

Wealth Report - Edition 1

# BELGIANS AND THEIR WEALTH

2024



# FOREWORD

## by Thierry Ternier

At Keytrade Bank, we are convinced of the power of money. When it helps us build a meaningful life within our family, circle of friends, at work and beyond, money has the power to make us happy.

Customers of our bank take their happiness and their money matters into their own hands. And that is precisely what we want to make as easy and advantageous as possible. But in addition, we also want to help them by offering knowledge and insight.

We believe we can help our clients and Belgians in general by providing objective, accurate information on how other Belgians build and manage their wealth. This is why we partnered with Ghent University to commission a solid, science-based answer to questions such as:

- How much does the average Belgian have in savings?
- What percentage of their estate is in real estate?
- What do Belgian's investments look like?
- How big a part do cars, jewellery and art collections represent?

This first report on Belgian's wealth is unique. It is timely and reliable, home-grown, and based on scientific methods. Moreover, it has a large, representative sample.

At the same time, this report offers some significant advantages over other existing research:

- Periodicity: we are going to collect this detailed data on an annual basis.
- Size: we are going to do this for all possible estate components (including both public and occupational pensions of households, but also, for example, less common instruments such as cryptocurrencies).
- New insights: we seek to link this data to financial behaviour, planning, well-being, and literacy.

We hope that this report - and subsequent reports (as we plan to continue to do so) - will help the public test their own choices against what others are doing, but also to set realistic goals and make wise decisions.

Because that is how money contributes to happiness.



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This report refers to the net wealth of Belgian households. This is the total value of all possessions of all family members living at a single address minus all debts, such as mortgages.



*Helping to build wealth is one of our core tasks at Keytrade Bank. And it helps tremendously to be able to provide our clients with a well-founded and especially 'realistic' benchmark.*

**Thierry Ternier**

## Belgians and their wealth: KEY TRENDS

This first report "The wealth of the Belgians" was authored by Keytrade Bank in collaboration with the University Ghent. It is the first report to have ever mapped Belgian's wealth in this level of detail. As such, the report provides a unique window into the financial wealth of Belgian households.

It reveals a refined scientific snapshot of the Belgian's wealth in cash and savings, houses and other property, shares, as well as other assets, such as cars, art and cryptocurrencies, and reduced by debts, such as mortgages. Compared to the ECB's Household Finance and Consumption Survey (HFCS), our survey offers several advantages: it collects more detailed data on various estate components, including information on public and occupational pensions; it will be conducted annually, and include specific questions on retirement planning and concerns among households, which is crucial for assessing the retirement preparedness of Belgian households. Moreover, one of the strengths of our survey is its ability to link wealth data to various aspects of financial behaviour, financial well-being, financial planning and financial literacy.

Thanks to the chair at the University Ghent, we can also guarantee we have reliable data for large assets, a notoriously hard nut to crack in this type of study. We did this by oversampling people who are quite wealthy. Specifically, these include the self-employed, individuals aged 65 and over, residents of affluent municipalities and individuals aged 50 and over with a master's degree.

Our methodology allowed us to discover that Belgians are in pretty good shape financially, especially when you look at **average wealth: 437,273 euros**. However, it is much better to examine the **median**, which is almost two hundred thousand euros lower at **249,301 euros**. The median is a much better reflection of what a "typical Belgian household" owns because the wealthier skew the average. Today, the threshold for belonging to the Belgian "1%" most wealthy is more than 4.7 million euros. That magic threshold at the major HFCS measurement in 2017 was a lot lower at 3.1 million euros.<sup>1</sup>

A second observation is that wealth is strongly tied to age. We are poorer when we are young, become richer when we reach middle age, only to become poorer again towards the end of our lives. Our wealth is smallest among the 18-34 age group (**121,426 euros**) and then increases by age group. It peaks towards retirement age (65-74) at **340,050 euros**. Later in retirement (75+), the decline in wealth sets in: as we age, we consume our wealth and pass it on to the next generation through inheritance planning.



## A Belgian feels rich with 1 million euros

We also asked Belgians at what point they would feel wealthy. And the answer is very clear to Belgians: when they are millionaires. One million euros is the magic threshold for **29.6%** of respondents to feel rich. Given this logic, quite a few Belgians are “rich”: some **15%** of Belgians – more than one in seven – are millionaires, according to our survey. This is not just money in the bank account; it also includes the family home, car and businesses.

**15%**  
of millionaires

**€ 1 million**

is the amount when 29,6% of respondents would feel rich



**€ 350**

for young investors

**€ 27,898**

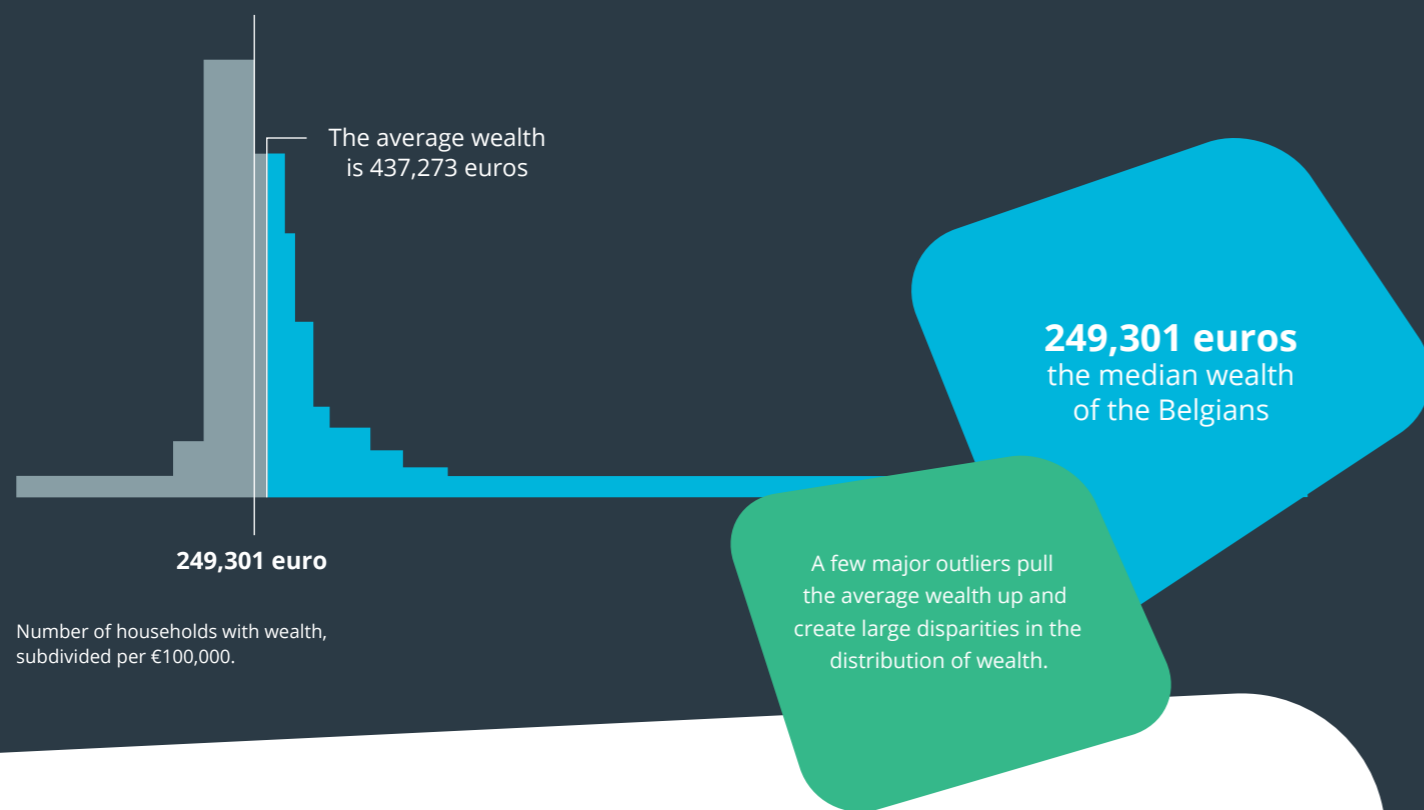
average cryptocurrencies

## What about Cryptocurrencies?

No financial topic is as likely to stir up emotions as cryptocurrencies. The wildest stories are particularly likely to gain a lot of attention. But how many Belgians actually invest in it? And how large are their shares?

It is clearly noticeable that cryptocurrencies are mostly popular amongst younger people (18-34 and 35-44 age groups). Older generations invest less in them across the board. About **9%** of young people in the 18-34 age group own cryptocurrencies at a median amount of **350 euros**. This median is far from the Belgians' average investment in crypto funds, which stands at **27,898 euros**. This indicates there are large outliers in the distribution, and that only a small group of Belgians hold large shares in cryptocurrencies.





## ASSET DISTRIBUTION

The median wealth of the Belgian household is **249,301 euros**. This is shown by research conducted by the University of Ghent within the Chair created by Keytrade Bank. Average wealth is – at **437,273 euros** – almost two hundred thousand euros higher than the median. A few large outliers push up the average wealth and create large differences in the distribution of wealth. This means that Belgian’s wealth is not distributed on a normal distribution curve. This is why we will always use the median in the rest of the report unless otherwise stated.

The most recent reliable data dates from 2021, and comes from the ‘ECB Household Finance and Consumption Survey (HFCS).’ At that time, the median wealth of Belgian households was 242,400 euros, with an average wealth of 408,000 euros. It is striking that over the past two years, the median (average) wealth of Belgian households has only increased by 2.8% (7.2%) in nominal terms, significantly lower than inflation over the same period (9.6% in 2022 and 4.1% in 2023<sup>2</sup>). This indicates a real decline in wealth over the past few years.

Most of the observed wealth in our study falls within a

narrow range, with only a limited number of outliers.

We see that households accumulate wealth throughout their careers, with a peak around retirement age. After retirement, while income falls abruptly, this is offset by accumulated wealth. As a result, wealth declines gradually.

The youngest age group (18-34), with 121,426 euros, has the least wealth. People in their twenties and early thirties are starting their careers and laying the foundation for their later wealth. By the time people reach retirement age (65-74), median wealth peaks at 340,050 euros. At that point, most have paid off their house mortgages, and children have left the home. Young retirees will also start receiving benefits from their pension plans at this time.

The longer people are retired, the more they consume their reserves. This should not be surprising given that Belgian pensions rarely cover the high costs of residential care centres and other care. Moreover, at this stage, people also start making donations to children and grandchildren to avoid inheritance tax.

*We are poorer when we are young, become richer as we reach middle age – only to become poorer again towards the end of our lives. At that age, we eat into our wealth and pass it on through estate planning.*

## What is the **BREAKDOWN** of wealth?

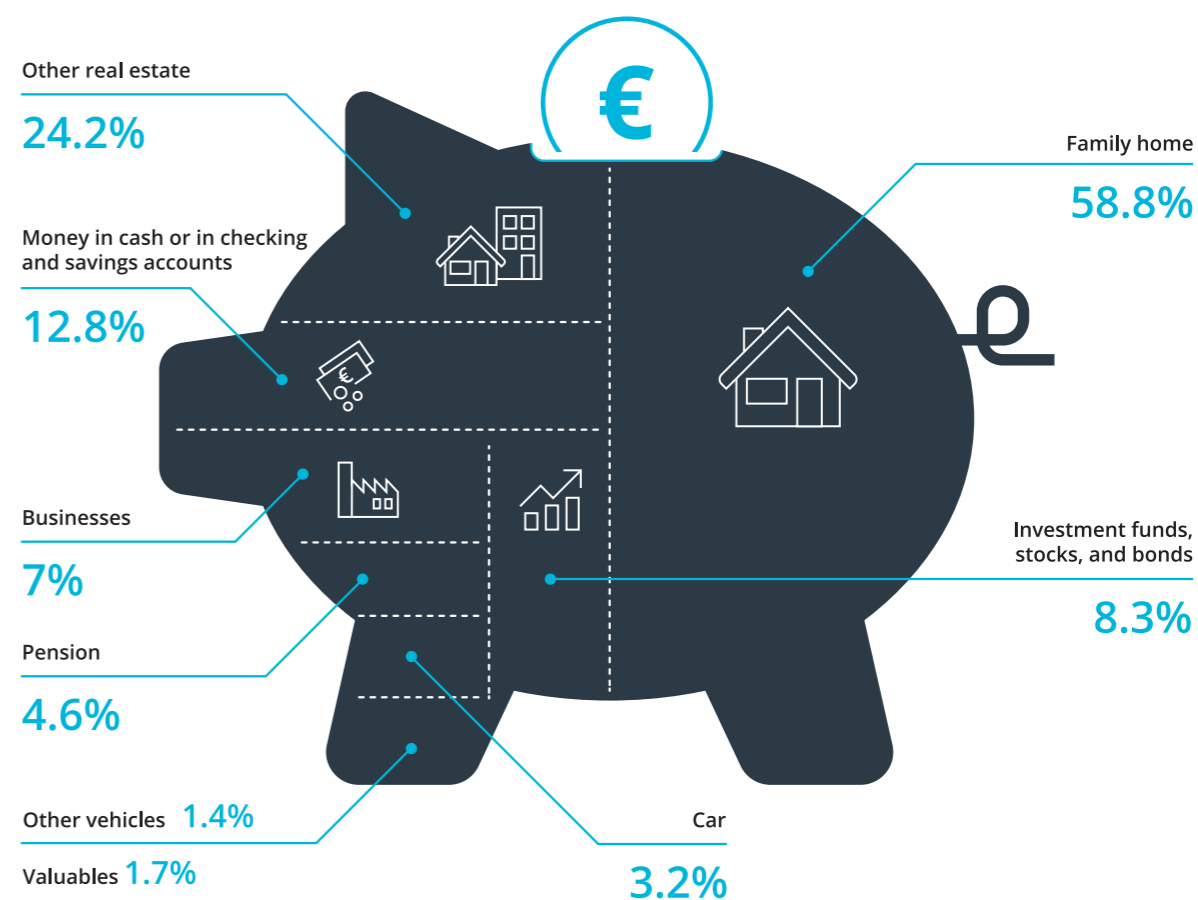
We already discussed some general numbers about Belgians’ wealth. But what do Belgians invest their assets in? And what is the proportion of different assets in their overall estate?

Belgians invest more than half of their total wealth in the family home. **Property** is thereby the most important foundation of our estate. Belgians see their home as their castle. In total, 83% of the assets consist of real estate.

For financial assets, – in other words, cash, current, savings and term account and cash receipt - come in as another large component at 12.77%. It is also notable that Belgians are more likely to invest in **investment funds (3.78%)** than in **individual bonds (0.79%)** or **shares (2.72%)**.

A significant portion of Belgian households’ assets are held in **non-listed companies (7%)**. This includes the businesses of self-employed individuals, as well as partnerships and property companies.

Belgians penchant for property is also reflected in the composition of their **financial debts**. This includes **home mortgages (-13.61%)** and other properties (-5.52%) as the primary elements. This is followed by **non-mortgage loans (-3.86%)** and **credit card debt (-0.04%)**.



Money and investment funds	Real estate and other tangible assets	Other assets	Debt
26.8%	87.6%	8.7%	-23.0%



Cash	€ 500.00
Checking account	€ 3,450.00
Savings account	€ 25,000.00
Term account	€ 19,000.00
Treasury bonds	€ 10,000.00
Amount owed to the household	€ 25,000.00

## Money goes to THE SAVINGS ACCOUNT

**We can analyse the data on Belgian financial assets using four variables: household type, age, educational level and employment status.**

As far as **household**, a well-known and obvious trend emerges from our report: **single-person households** (median **33,251 euros**) have fewer financial assets than larger households. Larger households might also count at least two breadwinners, which leads to more wealth.

Concerning an analysis based on **age**, we notice a trend that mirrors the life cycle model<sup>3</sup>: financial assets increase with age. The median (**42,325 euros**) is lowest among the youngest group, i.e. 18-34. This amount increases with age and peaks around middle age (45-54 years) at 50,870 euros, followed by a decline. This may partly be due to retirement and estate planning, as well as any healthcare expenses as people age. Finally, for the oldest group aged

75 and older, we see a remarkable increase to 55,580 euros. Perhaps the increase in financial assets can be attributed to the scenario where family homes are sold, for example to make the move to a retirement home.

**Educational level** also greatly impacts the size of the estate. For people with lower levels of education, the median is **32,230 euros**. For those with a bachelor's degree, this is higher at **62,295 euros**, which is more than twice as high. Finally, for those with a masters' degrees, it almost triples, at 76,820 euros. We saw the same trend for general wealth. So, a degree is still a worthwhile investment from a financial perspective.

Looking at **employment status**, we see an upward trend from civil servants (**47,765 euros**) to employees (**51,539 euros**) to the self-employed (**84,000 euros**). Among pensioners, the median (**38,500 euros**) is a lot lower. This is a trend that was also discussed earlier.

Among other people not actively employed – including the unemployed – that figure is also lower (**25,200 euros**), which is logical.

### Cash and cash equivalents

Belgians are thrifty, and most comfortable when putting money in their savings account. Belgians have a median amount of **25,000 euros** in their savings account. The largest measured amount from our survey was a whopping 2 million euros in a savings account. Remarkably, 40% of Belgian households have more than 12 times their net income in their savings account. They have at least a year's worth of savings buffer. Only one in five households has less than three times their net income as a savings buffer, which is below the minimum recommended savings buffer of 3 to 6 months. Moreover, Belgians have a median amount of **500 euros** in **cash** on hand and **3,450 euros** in **current accounts**.

### Financial debt

The Belgian penchant for property – their home is their castle – is marked again in analysing their debt. Family home **mortgage debts** (median **100,000 euros**) and **other mortgage loans** (median **70,000 euros**) are the largest categories here. The median outstanding mortgage for the Belgian's family home is **100,000 euros**. On average, 18- to 34-year-olds have about 38% debt to asset value. This then declines with age, perhaps because part of the mortgage has already been paid off.

Next, we see a median amount of **7,500 euros** for **energy-saving renovation loans**. This category naturally relates back to the previous two categories. In the future, these are likely to become even more important given rising energy prices and all the legislation related to sustainability. **Social loans** (**50,811 euros**) and **personal loans for the purchase of a home** (**12,500 euros**) are in line with this.



# OUR HOME is our castle

The family home appears to account for more than half of Belgians' estate. In this section, we take a closer look at the proportion of property in Belgians' wealth.

Previously, we indicated that **the family home** accounts for **59%** of Belgian household estate. The median price of that family home is **292,600 euros**. **Houses other than the family home (12.39%)** and **flats other than the family home (8.78%)** also contribute to making property a large proportion of Belgians' assets.

### Buying a property to rent out: a smart investment?

In the study, we see that a lot of Belgians opt for 'additional' property beyond the family home. We are quick to think of a seaside flat or rental property but is this a smart investment? The promise of stable rental income and the prospect of potential capital appreciation

make buying a property to rent-out a popular strategy amongst Belgians. As a form of additional income, rental income is predictable and regular. Moreover, real estate has proven to be one of the best-protected investments against inflation. Are prices rising? If so, rents and the value of your property generally rise partly or fully in keeping with inflation. However, there are also drawbacks: managing and maintaining property takes time and money. It also involves many costs, such as fees at the time of purchase, property tax and other taxes. So someone planning to own property is best advised to balance potential income and expenses, including mortgage payments, maintenance costs, taxes, and insurance premiums. This helps assess potential returns and cash flow.

Too much homework? Investing in listed property offers an alternative to residential property without the immediate liabilities and challenges of owning physical property.

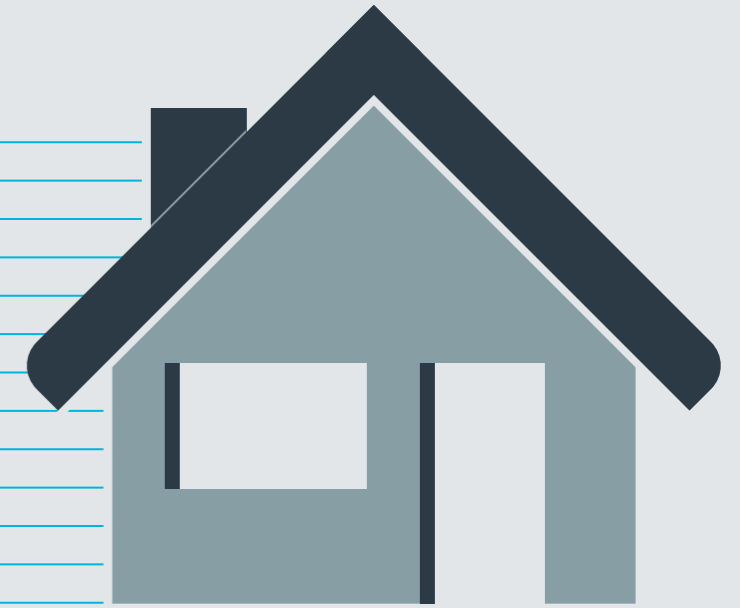
### Overall trends by asset class

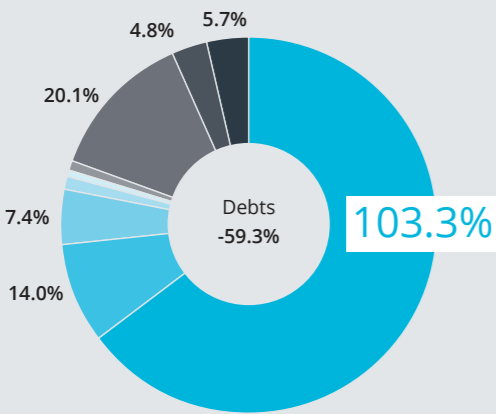
To get a better picture of the proportion of property in Belgians' assets, we examine this further by asset category. In doing so, we see the following trend: the more wealth, the smaller the proportion of **the family home** within the total estate.

In contrast, the share of **other houses and flats** in total assets then gradually increases amongst the wealthier. This means that wealthier Belgians are investing more in **second homes** and **investment properties**.

The proportion of the family home mortgage within the total estate decreases as the total wealth increases. Conversely, the proportion of **mortgages for properties other than the family home** increases. So, the greater the Belgian's wealth, the more they invest in property other than the family home and the more they borrow to do so. In other words, wealthier Belgians use debt to leverage their wealth.

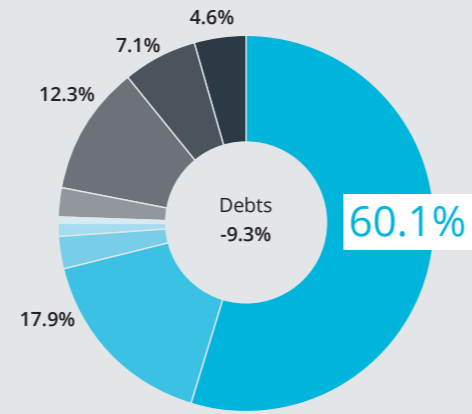
€ 292,600.00	Family home
€ 200,000.00	House
€ 220,000.00	Apartments
€ 30,000.00	Garages
€ 95,000.00	Other properties
€ 14,000.00	Car
€ 2,800.00	Scooters, electric bikes, etc.
€ 17,000.00	Classic cars
€ 2,750.00	Jewels
€ 3,250.00	Artworks
€ 2,500.00	Antiques
€ 4,000.00	Other collectibles
€ 32,500.00	Non-listed companies





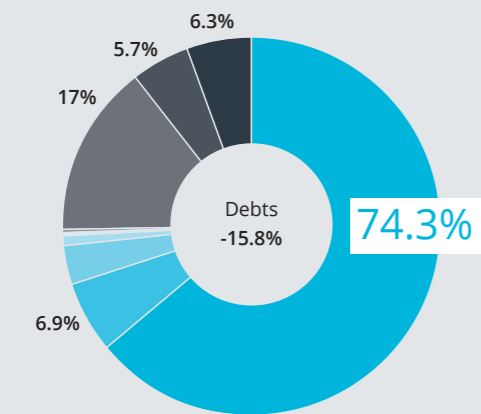
### Category 1: Below-average assets

Among households with assets up to the average wealth of **437,273 euros**, the family home makes up **103.3%** of their assets. In this asset class, the family home is worth more than the total assets because they are still paying off a major part of the mortgage and debts. Houses and flats other than the family home account for respectively **6.07%** and **6.78%** of assets. Family home mortgages (**-40.04%**) and other properties (**-11.95%**) constitute the largest shares of debt.



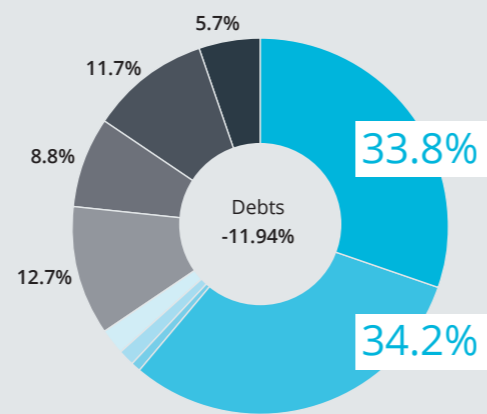
### Category 3: Assets above 500,000 euros but below one million.

In this category, the proportion of **the family home** in the estate drops even further to **60.13%**. The proportion of **houses and flats other than the family home** increases to **8.32%** and **7.22%** of assets. The proportion of **family home** mortgages in assets (-6.66%) fall further, while those for **other properties** rise (-1.60%).



### Category 2: Assets above average but below 500,000 euros.

In this category, the proportion of **the family home** in total assets drops to **74.33%**. Houses and flats **other than the family home** account for **3.20%** and **3.42%** of assets. **Family home** mortgages (**-14.58%**) and **other properties** (**-0.89%**) make up the largest shares of debt, but are significantly smaller.



### Category 4: Millionaires.

Among millionaires, the proportion of **the family home** in the estate drops even further to **33.80%**. The proportion of houses and flats **other than the family home** rises to **18.55%** and **11.11%** of assets. **Family home** mortgages (**-3.42%**) reduce a little within assets and those for **other properties** (**-4.64%**) increase. In this category, we also see for the first time a significant increase over the other income groups in the percentage of valuable objects, such as jewellery, works of art and antiques in assets (**2.39%**). Works of art, in particular, seem to be popular among our country's millionaires.



# INVESTMENTS AND INVESTMENT TRENDS

*Most of the respondents are passive investors who, despite price fluctuations, make no changes to their portfolio and work solely on an index-based approach.*

In this section, we look at what the study teaches us about Belgians and their investments. We will zoom in on some notable trends. What are the Belgian's favourite investments? Are they active or passive investors? And are Belgians already engaged in sustainable investments?

#### What do Belgians invest in?

Just under half of Belgians (46%) appear to have an investment account. Among these, equity funds, mixed funds, bonds and stocks are the most popular forms of investment. Specifically, we see the largest amount in 'managed accounts' (median 140,000 euros). 2% of Belgians invest their assets through an asset manager, such as a family office. Discretionary management may

be involved as well as other forms of third-party asset management.

The observed trend of large differences and outliers is reflected in investment behaviours. For example, the average amount invested for **managed accounts** is **277,667 euros**. There are also large differences depending in the size of the estate. In general, the greater the estate, the greater the amount invested. This trend can also be seen in the other asset classes.

As discussed earlier, crypto (median **600 euros**) accounts for only a small proportion (0.18%) of Belgians' wealth. The average is a lot higher (**19,518 euros**). This suggests that only a limited number of 'early adopters' hold an important share.



**Active vs passive**

Passive investing has strongly increased in recent years. In passive investing, you do not make changes to the portfolio – despite price fluctuations – because it is index-based. Passive investment also seems to have made its breakthrough in Belgium. Some **82%** of respondents said they invest passively. So, there are far fewer active investors (**18%**).

**What about sustainable investing?**

Consumers and businesses are increasingly betting on sustainability. Are we seeing the same trend for investments? Are we actually investing more sustainably?

This is why we asked people how much sustainability considerations impact their investment behaviour. The responses appear to be fairly evenly divided, with **37%** stating that such considerations have a major influence, while **39%** responding it had no influence. The remaining **24%** were neutral on this topic.

Surprisingly, age had no major influence here. The average age for people who state that ESG has no impact on their investment behaviour is **51**. The average age of people who do attach great importance to this is **50**. So, sustainability considerations seem to have greater importance among a slightly younger group, but the difference is certainly not pronounced.

We also delved into the percentage of assets in sustainable funds. It seemed rather small given that **21%** stated that it was between **0% and 20%**. That was the percentage of respondents who were able to give a number. What is notable is that **69%** of respondents answered: 'I don't know'.

This suggests that many people are not yet well informed about what sustainable investing actually is. Furthermore, this is consistent with the findings of an earlier study by Deloitte<sup>1</sup>. This showed that while many Belgians place great value on sustainability, it does not automatically mean they invest sustainably. One reason is a lack of information and knowledge on the subject. We may see the latter reflected in the results of this table.

**Government bonds**

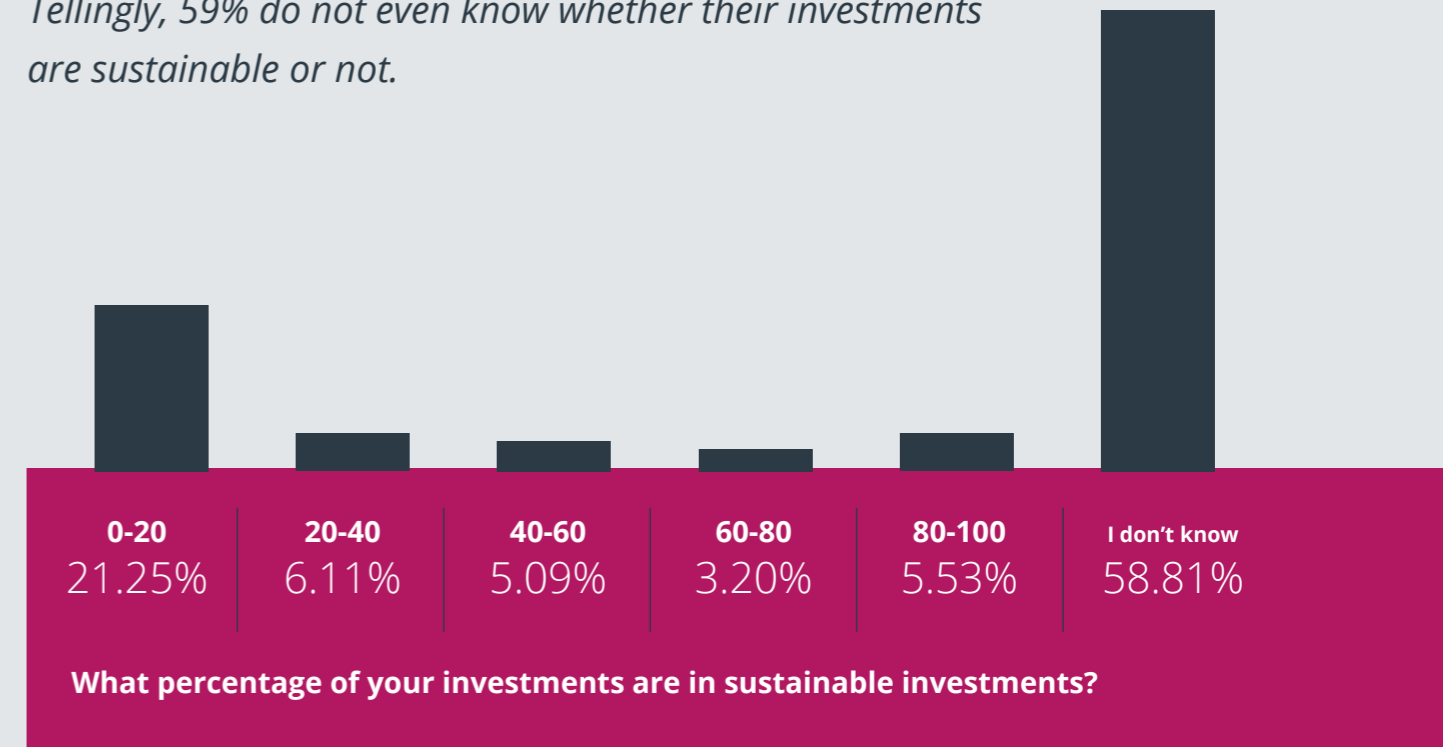
The tax-advantageous government bond launched in September 2023 was an enormous success. We asked our panel of respondents whether or not they subscribed to it. Some 20.39% replied positively to this question, while 79.61% disregarded government bond.

Delving deeper into the numbers reveals certain trends. The popularity of the government bond depends on age: the older the person, the more popular the government bond. Some **19%** of the 18-35 age group subscribed, while this rises to **22.3%** for the 75+ age group.

Educational level also plays a role: the less educated, the fewer people who subscribed. For the least educated group, **14.8%** of respondents subscribed to the government bond. For those with a bachelor's degree, this rose to **22.9%**. And for those with higher degrees, it was **23%**.

Moreover, it appears that people with more wealth also subscribed more. The lowest 20% contained **7.2%** of respondents, whereas for the highest 20% it rose to **28.1%**. This trend also continues among the category of respondents with below-average net wealth in relation to the **1%** richest Belgians.

*People are not yet well informed about what sustainable investment actually is. Most respondents report that their investments are barely to not at all (0-20%) in sustainable funds. Tellingly, 59% do not even know whether their investments are sustainable or not.*





## “Reliable information about wealth is crucial!”

**What does Belgians' wealth look like? What are Belgians' investment preferences? And what are the trends or changes? Keytrade Bank discovered that there is hardly any in-depth research on this topic. So the bank set up a chair with UGent researcher Koen Inghelbrecht to fill that gap.**

“At Keytrade Bank, we offer different products to manage and grow wealth. We are also the bank where well-informed customers make their own decisions about their finances. This is exactly why we strongly believe that as much information as possible should be made available to our customers about the makeup of Belgians' wealth. Or, for that matter, to anyone who manages their own finances,” said Thierry Ternier, CEO of Keytrade Bank. “And for us? Well, we also want to get to know our customers better so we can provide them with better-targeted support.”

Thierry therefore asked his alma mater UGent to set up an in-depth study on Belgians' wealth accumulation and financial behaviour. He soon found his way to Professor Koen Inghelbrecht (**Department of Economics**). “The bank's question aligns well with my own research on investor behaviour,” said Koen. “How do people accrue their estate? And what drives them in the process? The knowledge gap is still much too large. Particularly, we know little about non-financial assets, such as property, cars or art collections.”

He didn't think twice about the bank's request, and the UGent-Keytrade Bank chair soon became a reality. “We want to get an initial idea of Belgians' wealth. For this first publication, we have taken a snapshot of the current assets of the typical Belgian individual. In the longer term, we will then see how their estate changes over time.”

A steering committee comprising people from the bank and the university established objectives and outcomes. The steering committee had no influence on the academic study itself. “Obviously, we don't send them the results. We strongly believe that the study must be neutral, independent and trustworthy,” emphasised Thierry. “Only then can the results be useful and inspire someone managing their finances.”

*For this first publication, we take a snapshot of the Belgian's current wealth.*

One can deem the chair a real win-win. “Actually, it's even a win-win-win collaboration,” concluded Thierry. “Because the chair allows us to help all Belgians by giving them a better understanding of their assets. And, of course, our customers: we want to create better and more targeted tools to manage their assets. The fact that this helps us actively engage with society also aligns well with our vision as a bank.”



# ASSET BUILDING over the years



In this section, we zoom in on wealth trends by age group. Who owns what? And at what age?



## The family home

Belgians are well known for their penchant for real estate, and – sooner or later – want to buy their own family home. For the 35-75 age group, **more than 8 in 10 Belgians** own their family home. Using **age** as a reference, we see that trends follow the life cycle curve.. The youngest age group (18-34) scored the lowest (**64%**) on owning their own family home. Subsequently, this increases and remains consistently above **80%**. In the highest age range - the 65-74 age group –, as many as **87%** of Belgians own their family home. Among the over-75s, family home ownership falls again to **79%**. This is a quite logical trend as young people need to save first to buy a home. And then, later in life, some leave their family home for a retirement home or assisted living facility (service flat). As one would expect with the massive property price increases in recent years, the family home value for the 18-34 age group (**290,000 euros**) and 35-44 age group (**325,000 euros**) was a lot higher than for the other age groups. **The occupational category** showed no discernible differences. Only the **'other non-working'** category showed a much lower percentage at **58%**.





*A Belgian's home is their castle, and they want to – sooner or later – buy their own family home. Between the ages of 35 and 74, more than 8 out of 10 Belgians own their purchased home.*



#### Other property

For second homes and other property, it is notable that it is the 'self-employed' who invest in additional property. They are by far the largest occupational category to own both homes (**22%**) and flats (**33%**). We see that for the youngest group, only **16%** owns a flat other than the family home. The median value of houses among this group is **200,000 euros**.



#### Savings accounts

Besides property, savings accounts also remain hugely popular with Belgians. No other investment (time deposit accounts, stocks, bonds, etc.) comes even close. For all ages, most Belgians – well over **80%** – have a savings account. Belgians remain devoted to their savings account regardless of their age. However, there are huge differences between the median and the mean for each age group. This once again indicates there are large outliers.

The self-employed, with **27,000 euros**, had the highest median amount in their savings account. Possible explanations are that this occupational category holds more in reserve and/or is much more inclined to save due to their lower statutory pension. What is notable is that savings accounts as a percentage of assets gradually decrease as the amount of assets increases. Instead, we see that for higher amounts of assets, there is a higher percentage of shares.



#### Pensions

Here we also see a logical evolution with the amount of the second and third pillars of pension and life insurance increasing up to and including the 65-77 age group (median **40,000 euros**). Subsequently, this drops sharply (**1,100 euros**). This is logical considering these reserves are being drawn upon, for example to move into a retirement home.

Employees (media **18,750 euros**) and civil servants (median **20,000 euros**) have accumulated significantly fewer reserves compared to the self-employed (**28,200 euros**). Since the self-employed have a lower statutory pension than civil servants, there is more need to build up additional pension savings. 32% of respondents expressed the fear of running out of money during retirement. Single-person households, younger people and those with lower levels of education and less affluent respondents have significantly more concerns than others. The increasingly ageing population creates anxiety about the sustainability of pensions.



#### Car ownership

Car ownership peaks at a different time in life than most other possessions. The peak is among the 65-74 age group at **92%**. Almost everyone in this group owns a car. This may be because many of them previously had a company car that they lose upon retirement, which means they must buy their own car. The youngest group is the least likely to own a car at **65%**. This group is just starting to drive.

Moreover, a trend towards lower car ownership can also be observed amongst young people. There are no significant differences in car ownership based on occupational category.





## THE TOP 1%

**When discussing wealth, you cannot avoid the question of how much wealth the 'super-rich' own. In this section, we take a closer look at the estate of the richest 1% of Belgians.**

### Largest assets owned by the 1%

The median estate of our country's richest 1% is **5,931,510 euros**. A large proportion (**61.25%**) of their assets consists of **property**. Of these, family homes account for **21.25%** of this group's assets, followed by **houses (23.95%)** and **flats (6.99%)** other than family homes. Completing the property portfolio are **garages (0.21%)** and **other properties (8.83%)**.

Compared to the other categories, **family homes** occupy the smallest share of reported wealth in this group. **Houses other than the family home** and **'other properties'** account for a much larger share.

Besides property, **unlisted companies** account for a large share of the estate at **29.66%**. This percentage differs significantly compared to other groups. This suggests that much of the estate of the 1% comes from their own family businesses. Other **valuables – such as jewellery, works of art and antiques** – account for **6.69%** of wealth. Works of art are particularly popular with the top 1%, with the largest representation (**5.89%**) compared to the entire study population. **Jewellery** accounts for **0.40%**.

The richest also seem to opt for more diversification in terms of cash, savings accounts and investments. They are the only asset class to put more money in investments than in savings accounts. Cash and liquid assets account for **5.25%** of wealth. Here, **savings accounts (4.46%)** represent the largest part. Notably, savings accounts contain the smallest percentage in the asset mix compared to the rest of the entire population.

Investments account for **8.26%** of the assets of the 1%. Of note, **money market funds (0.41%)** and **other financial assets (0.60%)**, such as warrants and options, were utilised the most within the entire study population. The same applies – and is even more pronounced – with **(4.06%)** listed shares.

So overall, it seems the richest 1% diversify their portfolios much more. Moreover, they show a much more active investment style than the general pool of respondents. Whereas most respondents have a passive investment style, 61% of the richest households are active investors.

*One can consider themselves amongst the wealthiest one percent in Belgium with assets worth 4.7 million euros.*



*A large portion of the assets of the wealthiest one percent consists of real estate – the family home, but especially other real estate - and publicly traded companies. The wealthiest one percent also have a more diverse portfolio including artworks and various investments such as money market funds.*



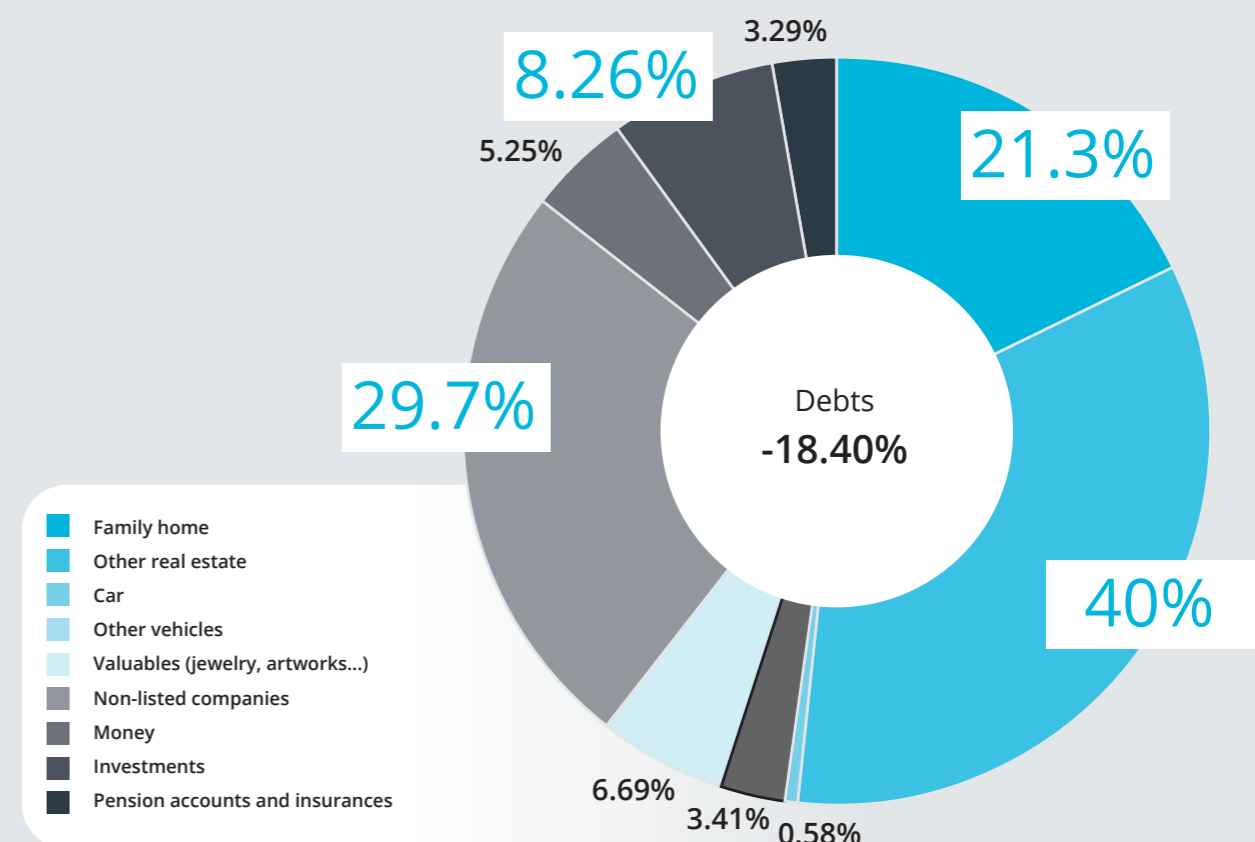
**Debts**

Looking at this group's liabilities, their relatively small debt is remarkable compared to the entire study population. Debts accounted for **18.40%** of assets. By comparison, it is a lot higher at **23.03%** for the entire study group.

**Family home** debts accounted for **4.47%** of debts. This is well below the **13.61%** for the entire study population. Family home mortgages thereby account for a much less significant proportion of their total assets. On the other hand, debts for properties other than the family home accounted for **7.77%**. Once again, this is much higher than for the entire study population (**5.52%**). One possible

explanation is that this group mainly borrows to leverage its assets. And they do so to purchase investment properties to generate more income.

The other parts in debt are very low, especially compared to the entire sample. For example, outstanding **credit card balances** are non-existent. This is not surprising for a group with ample liquidity. However, what is notable is that **private loans** reached **2.78%**, which is much higher than for the entire study group (**0.32%**). These include loans to friends and family. This indicated the 1% borrow remarkably more often within their social network.







# METHODOLOGY

This survey was conducted by Ghent University in collaboration with **Bpact**, an independent research panel, during the period **5 December 2023 to 10 January 2024**. The original sample consisted of **1,000 respondents** and was made representative by **stratifying** by **language, age, gender, region and education level**.

**Oversampling** was applied to richer families due to the unequal distribution of household wealth and the fact that certain financial assets are mainly owned by the richest families. Each of these consisted of an **additional sample of 250 respondents** for **four specific groups**: the self-employed, individuals aged 65 and over, residents of affluent municipalities and individuals aged 50 and over with a master's degree. This resulted in a **total sample of 2,182 respondents**. Weights were assigned to the different respondents as the sample was no longer representative due to oversampling.

'Data editing' procedures were carried out by Ghent University after the research data was collected. This

was supervised by **Professor Koen Inghelbrecht** and supported by PhD student **Margaux Bearelle**. This resulted in the removal of 279 unreliable respondents giving a **final sample of 1,903 respondents**. A respondent was considered unreliable if they had not answered any value-related question. In addition, unrealistic values for specific wealth components were also identified and converted to missing values. This was done by setting limit values for each variable based on existing empirical evidence. Values outside that range were considered invalid answers and converted to missing values.

**Missing answers** to certain questions is a common occurrence with survey data mainly when respondents are unable to or do not answer. That is certainly true of a study of this kind. A common approach to handling this issue is to impute missing values. In other words, the missing values are estimated based on available information. This study made use of the statistical technique **predictive mean matching** (PMM) within the context of multiple imputations. PMM estimates missing

values by applying a predictive regression model based on observed data. This regression model included all variables with predictive power for the variable to be imputed and was selected based on empirical evidence and economic theory. This method preserves the distributional properties of the data by selecting a similar value from the dataset as the final imputation rather than the estimated value itself. This process was repeated five times for each missing data point – i.e. multiple imputations – and then the average of these predictions was taken to obtain accurate imputations. This made it possible to quantify the uncertainty associated with missing data.

After finalising the complete dataset, **the reference person** within each family was defined as the person with the highest income. This is in keeping with international standards for household income statistics. The demographic data that the study refers to – e.g. age, education and occupational categories – are based on this reference person.



# FINAL WORD

What do we know about Belgians' wealth? And how does it vary from household to household? With this first report, we provide a detailed and scientific snapshot of Belgians' estate - in cash and savings, houses and other real estate, shares, but also other assets such as cars, art and crypto currencies, and taking into account debts such as mortgage loans. This allowed us to uncover a lot of secrets about the portfolio of Belgian households.

Overall, this brought good news: compared to other European countries, individuals' wealth in Belgium appears to be significantly higher. The median wealth of households in Euro countries in 2021 was 123,500 euros, while in Belgium it's almost twice as high. Over the past two years, Belgian households did however have to sacrifice purchasing power: wealth increased by only 2.8%, considerably lower than inflation during the same period (9.6% in 2022 and 4.1% in 2023<sup>4</sup>).

In addition, we also saw certain stereotypes confirmed about Belgians. Yes, Belgians' home is their castle: more than half of the estate stands in the family home. In total, 83 per cent of wealth is dedicated to real estate. And yes, Belgians pride themselves in the size of their savings account: almost 10 per cent of their wealth is in savings.

About the richest one per cent, we discovered that they owe their wealth mainly to businesses and real estate. And that it requires a minimum 4.7 million euros for your household to be considered to belong in that category.

Finally, evolutions in wealth throughout life were also charted. As Modigliani's life-cycle model describes in academic literature, households accumulate wealth throughout their careers. It reaches its peak around retirement age, starting to decline after retirement - along with a declining income - when it is 'eaten up' during old age, including in retirement homes.

This knowledge provides us with a good initial overview for future reports, in which we hope to get into even more detail and observe evolutions from year to year.

**Margaux Bearelle**  
**Koen Inghelbrecht**

<sup>1</sup> Kuypers, S. & Marx, I. (2020). De verdeling van de vermogens en schulden in België. Een actualisering op basis van de derde golf van het HFCS. CSB Bericht 20/02, Centrum voor Sociaal Beleid Herman Deleeck, Universiteit Antwerpen.

<sup>2</sup> NBB.Stat. (2024). Inflation and harmonised consumer price index (HICP) [Dataset]. Consulted from <https://stat.nbb.be>.

<sup>3</sup> Ando, A., & Modigliani, F. (1963). The "life cycle" hypothesis of saving: Aggregate implications and tests. *The American Economic Review*, 53(1), 55-84.

<sup>4</sup> NBB.Stat. (2024). Inflation and harmonised consumer price index (HICP) [Dataset]. Consulted from <https://stat.nbb.be>.

Research by University Ghent  
on behalf of Keytrade Bank

Keytrade Bank  
University Ghent  
Koen Inghelbrecht, Margaux Bearelle  
Bpact

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