

The Wealth Elite

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This book should not be missed as a study as extensive as this has not been done before. Most of the other books used by most readers who wish to be rich are only motivational books and strategies to achieve success and are not for understanding thoroughly wealthy individuals and how they become wealthy.

The *Wealth Elite* was published as a result of a doctoral thesis by Dr Rainer Zitelmann which was submitted to the Faculty of Economics and Social Sciences at the University of Potsdam in the winter term of 2016/2017 and was awarded the distinction 'magna cum laude' with the supervision of Prof. Dr Wolfgang Lauterbach and guided by Prof. Dr Gerd Habermann. The research project "Wealth in Germany" is the first empirical research project to address the genesis of wealth research which recorded in-person interviews with 45 multimillionaires and billionaires conducted between September 2015 and March 2016.

All the interviewees involved acquired their fortunes on their own

and not by inheritance. The net worth of two-thirds of the interviewees ranged between 10 million and 1 billion Euros. The behavioural patterns associated with these individuals have contributed to their enormous financial success. Understanding their behaviour will satisfy wannabe millionaires and billionaires who have long been looking for such a publication.

Among the behaviour discussed in this publication includes elevated risk propensity, high level of optimism, clear focus, swimming against the current and decision-making led by gut. The individuals interviewed possess the quality of being able to sustain their success over an extended period of time and among them are those that belong to one thousand richest persons on earth.

This book is long-awaited literature to help the layperson understand the qualities that belong to the Wealth Elite of the planet. According to a study published in 2015, among the billionaires, self-made billionaires grew globally from only 43% in 1995 to 66%



in 2014 (Billionaires: Master Architects of Great Wealth and Lasting Legacies-UBS and PWC-2015).

The research methodology used is appropriate as such wealthy people do not easily provide their personal information, especially that which is related to their wealth. As such, the quantitative method, if applied, will not give us the result we are looking for. However, even using the qualitative methodology, the author found it an uphill task as most of them will not be interested to divulge their personal information to outsiders, especially their peers.

The author discusses extensively the findings of several doctoral dissertations and collections of essays before he proceeds with the right approach to conduct the research into this area as most publications available in the market are more about self-motivation to be rich but none of them really offer a real guide as to how Ultra-High-Net Worth Individuals (UHNWIs) conduct themselves.

The book is in two segments. Part A comprises Chapter 1 to Chapter 7 and discusses academic research done and all the theories related to elites in our global economies, the traits of these individuals and how these help them become part of the elite group of the world economy today. This area is extensively covered to make the readers really understand how the elites of our economy position themselves. Issues discussed consist of their education

background, the early years of their development, family background and characteristics associated with their success. In Part B which comprises Chapter 8 to Chapter 20, the author interestingly shares the answers derived from the interviews and this really helps readers to understand the characters of The Wealth Elites (Elites) and how they conduct themselves and what makes them able to be the Elites. The author gives his conclusions in Chapter 21. Questions used by the author are included in the the appendix and the bibliography comes thereafter.

Chapter 1 discusses and reviews existing research studies, among them being research done by Thomas Druyen and Wolfgang Lauterbach in which they explored the sub areas of wealth on social structural, culture and psychology/ethics. Much of the other research findings available are discussed to give readers better understanding of the Elites. Earlier research did not explain the Elites discussed in this book.

In Chapter 2 the author provides a definition of “elites” as discussed in the book. “Elites” are defined as those who are self-generators of wealth, meaning they did not become wealthy as a result of inheritance. They comprise the group that achieves success accumulating wealth by themselves and not through inheritance.

Chapter 3 focuses on entrepreneurship research, among which is that conducted by Sombart,

Schumpeter and Kirzner on the mental traits related to the characteristics of entrepreneurs who are categorised as the conqueror, the organizer and the trader. The personality traits and goal setting of this group may surprise readers as most reading available places goal setting as dominant in order to be a successful person although others such as self-efficacy and nonconformism have been found to be more important.

Chapter 4 zooms into the behaviour of the Elites to challenge some learning theories, among which is the “Homo Economicus” model assumption. Very interestingly, gut decision is considered the prime contributor to their success while non-formal learning is found to be a great contributor to the Elites in helping them to have the right gut feeling regarding any important decision.

Chapter 5 explores the issue of happenstance as many Elites will simply answer when asked how they managed to be so successful, and surprisingly they will say that they happen to be lucky persons. The reason they mention luck is to avoid the envy of others. Opportunity may knock at the door of each individual but not everyone accepts the opportunity, thus understanding the opportunities is important. Today, the massive fortunes of the 19th century have been largely depleted and almost gone. This means that if a person inherits wealth and doesn't know how to manage it and grow it, it will be useless.

Chapter 6 challenges the personality theories which were introduced as early as the 1930s. A famous one developed by Paul T. Costa and Robert R. McCrae is systematically named the Big Five Model. The model discussed five traits which are Neuroticism, Extroversion, Openness to Experience, Agreeableness, and Conscientiousness. In the context of Agreeableness, the author found that almost all Elites are the kind of persons who find it hard to agree with other people's opinions.

Chapter 7 discusses the methodology used and as most Elites don't really like others to really know their net wealth, the author got to place the amount of their wealth into net worth bands to avoid questioning them on very sensitive information about their net worth.

Part B which consists of Chapter 8 to Chapter 21 is where readers can really get the feeling of facing the Elites themselves. Some of the questions and answers recorded during the interviews with 45 Elites between October 2015 to March 2016 are presented to give readers the right feel of how they sincerely answered them. Each of their answers helped the author to understand how the Elites perceive and position themselves.

Readers who are looking for a guide to become multimillionaires or billionaires will not want to miss the opportunity to digest this book. Understanding how the Elites make their decisions and perceive opportunity can help one to use it for their own self improvement and to live better lives. ■