."*

Create Chief Customer Officer roles to deliver a superior experience

An increasing number of wealth management firms have been establishing a new Chief Customer Officer (CCO) role, aimed at nurturing client intimacy, and putting them at the heart of the wealth management process. The role focuses on orchestrating both data and digital benefits across the organization to meet evolving and complex client demands and drive loyalty.

The report finds that by prioritizing automation and data-driven insights, wealth managers can provide hyper-personalized customer experiences to meet the expectations of new-age customers. It cites that the CCOs will play an integral role in building an inclusive client ecosystem while also enhancing their advisor capabilities through actionable data analysis. In doing so, firms can work towards adopting a one-stop-shop approach to meet all customer needs conveniently, which accommodate for unique lifestyle and preferences, ultimately driving business growth.

Report Methodology

The World Wealth Report 2022 covers 71 markets, accounting for more than 98% of global gross national income and 99% of world stock market capitalization. The Capgemini 2022 Global HNWI Insights Survey queried 2,973 HNWI across 24 major wealth markets in North America, Latin America, Europe, and the Asia-Pacific region. Interviews and surveys of more than 70 Wealth Management Executives were conducted across 10 markets, with representation from pure wealth management firms, universal banks, independent broker/dealer firms, and family offices, and queried Wealth Management Executives on the new Tech-Wealth segment, market trends, the role of the CMO, and future strategies. The 2022 Wealth Manager Survey covers more than 350 responses across seven markets and queried wealth managers on their views on the firm's wealth management strategy priorities, their satisfaction with the support provided by their wealth management firm.



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