

## PRESS RELEASE

**Report shows Pensions smash Bricks and Mortar in Great Britain since 2008**

- Overall household wealth has grown from £8.5 trillion to £11.5 trillion
- Pensions, not property, are the biggest store of wealth for most of the wealthiest households
- Wealthiest 10% of households have at least £1 million in assets including pensions, property, art, stocks and shares
- West Surrey, Buckinghamshire, East Surrey, Central Hampshire and West Kent are in the top ten wealthiest districts in 2008 and 2016.

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A report commissioned by wealth manager Kleinwort Hambros reveals that overall wealth in Great Britain has grown by 4.5% a year since the financial crisis of 2008, from £8.5 trillion to £11.5 trillion. The report reveals that wealth has increased by an average of 4.5% across all households of those surveyed in Great Britain. For the most prosperous households, the report reveals that pensions, rather than property, represent the biggest proportion of total wealth, illustrating the strong performance of the financial markets.

The report, based on data from the Wealth and Asset Survey and additional research from the Centre of Economics and Business Research (CEBR), also reveals that the top ten percent of households have at least £1 million in aggregate wealth. Aggregate wealth is defined as the sum of financial wealth (such as stocks and shares), physical wealth (such as art and cars), property (net of any mortgage) and pension assets.

The data show that pensions are the biggest store of wealth for the UK's wealthiest households, underlining the importance of saving each year throughout one's working life. Indeed, the average family in the top ten per cent of wealthiest households has a total of £480,000 in pension wealth, compared to £346,000 in property, £217,000 in financial wealth, including shares and bonds and savings accounts, and £58,000 in physical assets, such as cars and art.

Paul Kearney, head of private banking at Kleinwort Hambros, said: "These results contrast with the public perception that investing in property generates the most return. However, they are completely in line with trends following the global financial crash of 2008. The FTSE 100 Total Return, for example, has averaged around 10.6% since 2009, against a national average of 3% annual growth for property.

"Above all, our findings show the importance of saving for a pension. Investing in a pension early is essential and starting ten years' earlier can make the difference of up to £571,000 in a pension pot by the age of 65. In addition, it is important not to under-estimate the power of the financial markets. Reinvesting dividends can lead to a considerable difference in wealth accumulated over the long term." However, the report shows that households in London have significantly more wealth in property assets rather than pensions - £775 billion compared to £520 billion.

Wealth for the richest households increased by 45% on average, leaving the top ten per cent of households with at least £1m spread across a range of assets from property to pensions. The ranking



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The top ten wealthiest districts in 2008 and 2016 shows six re-emerging in 2016, including West Surrey,

Buckinghamshire, East Surrey, West Sussex, Central Hampshire and West Kent. Districts falling from the top ten include Warrington, Oxfordshire, Hertfordshire and North Northamptonshire. The Isle of Wight, North Hampshire and Dumfries and Galloway all entered the ranking during this period.

In total, eight of the wealthiest ten districts and counties in Great Britain are located in the South East, underlying the regional concentration of wealth in this region. The first counties outside the South East to appear in the top ten list are West Essex, the Isle of Wight and Dumfries and Galloway in Scotland.

Paul Kearney added: "While it comes as no great surprise that highest household wealth is concentrated in districts which are predominantly in the South East, we are seeing significant wealth being generated outside of London. Cambridgeshire, Berkshire, Yorkshire and Midlothian are all areas where households in the top decile hold at least £1 million in aggregate wealth. In each of these counties it has increased markedly since 2008. In these areas in particular, we are seeing a rise in entrepreneurial wealth, as well as a greater concentration of professionals and executives, all of which drives wealth and asset creation."

Ends

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### Kleinwort Hambros

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Established in 1786 and 1839 respectively, Kleinwort and Hambros have been helping clients create, conserve and grow their wealth for over 200 years. Today Kleinwort Hambros provides its clients with comprehensive wealth management and private banking services including investment management, financial planning, banking services, trusts and family offices. It also provides mid-corporate advisory services.

\*SGPB Hambros was named "**Best Private Bank in the UK Crown Dependencies**" by **Private Banker International**. The award celebrates the best among the private banks that are successfully serving wealthy clients in Jersey, Guernsey. Kleinwort Benson was winner of the Investment Team of the Year 2016/7 (STEP), High Growth Strategy investment performance award 2016 (PAM), 2016 Investment Performance 'Aggressive Portfolio' 2016 (Citywire), and Best Cautious Portfolio Winner 2015 (Portfolio Adviser).

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- **International retail banking, insurance and financial services to corporates** with a presence in developing economies and leading specialised businesses;
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