



## US Is No Longer the Millionaire Magnet It Was Before the Pandemic

### Description

#### **USA: The US is losing its allure as a residence for millionaires.**

The net inflow of high-net-worth individuals plunged more than 80% last year compared with pre-pandemic levels, fueled partly by wealthy Americans “seeking new pastures abroad at an unprecedented rate,” according to a report by London-based immigration consultant Henley & Partners.

“In the past, investment migration programmes were primarily attractive to Russians, Chinese and Arabs, as well as developing nations that had weak passports, with limited visa-free access and low economic mobility,” said Mr Mehdi Kadiri, the firm’s head of North America.

“During Covid-19, that shifted considerably. Most of our clients are now from developed countries,” he added.

As millionaires have the luxury of mobility, their movements can be a barometer for the health of an economy or a society, providing “an early warning signal” for future country trends, he said.

As recently as 2014, the US had the largest net inflow of high-net-worth individuals, or those with wealth of US\$1 million (S\$1.3 million) or more, according to data up till 2022 provided by Henley & Partners.

In 2022, it dropped to sixth place, behind the United Arab Emirates, Australia, Singapore, Canada and Switzerland. The biggest outflows were from Russia, China and India.

People are still coming, but there “has been a big increase” in the number of people who are leaving the US, said Mr Andrew Amoils, head of research at New World Wealth in Johannesburg, South Africa, which participated in compiling the report.

Many of those leaving are in their 50s or 60s, with some citing concerns over taxes or security, he said. The backlogs in the EB-5 visa programme for wealthy immigrants has also contributed to a drop in millionaires coming to the US from some countries, particularly China, Mr Amoils said.

The US remains the biggest wealth market with US\$65 trillion in private wealth, followed by China with US\$21.7 trillion, according to the report. The US has 770 billionaires, 9,630 residents with US\$100 million or more, and 5.3 million high-net-worth individuals.

In the US, small and mid-sized cities such as Austin, Texas; Greenwich, Connecticut; Scottsdale, Arizona; and Miami, Florida, are gaining millionaires, while big cities such as Chicago, Illinois; Los Angeles, California; and New York are losing them.

Americans also ranked highest of all nationalities in applications for residence and citizenship by investment programmes tracked by Henley & Partners. Many clients do not necessarily use investment migration to relocate, but rather to create a backup plan with options in multiple jurisdictions, Mr Kadiri said.

by Blake Schmidt

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