



*Research findings overview*  
*12 August 2020*

WEALTH AND INVESTMENT



# THE AFRICAN WEALTH REPORT<sup>20</sup><sub>20</sub>

THE ART OF CREATING WEALTH



# A surprising and dynamic continent where challenges are met with creativity

*“Africa is seldom thought of as a place where wealth is created. In many global wealth studies, Africa is conspicuously absent from the analysis. When African wealth is discussed, it is often linked to the continent’s governance problems, with wealth accumulation cast as rent extraction rather than value creation.”*

- Dr Stuart Theobald, CFA and Dr Graunt Kruger, study leads



## Presentation overview

1. Background on methodology and key features of respondents
2. Findings: *How wealth is created*
3. Findings: *How wealth is invested*
4. Findings: *Lifestyles and how wealth is spent*
5. Findings: *How wealth is bequeathed*



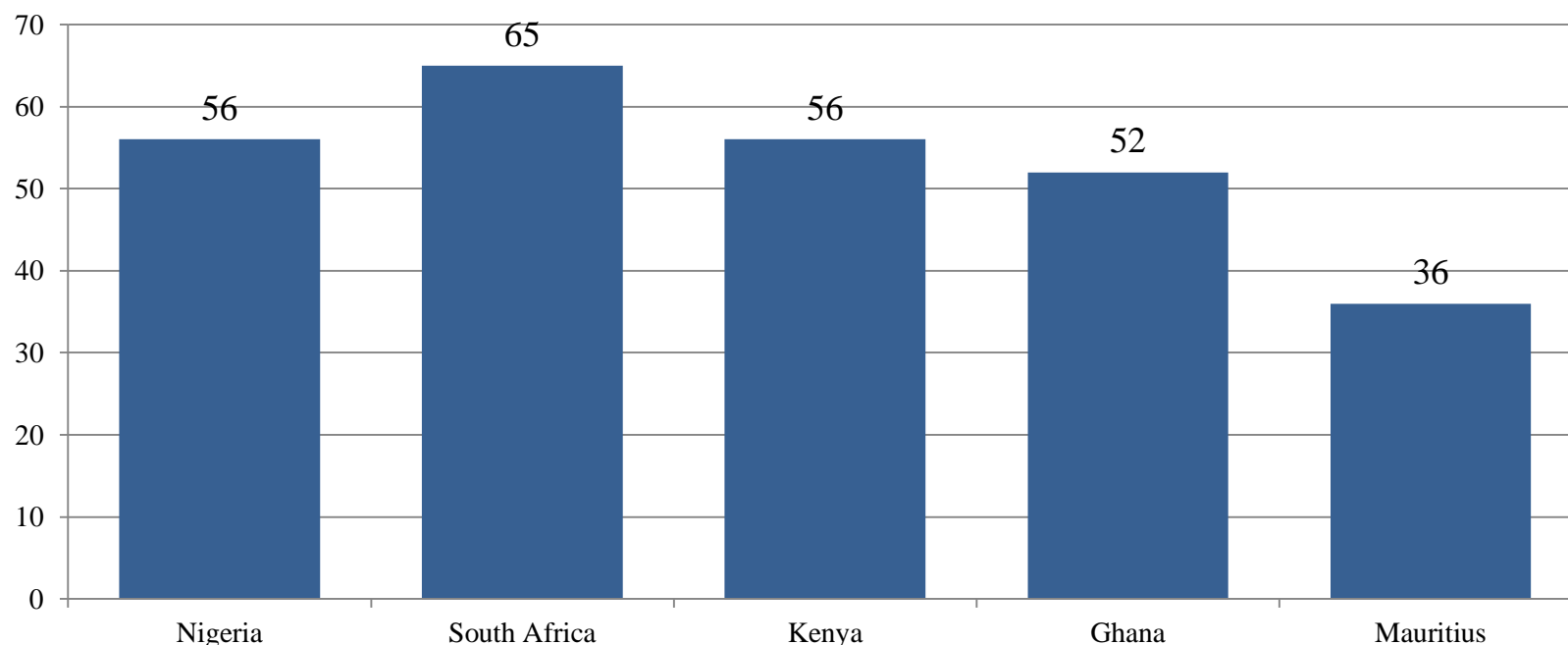
# Key features of respondents

Background

*For this study, 265 high-net worth Africans completed a comprehensive survey, of which 75 conducted a further in-depth interview.*

## Where they were from:

(number of survey respondents per country)



*The five countries covered in this study collectively account for the majority of GDP in Sub-Saharan Africa (\$1,01-trillion, 58% of SSA GDP)*

*They account for a combined population of 327m, or 31% of the population of Sub-Saharan Africa*

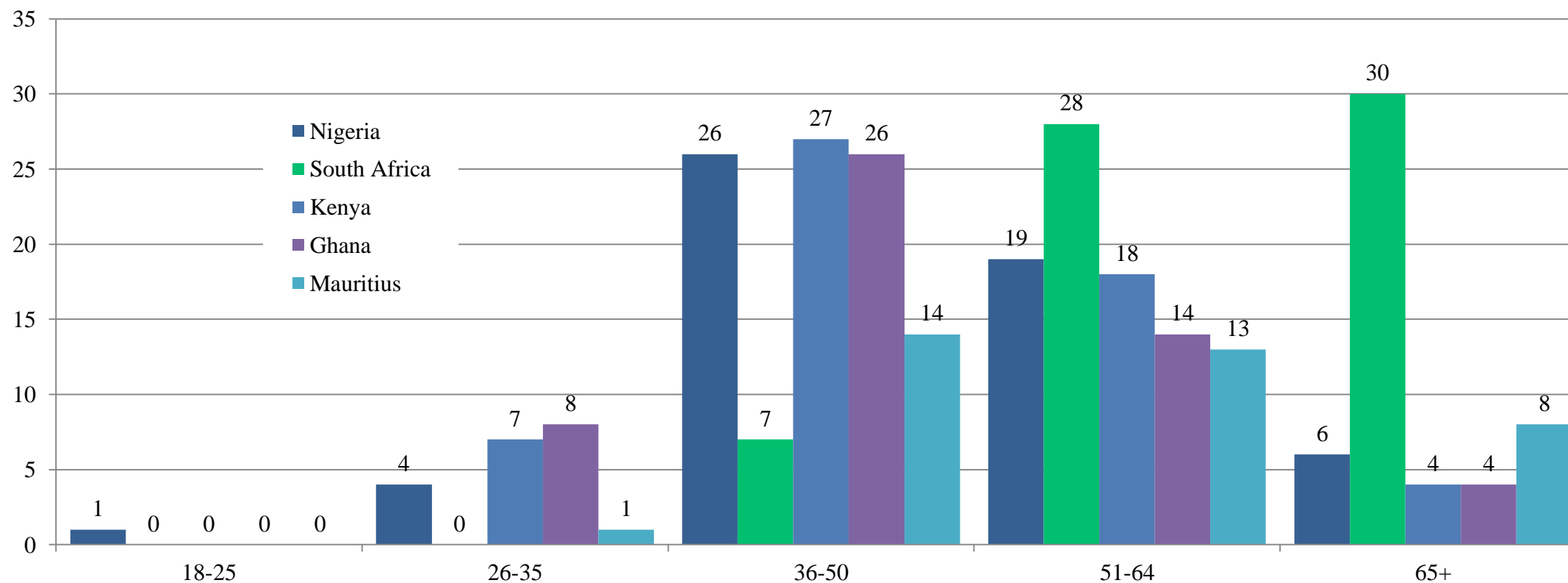


# Key features of respondents

Background

## How old they were:

(number of survey respondents in each age bucket)

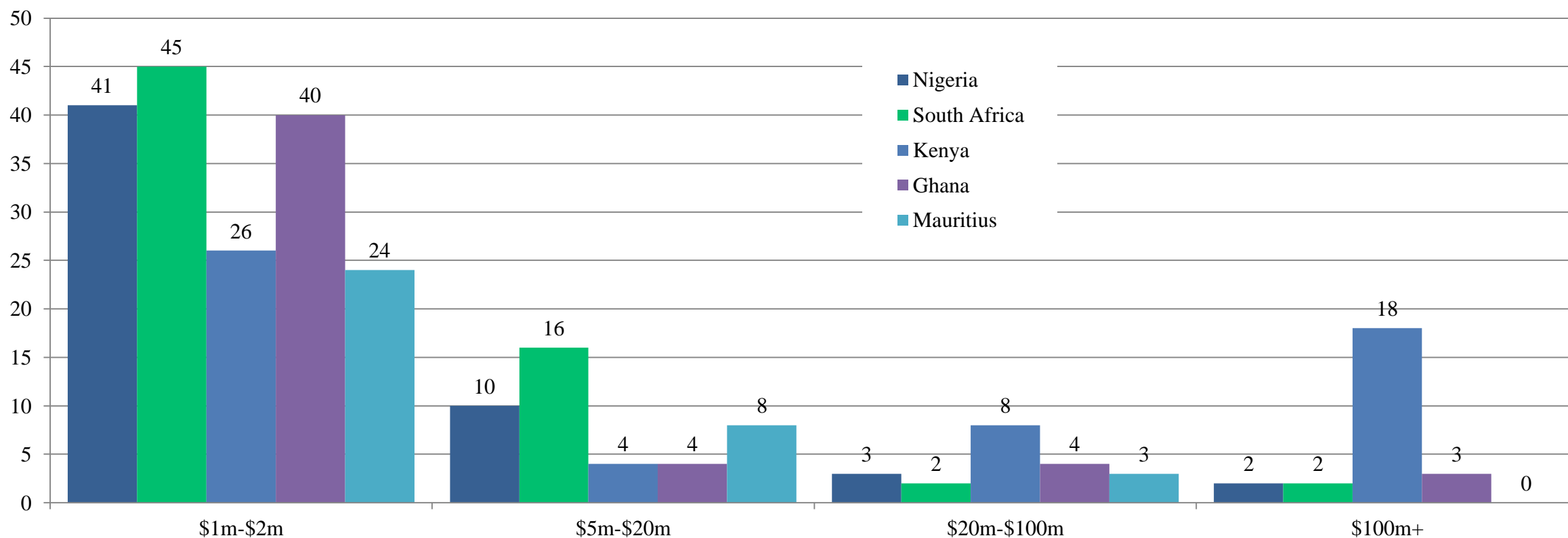


# Key features of respondents

Background

## How much they were worth:

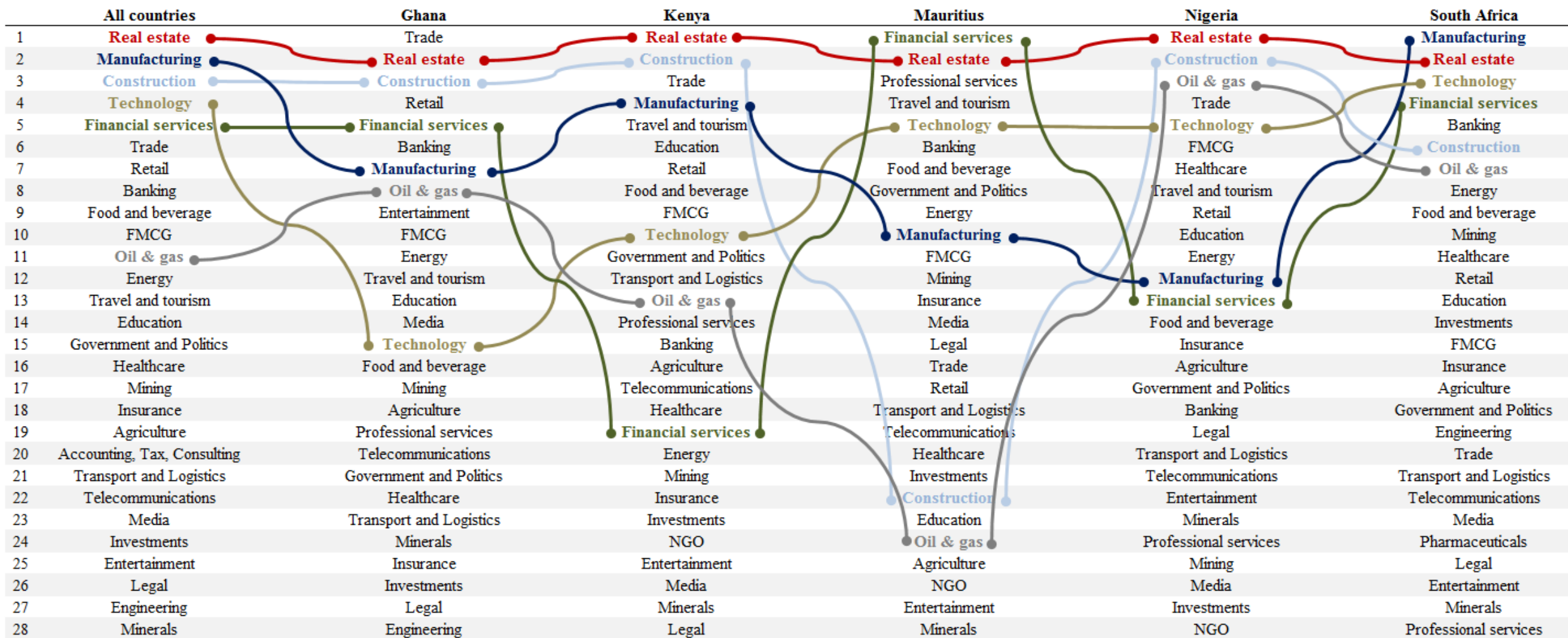
(number of survey respondents in each wealth bucket)



# From a wide variety of industries

Background

Ranking of respondents' industries per country. Respondents could choose more than one.

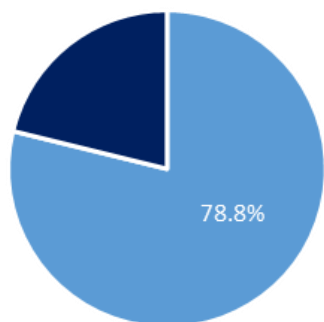


# Headline finding: African wealth is driven by entrepreneurship

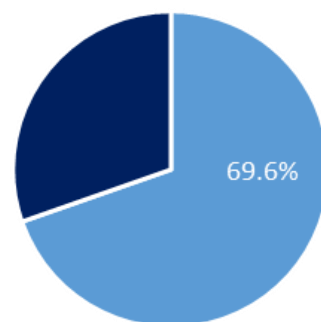
Findings: Creation

*Particularly in less developed markets, most respondents had made their money from entrepreneurship.*

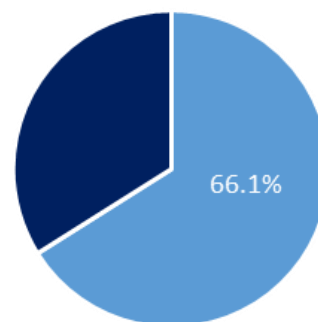
*Ghana*



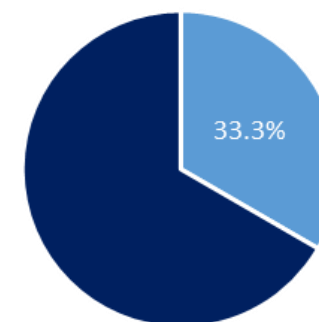
*Kenya*



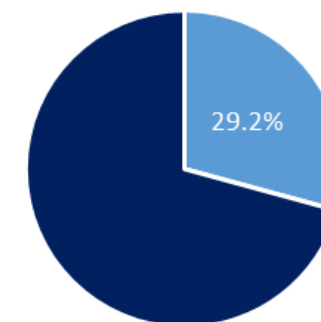
*Nigeria*



*Mauritius*



*South Africa*



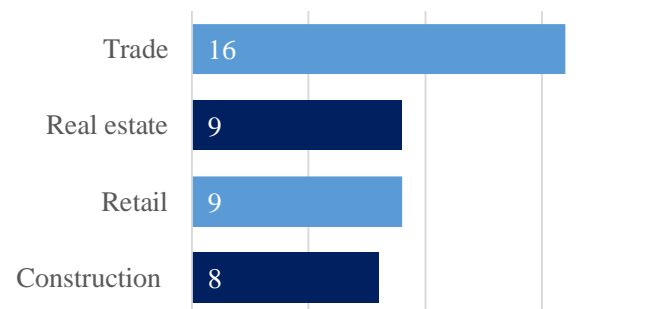


# Entrepreneurs work in various industries

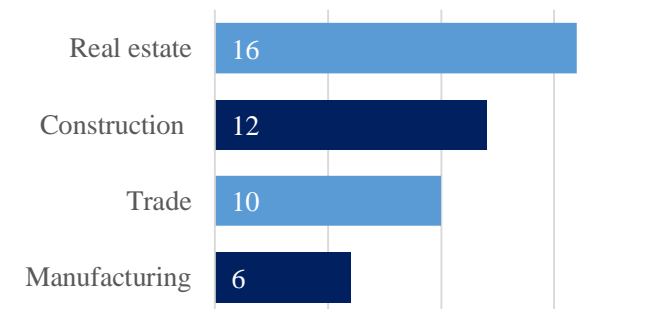
Findings: Creation

*Top four industries of entrepreneurs, per country*

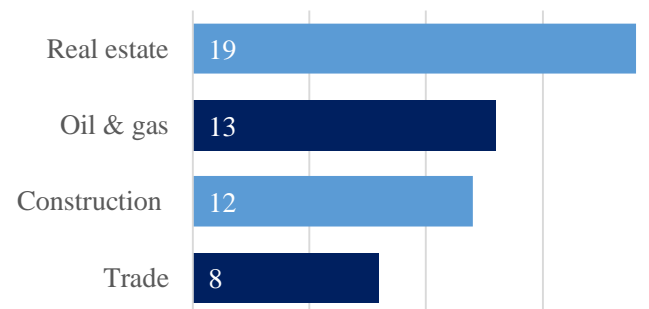
## *Ghana*



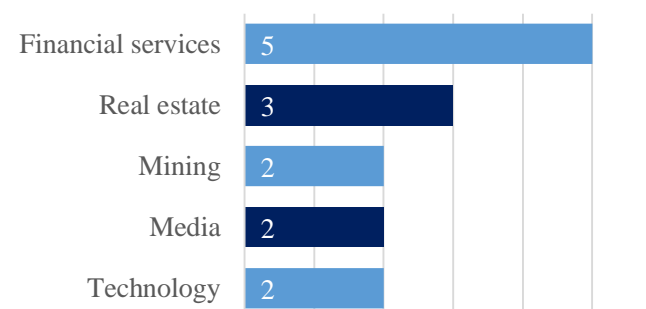
## *Kenya*



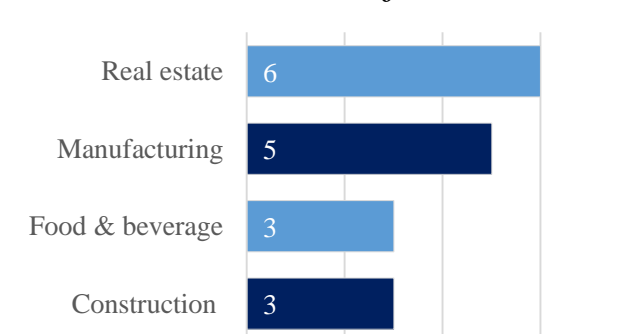
## *Nigeria*



## *Mauritius*



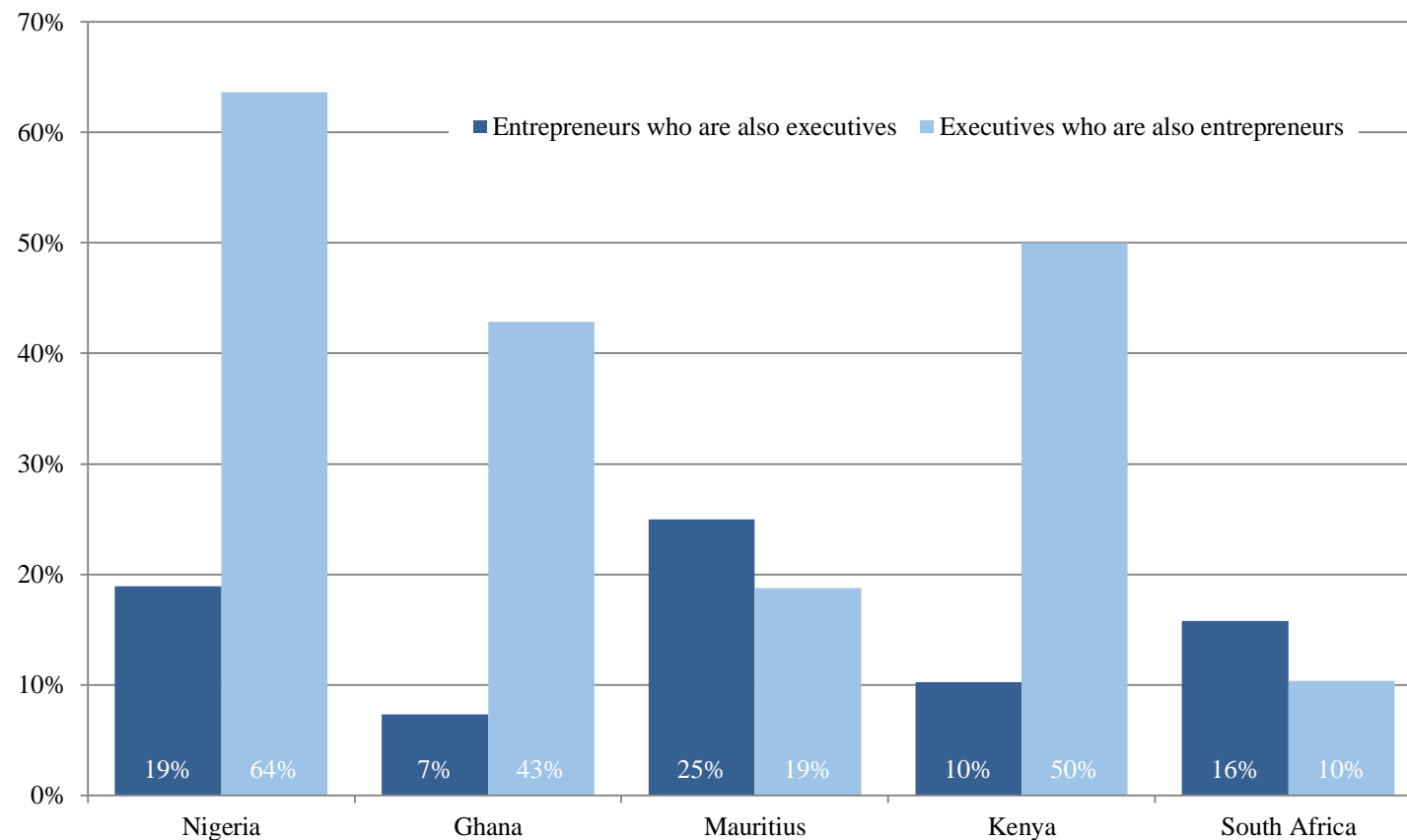
## *South Africa*



# The Side Hustle

Findings: Creation

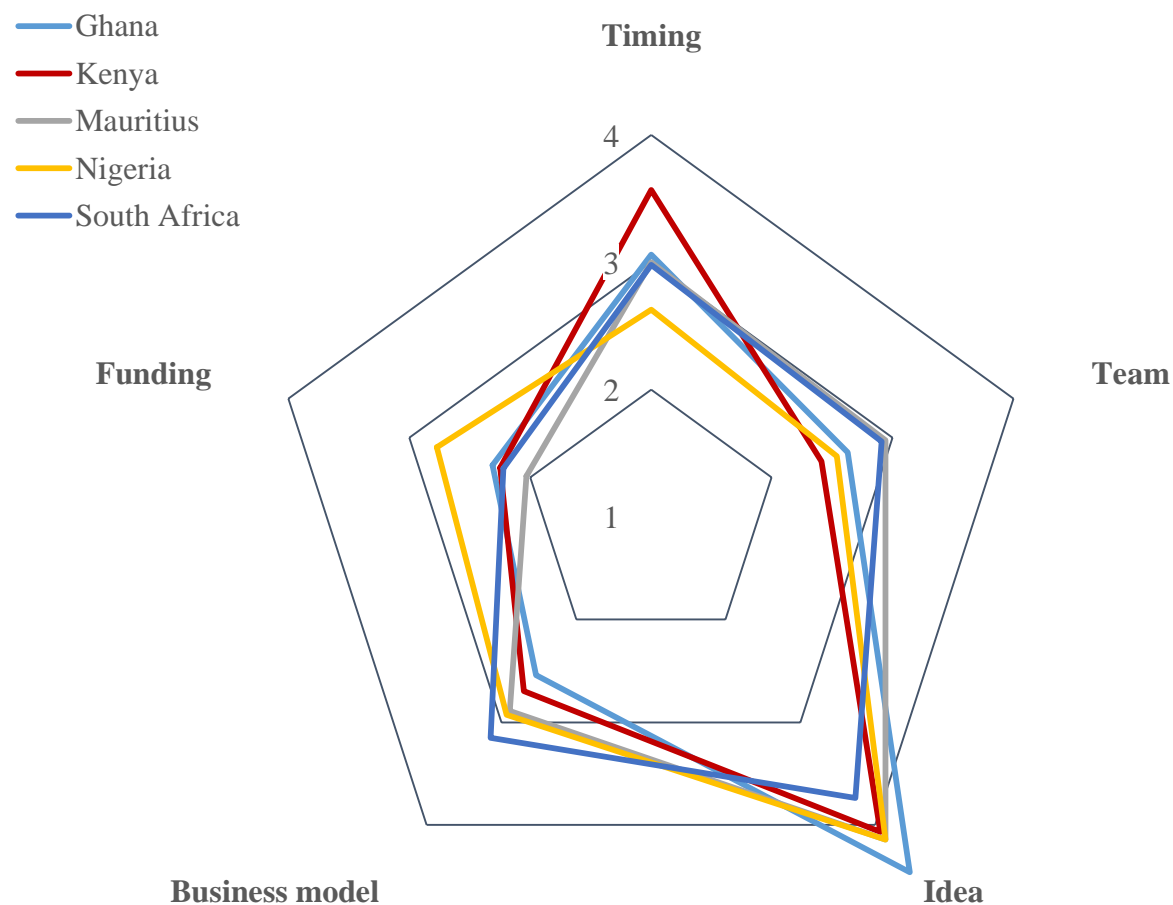
*Often, entrepreneurship is a side activity of respondents who have executive careers. That was particularly true in Nigeria, Ghana and Kenya.*



# Factors for Success

Findings: Creation

*Respondents were asked to rank five factors from first to last in terms of importance in their success. Ranks were then scored out of 5 and averaged for each country, as shown in the spider diagram here. “Idea” consistently ranked top, while “funding” was often lowest.*



# Respondents change how they accumulate wealth

*Survey respondents had different approaches to wealth creation early in their careers compared to later. Here are the numbers in each category for their first million and subsequent wealth*

*How did you get to your first \$1m ?*

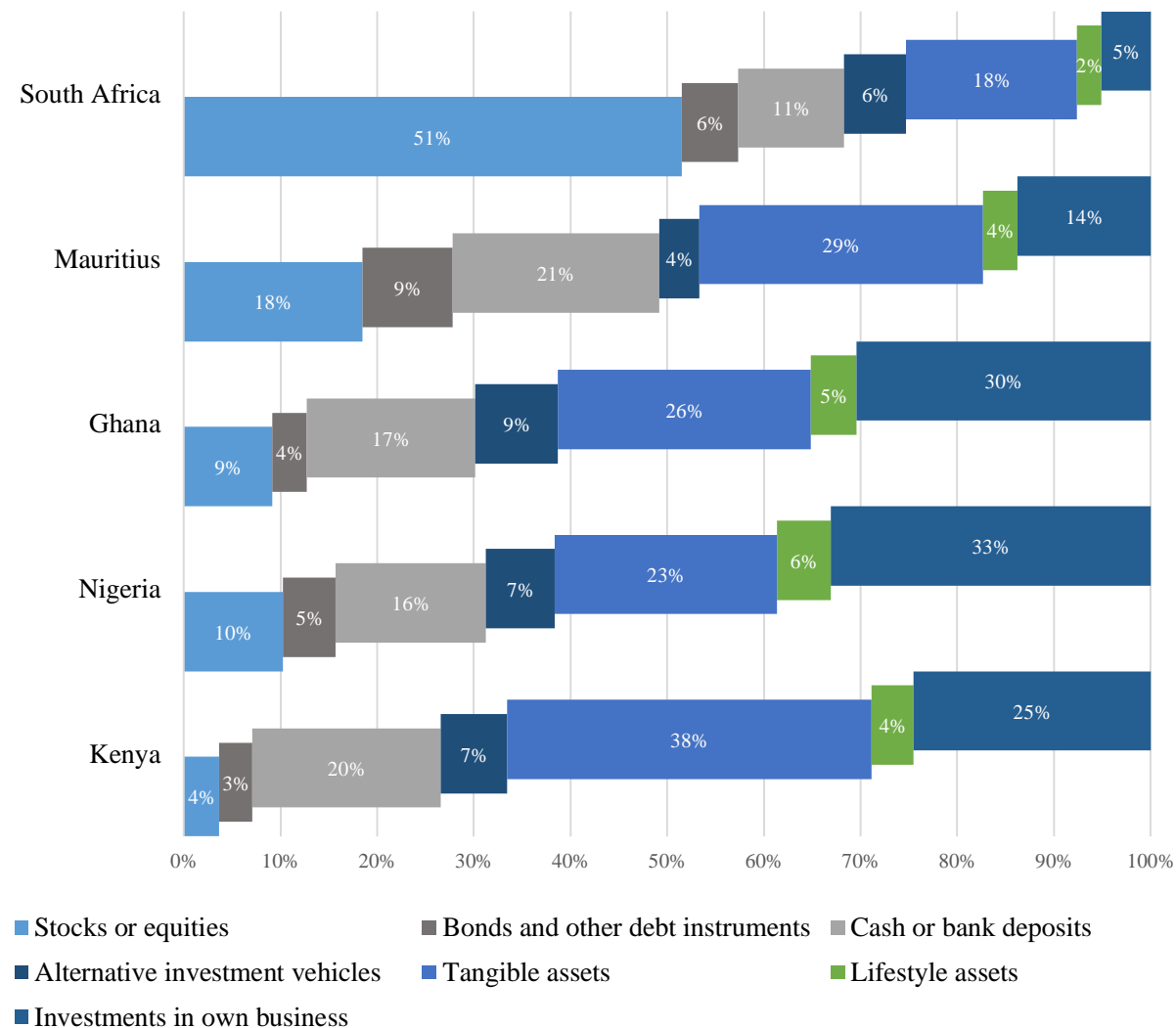
*How have you generated wealth since?*



# How Africans hold their wealth

*Property is important across the continent, while equities account for more of respondents' assets in South Africa*

## Findings: Preservation

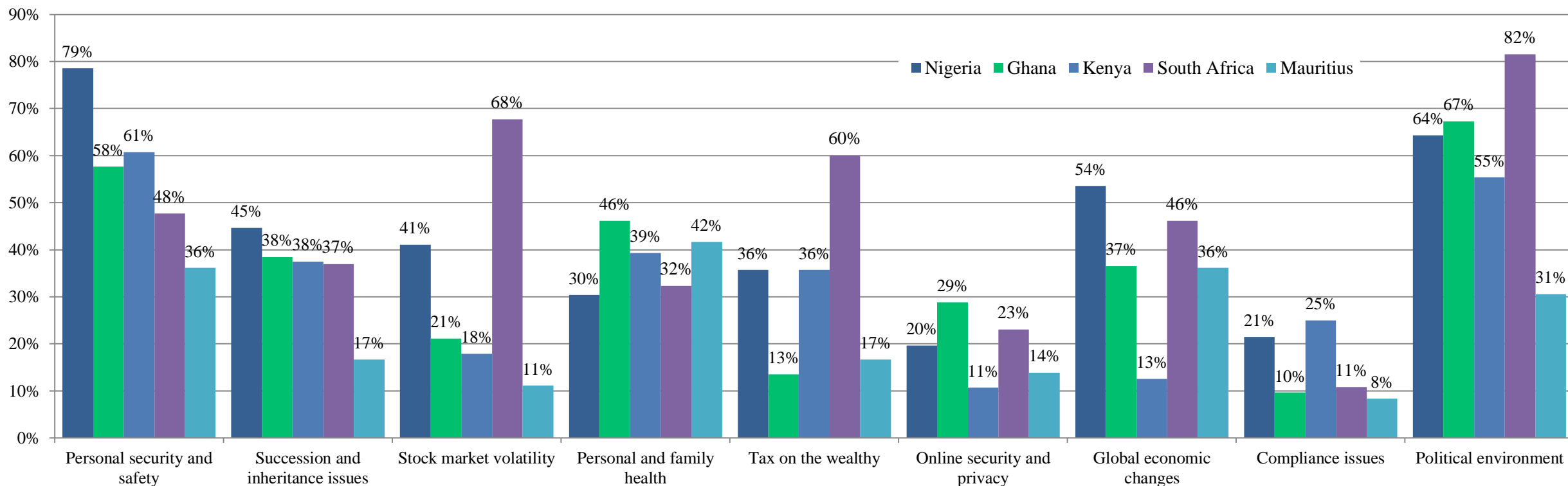


# Fears about wealth

Findings: Preservation

Note: numbers indicate % of total respondents who selected option. More than one option could be selected.  
Question: *What concerns, if any, do you have when it comes to preserving wealth?*

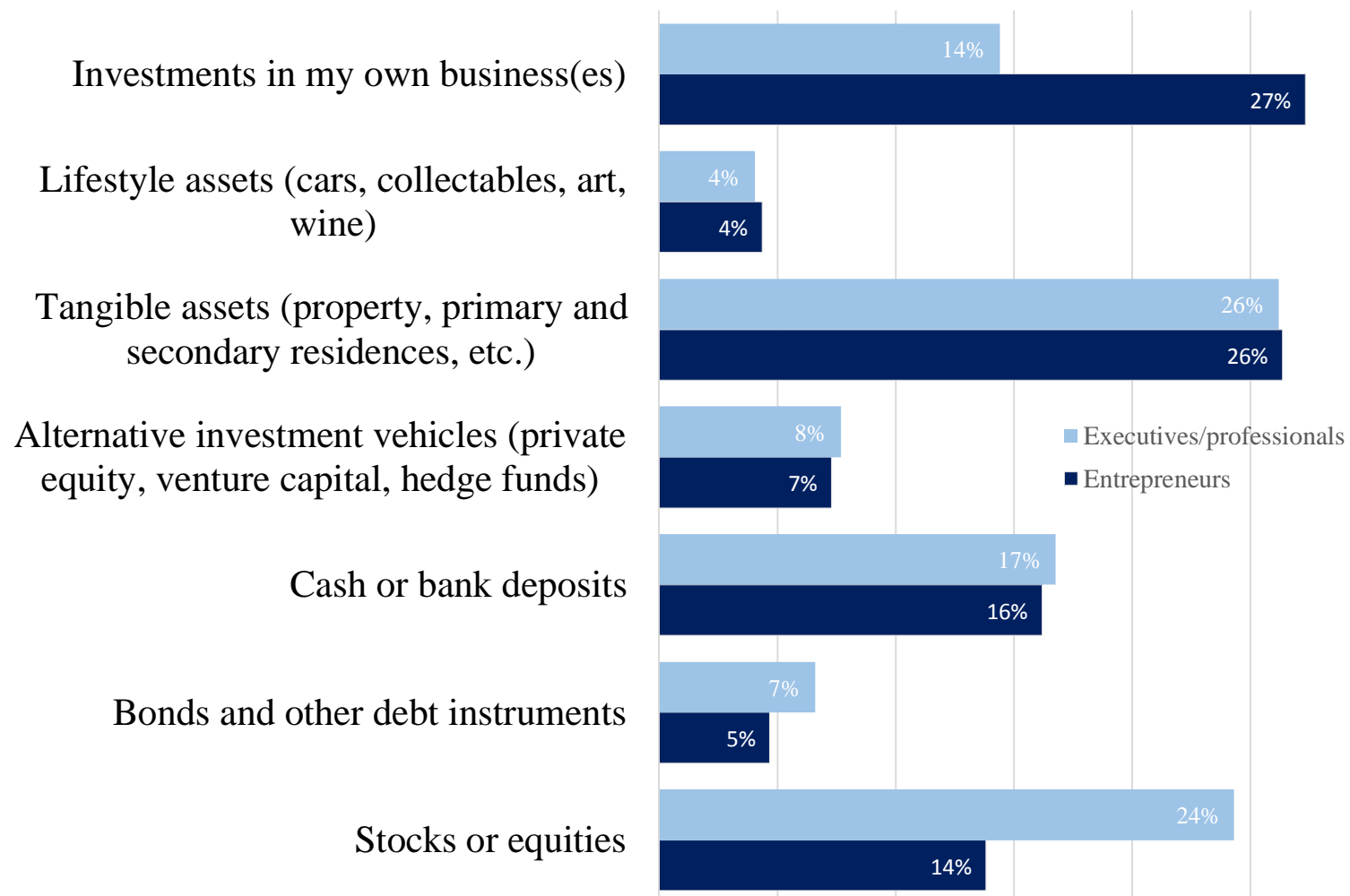
*The political environment is the primary concern related to wealth preservation among respondents with nearly two-thirds listing it as a worry*



# Entrepreneurs vs Professionals

Findings: Preservation

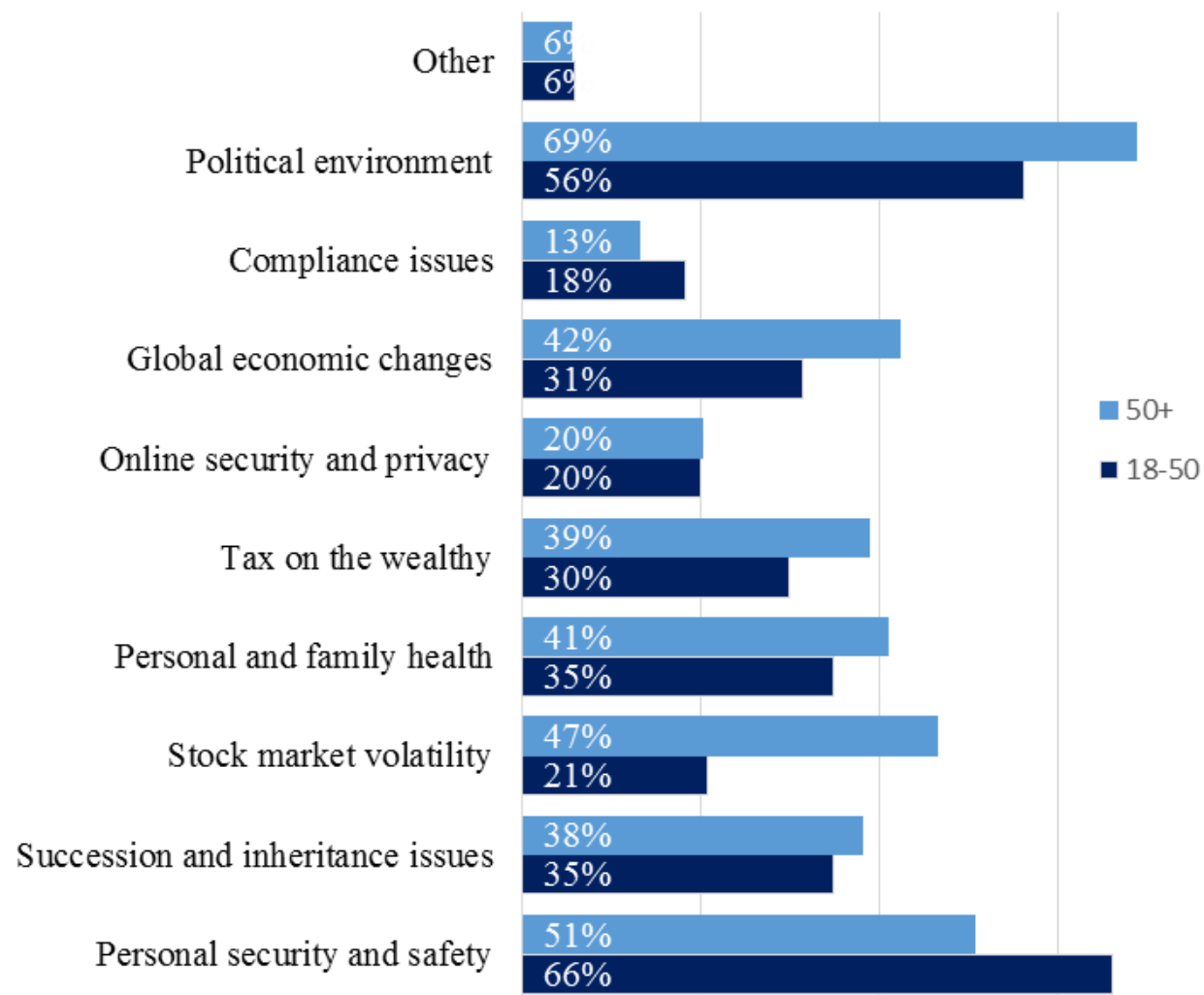
*Across Africa, entrepreneurs have more of their wealth tied into their own business, while professionals diversify into stocks and equities*



# Young vs Old

*Younger respondents were less concerned about the political environment but more worried about their personal security and safety than the older generation. They were also less bothered by stock market volatility and global economic changes.*

## Findings: Preservation

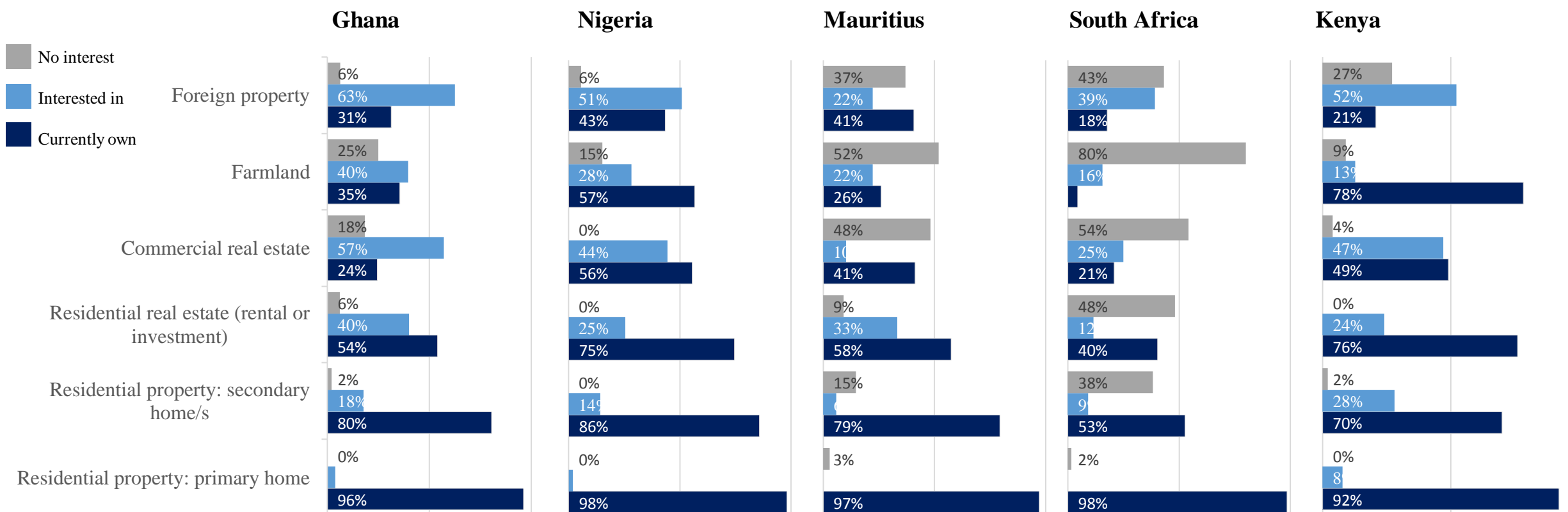




# Tangible Assets

Findings: Preservation

*Most respondents already own residential property, and second homes in all countries except South Africa. Most Kenyans and Nigerians also own farmland. Nigerians have the widest property interests.*

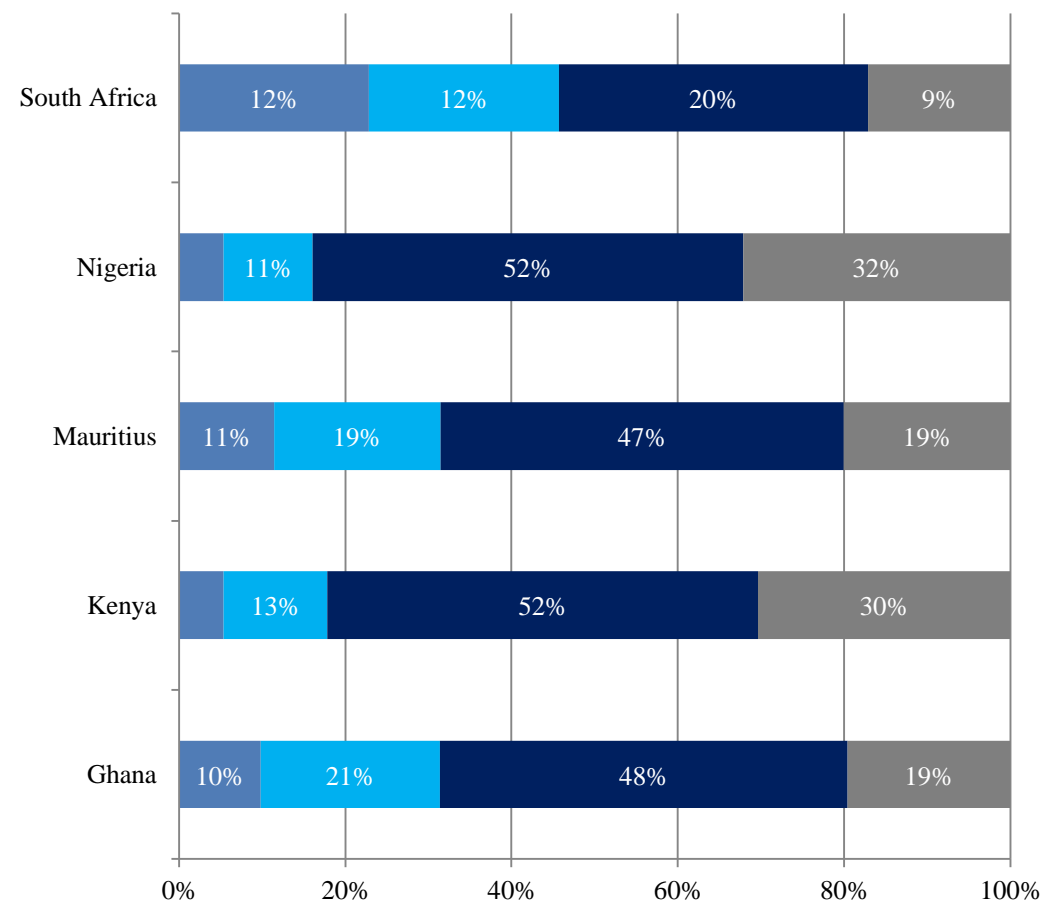


# Work Time

Findings: Lifestyle

*Typically, how many hours respondents spend working per week*

- Less than 20 hours
- 20 to 40 hours
- 40 to 60 hours
- More than 60 hours

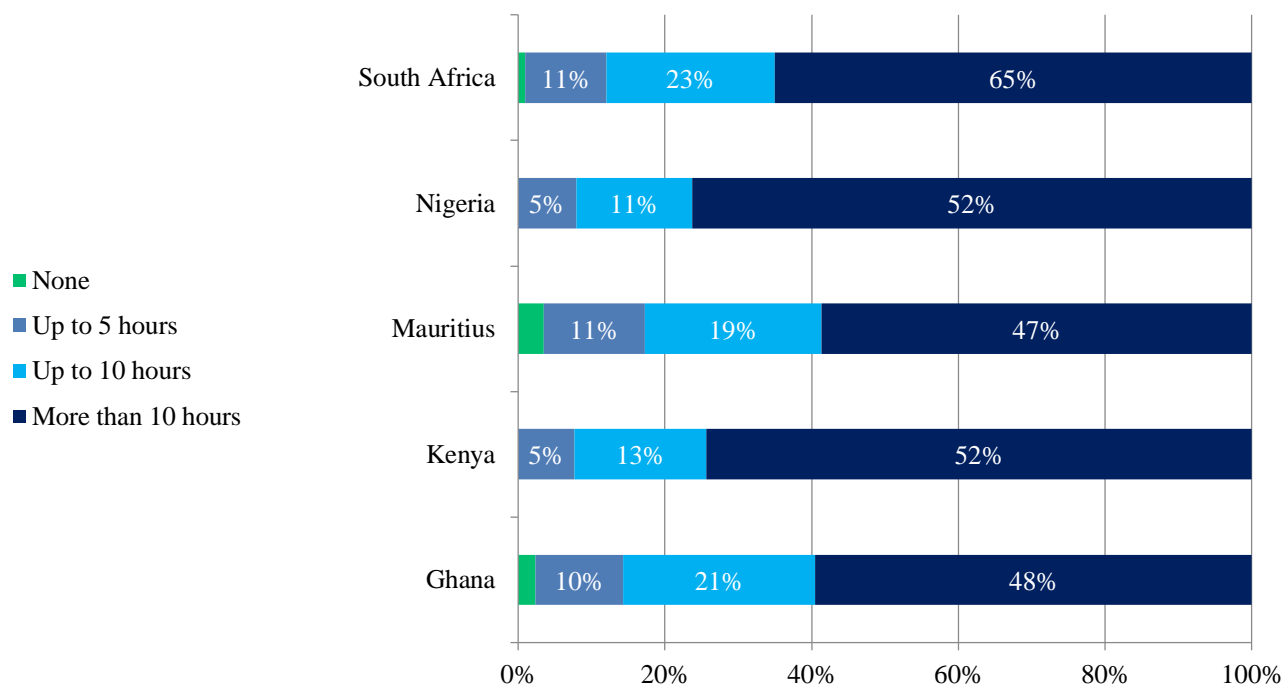


# Spending Time

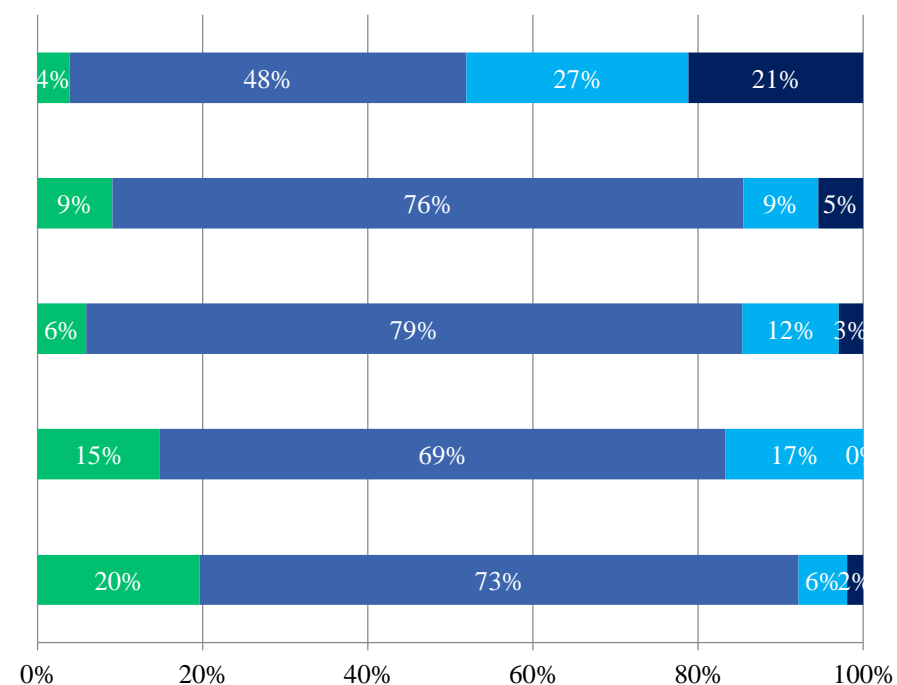
Findings: Lifestyle

*Respondents spent their time on many activities and were largely consistent in how they did so...*

## Family



## Hobbies

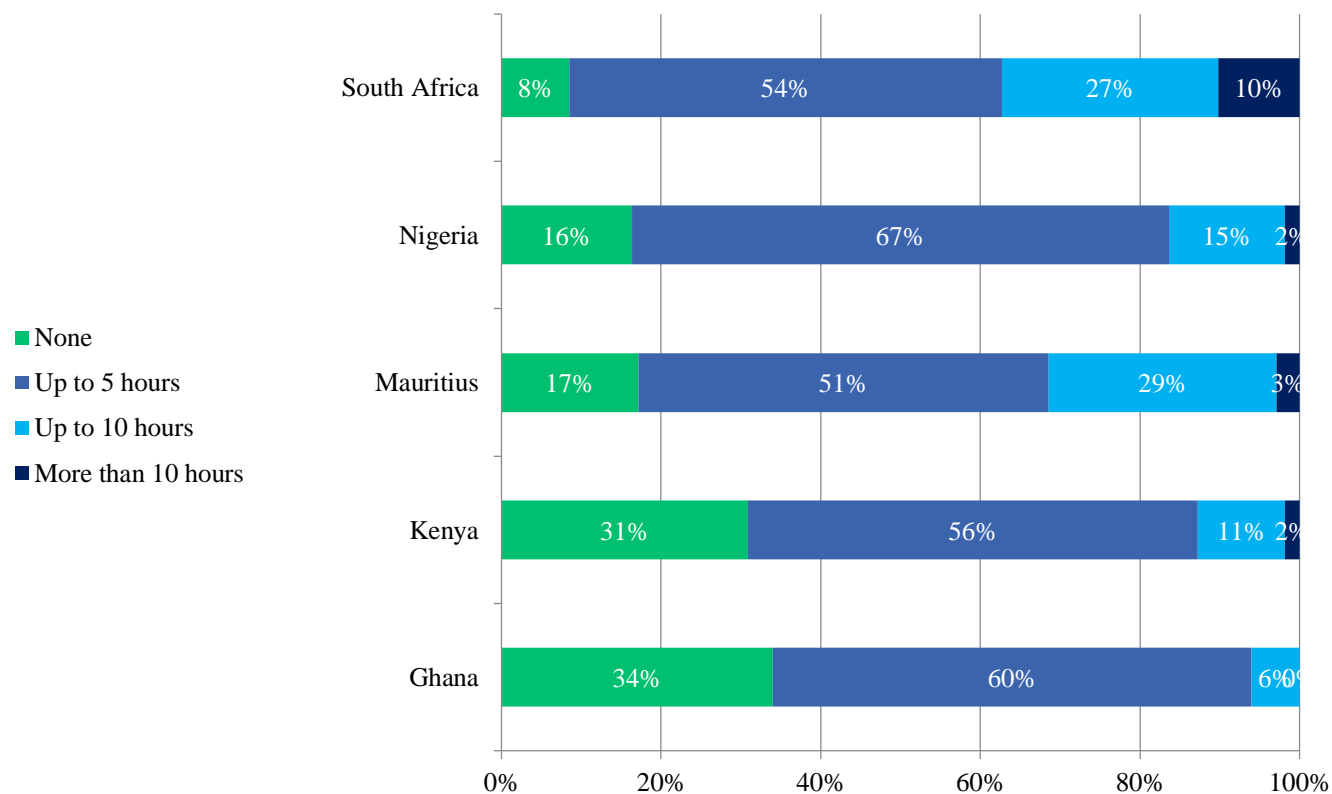


# Spending Time

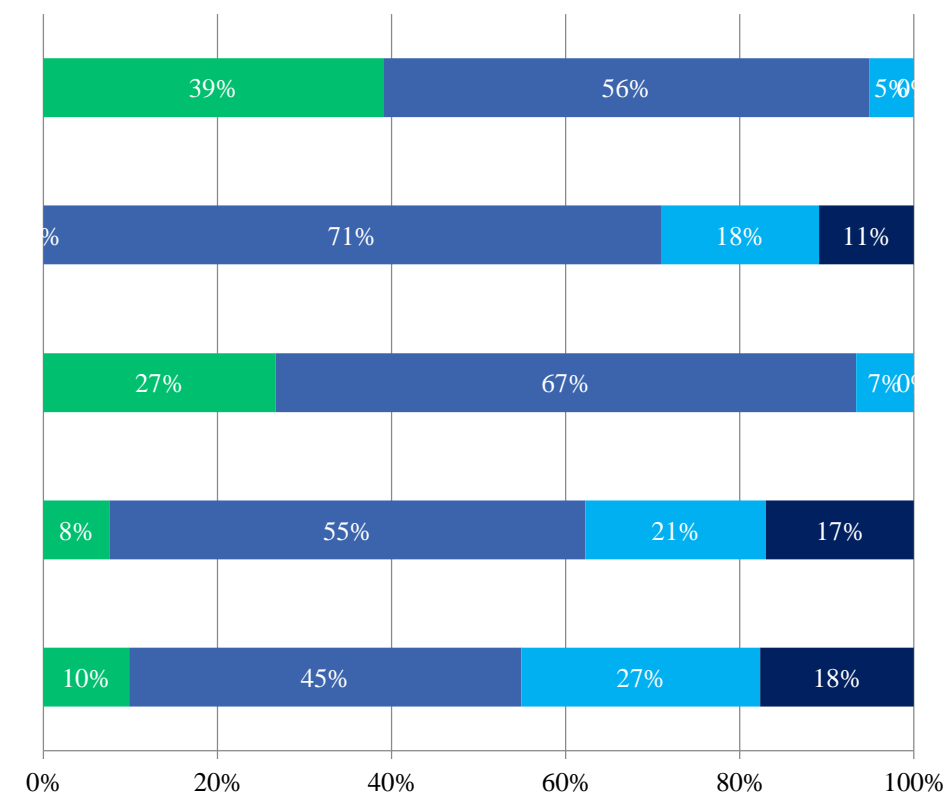
Findings: Lifestyle

*...the one exception being “restorative time” which was more of a preoccupation outside South African and Mauritius*

## Sport



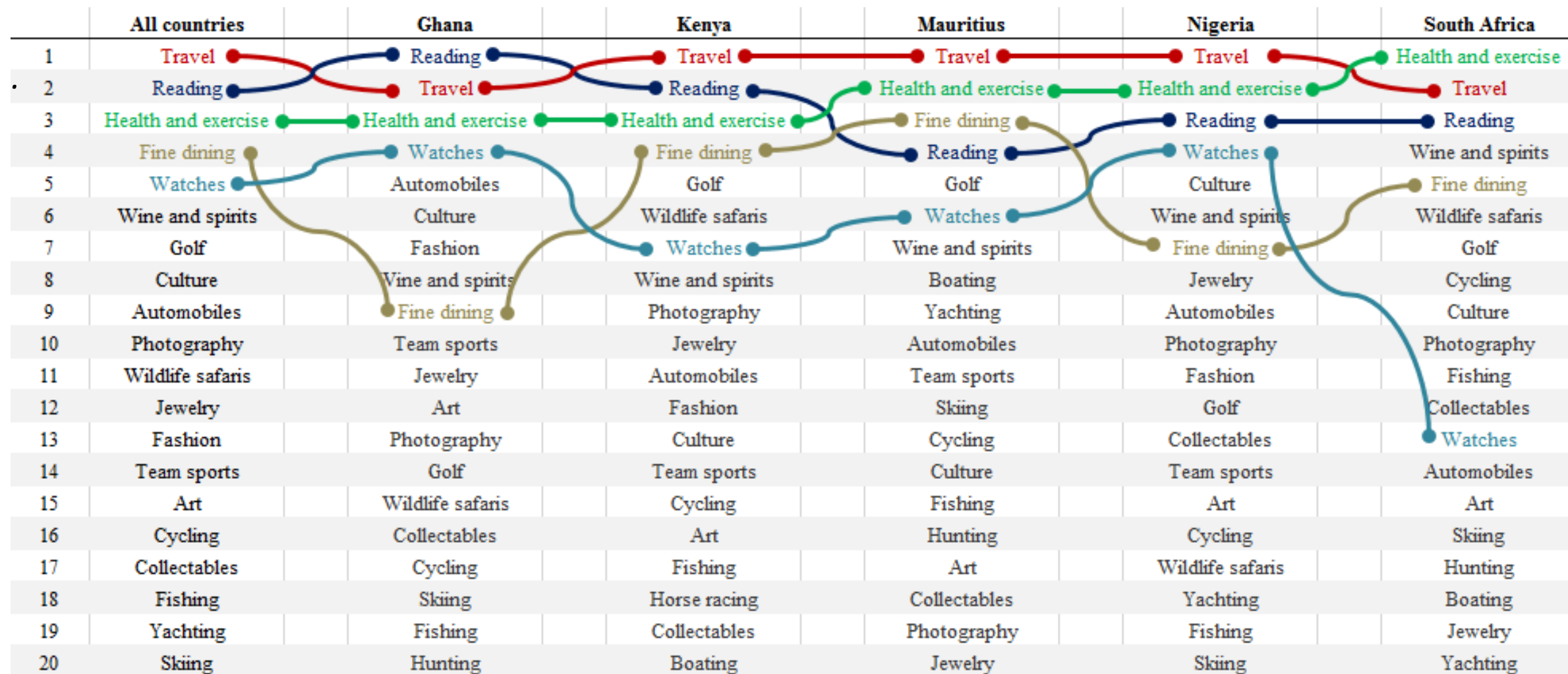
## Restorative time (prayer, meditation, yoga)



# Hobbies

Findings: Lifestyle

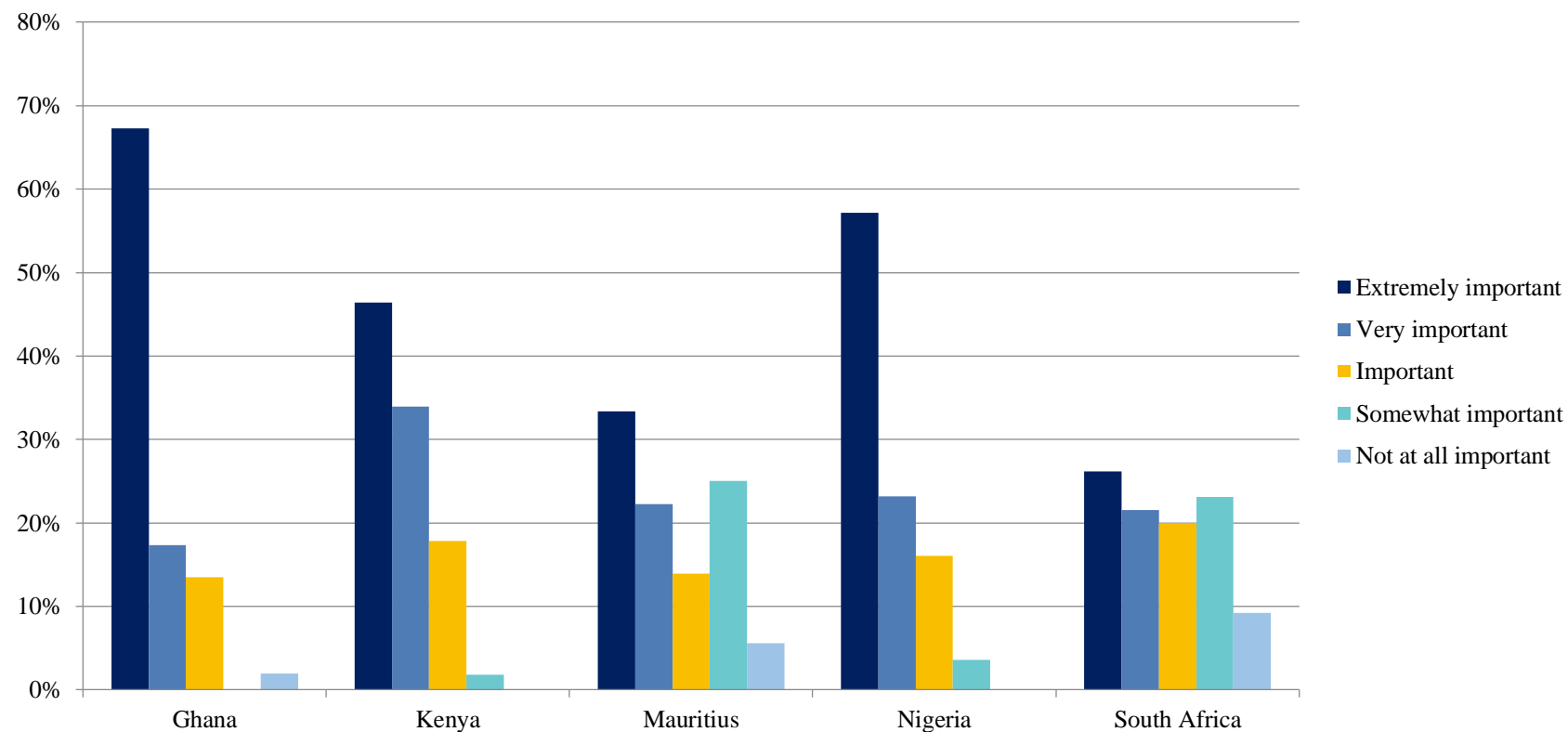
*Africans are rather consistent in their favourite pastimes*



# A time for giving

Findings: Bequeathing

*Respondents generally considered it important to leave wealth to heirs*



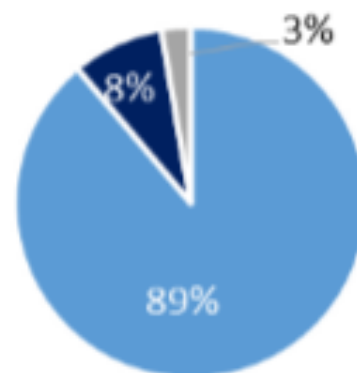
# Family is the focus of bequeaths

*Family ranks highest for the proportion of respondents' estates. Nigeria has the highest allocated to charity, at 18%*

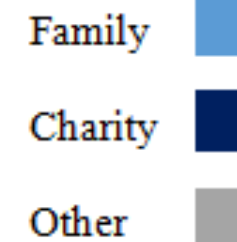
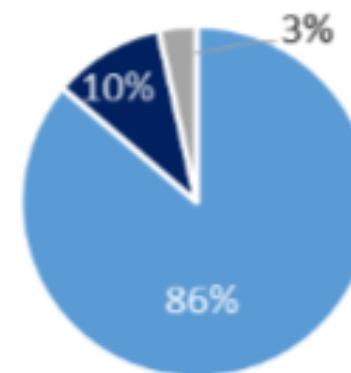
*How respondents from different countries plan to split their estates between family, charity and other beneficiaries*

## Findings: Bequeathing

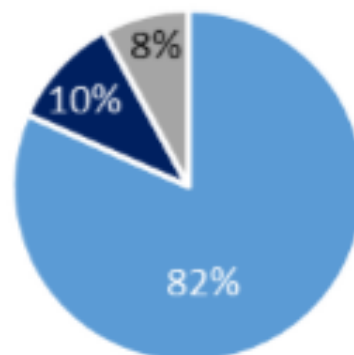
**South Africa**



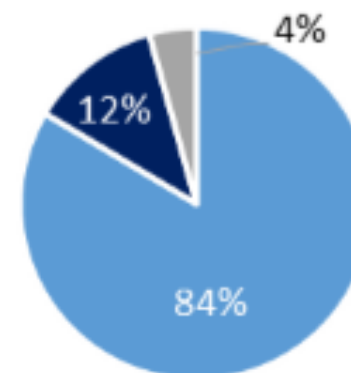
**Mauritius**



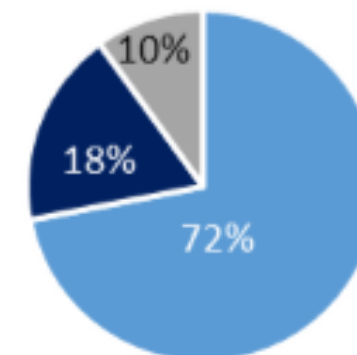
**Ghana**



**Kenya**



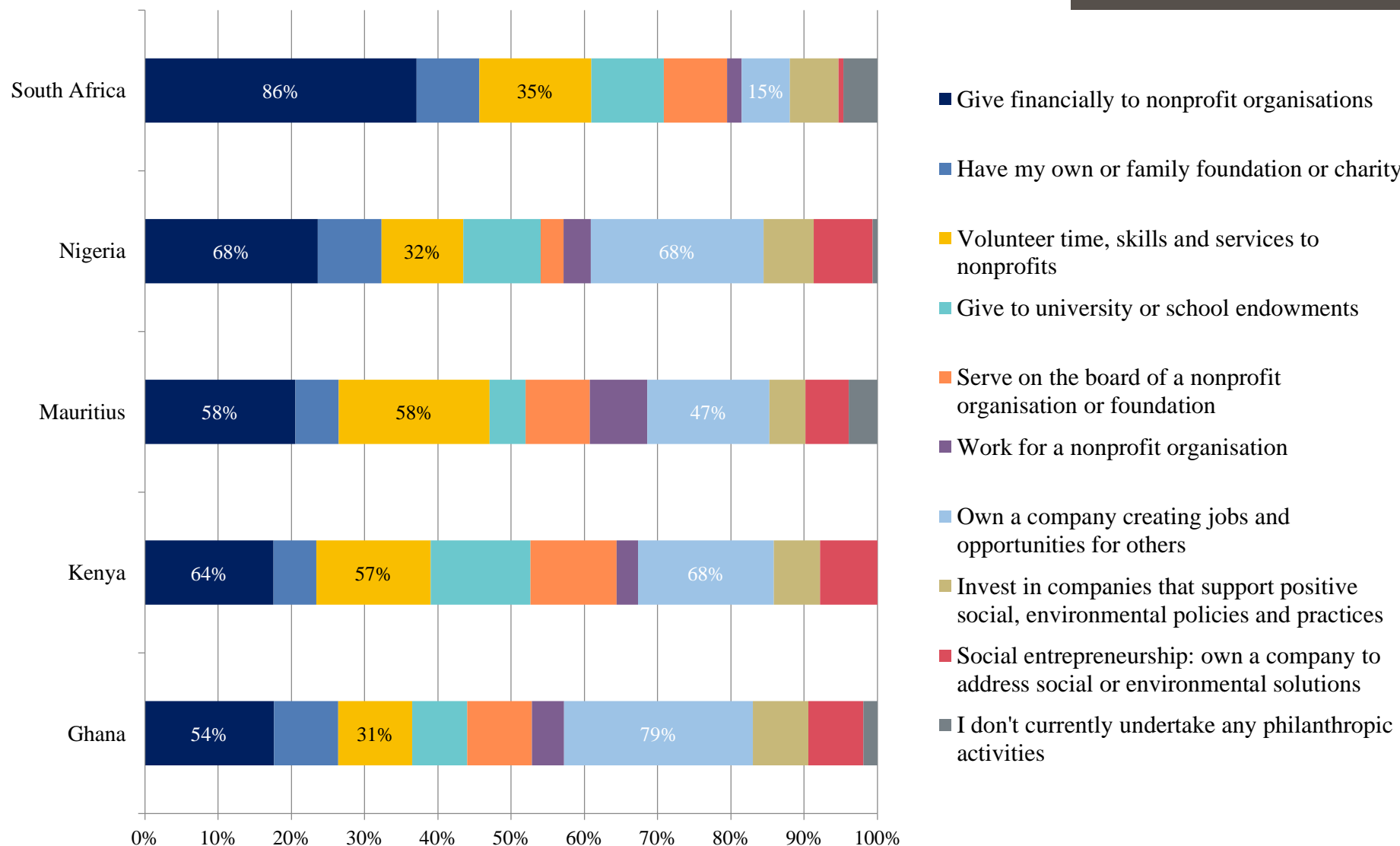
**Nigeria**



# Giving back

*Respondents indicated many ways they contributed back to society. The diagram here shows the percent of respondents who indicated they give back in the ways indicated.*

## Findings: Bequeathing





# Much more detail in the report...

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