

FORESIGHT ACADEMY 2024 -2026 →

HOT TOPIC SPACE

Next Billion Middle Class Consumers

 URANOS

**FORE
SIGHT** **ACA
DEMY**

Management Summary – Global Level (1/2)

01

Who Belongs to the Middle Class?

- Income between 75–200% of a country's median income (OECD definition)

02

Global Middle Class Consumer desires

- Housing
- Education
- Safety
- Mobility
- Health

03

Growth of middle-class consumers 2035

- Annual increase: +100 million people
- By 2035: 1 billion new middle-class consumers (Homi Kharas)

04

Consumption as a unifying element

- Values and needs vary by country
- Common characteristic: consumer affinity (Homi Kharas)
- Consumption as a path to upward mobility from the lower class

05

Importance of private consumption

- Main driver of economic growth
- Stabilizes political and social identity
- This results in strong interest in a growing middle class

06

Rise and decline parallel

- Not everyone benefits: Decline exists parallel to rise
- Global crises and transformations complicate forecasts until 2035

Management Summary – Global Level (2/2)

07 Indicators for emerging middle classes

- GDP growth
- Population growth
- Proportion of working-age population
- Educational attainment
- Proportion of women in employment
- Degree of urbanization

08 Asia as the main market

- 50% of middle-class households from emerging markets in China (by 2034).
- 5 of the 6 highest-growing countries in Asia: China, India, Indonesia, Malaysia, Vietnam (Oxford Economics, 2024)

09 Global set of shared values

- Family and community
- Economic and physical security
- Justice and equal opportunity
- Health and well-being
- Access to a good life

10 Country selection of study

- Emerging markets: India, Indonesia, Malaysia, Vietnam, Poland, Nigeria, Brazil, Mexico
- Comparison markets: Germany, USA, China
- Absolute number of middle-class households today & in 2034:
 - ✓ Today: 354 million middle-class households
 - ✓ 2034: 687 million (Oxford Economics, 2024)

11 Positive Growth Factors

- Success factors for a growing middle class:
- Secure jobs (mixture of industry, agriculture, and services)
 - Strengthening infrastructure
 - Education & social security
 - Healthcare
 - Rule of law & property protection
 - Democratic structures

Management Summary – Local Level (1/5)

	INDIA 	INDONESIA 	MALAYSIA 	VIETNAM 
 USP	Most populous country in the world	Largest Muslim population in the world	10th place in the World Peace Index ranking Harmony as a central national value	ASEAN's Rock in the Storm
 Structural key figures	Positive – Very young country, comparatively low Gini Index, high investment in education, positive GDP growth forecast Negative – Poor HDI, high inflation, large household sizes	Positive – Very young country, comparatively low Gini index, low inflation rate Negative – Poor HDI, large household sizes, low education spending	Positive – Young and urban, good ranking in the HDI and Gini index Negative – Large household sizes, expandable education spending	Positive – High GDP growth, low inequality (low Gini Index), growing business in sustainability and technology Negative – Low urbanization, comparatively poor HDI ranking
 Economic Indicators	Third-largest economy in 2034, lack of industrial jobs, low-income country, middle-class growth only in IT	Strong dependence on global markets and commodity prices, significant post-pandemic loss of industrial jobs, high proportion of employment in the informal sector	Dependence on government interventions and structural support measures, openness to a start-up culture, weak social security	Broadly positioned, alliances with various global players, steady growth attracts investors, focus on manufacturing as a low-wage country and on entrepreneurial digital transformation
 Key Values & Mindset	<ul style="list-style-type: none"> – Religion, Traditions, Family, Success, Security – Low social mobility – Almost no openness to multicultural development 	<ul style="list-style-type: none"> – Religion, Family, Security, Health – Increasingly religious with increasing prosperity – Private social security 	<ul style="list-style-type: none"> – Community, Harmony, Religion, Family, Justice – Strongly religiously influenced – High appreciation for solidarity and respect for elders 	<ul style="list-style-type: none"> – Family, Justice, Security, Diligence, Health – Growing health awareness, hard-working population that lacks a strong class consciousness due to its socialist background – Diligence is highly valued
 Consumer Insights	<ul style="list-style-type: none"> – Technology and household appliances as status symbols – Access to education, health as a symbol of the middle class – Focus on digital commerce and personalization 	<ul style="list-style-type: none"> – Shift from hedonistic to daily consumption due to poor economic situation during the pandemic – Strong interest in Islamic-influenced consumption 	<ul style="list-style-type: none"> – Large differences between urban and rural lifestyles, biggest goal: owning a home, car important due to lack of public transportation – Booming religious fashion market 	<ul style="list-style-type: none"> – Increasing interest in luxury goods among the upper middle class/upper class (who feel like middle-class) – Overall growing private consumption sector – Those who have made it to the top consume extensively

Management Summary – Local Level (2/5)

	BRAZIL 	MEXICO 	POLAND 	NIGERIA 
 USP	Great desire for a hedonistic and digital lifestyle	Little sister of the USA People dream a "Mexican Dream"	Lighthouse Country of Eastern Europe	Living in the Here and Now
 Structural key figures	Positive – Fifth-largest population worldwide, very high level of urbanization, strong reform efforts Negative – Major structural problems, strong social inequality, discrimination against indigenous groups	Positive – Young, urban country, especially in the north, with a highly motivated, education-oriented population Negative – Violent crime, high social inequality, discrimination against indigenous groups, strong north-south divide	Positive – Booming economy, rising education spending, low inequality, good ranking in the HDI Negative – Declining population, aging society, comparatively high inflation	Positive – Extremely young and populous country, third-largest population in the world by 2050 Negative – High inflation, great uncertainty and dependence on long-overdue reforms, extreme social inequality + poor HDI ranking
 Economic Indicators	Declining unemployment, strong efforts at re-industrialization, Chinese investment, global importance as an agricultural exporter (coffee and soy)	Great uncertainty due to American politics, strong modernization efforts by the Mexican government, foreign (Chinese) investment	A spirit of optimism and growing national pride are pushing the country forward, increasing foreign investment	Mineral resources and oil reserves, declining real wages, huge, high-achieving aspiring lower class, many people with two or more jobs
 Key Values & Mindset	<ul style="list-style-type: none"> – Family, Religion, Aesthetics, Freedom, Recognition – Strong social divisions, low appreciation for women or diversity 	<ul style="list-style-type: none"> – Family, Success, Religion, Security, Health – Social divide clearly noticeable – Access to education and healthcare more readily available in the north 	<ul style="list-style-type: none"> – Success, Recognition, Security, Community – Slowly growing national consciousness – Emancipation from dependence on its large neighbor Germany – Feeling of threat from Russia 	<ul style="list-style-type: none"> – Community, Security, Success, Family, Recognition, Health – High appreciation of a sense of community and pride in one's country – Music and fashion from Nigeria gain international recognition
 Consumer Insights	<ul style="list-style-type: none"> – Highly communicative society and great desire for self-expression lead to strong private consumption – Great success of platform economy providers (Uber, e-commerce, fintech, food delivery) 	<ul style="list-style-type: none"> – Growing interest in affordable international brands – Mobility and healthcare needs are driving the market – Highly digitized country 	<ul style="list-style-type: none"> – Growing upper middle class with a strong sense of brands, quality, and self-indulgence – People want to show that they have achieved something – Status symbol: home ownership 	<ul style="list-style-type: none"> – Extreme inflation slows private consumption – Yet growing demand for hedonistic consumption as an expression of one's personality – in addition to a safe home

Management Summary – Local Level (3/5)

CHINA 🇨🇳



USP

Highly modern global leader with a millennial-old tradition



Structural key figures

Positive – Growing economy, low inflation, second-largest population in the world, high education spending, mid-range ranking in the HDI

Negative – Aging, declining population, strong urban-rural divide



Economic Indicators

New national pride, strong expansion plans worldwide, highest innovative strength, outstanding commitment, government's uncompromising focus on growth



Key Values & Mindset

- Community, „Security, Success, Family, Health
- High self-confidence in innovation and entrepreneurial passion
- Simultaneously, a return to old traditions



Consumer Insights

- Highly diversified middle class with an overrepresented modern middle class. Threefold division (Uranos class Micromilieu Segmentation, 2025):
1. Ambitious, progressive, aspiring middle class with a strong interest in escapist status and experience consumption, individualistic and open to new things
 2. Downshifting consumption efforts of the conventional middle class with a growing appreciation of brands and quality, a strong need for harmony
 3. Innovation and technology-loving, yet extremely conservative, traditional middle class with a strong sense of national and cultural pride and a traditional family ideal



Management Summary – Local Level (4/5)

USA 



Completely independent global autocrat



Structural key figures

Positive – Very high level of urbanization, very good ranking in the HDI, high education spending

Negative – Great uncertainty due to the Trump administration, aging population, declining population numbers, especially the middle class is coming under increasing pressure (housing and food costs, rising risk of inflation)



Economic Indicators

Risk of recession and rising inflation due to economic uncertainty caused by structural upheaval and tariff and trade wars, erosion of labour markets due to the expulsion of workers in the service sector, outflow of capital, and brain drain



Key Values & Mindset

- Freedom, Success, Security, Recognition, Religion
- Deeply divided country between Trump supporters and critics
- Erosion of social cohesion
- Growing insecurity due to increasing economic pressure (affordable housing as a mega-issue)



Consumer Insights

Deeply divided society, which is particularly struggling middle-class members are increasingly making it difficult to divide lifestyles into three categories (Uranos class Micromilieu Segmentation, 2025):

1. The most progressive segment across all social classes is the experimental, environmentally conscious, postmodern middle class with a strong interest in diversity and cultural freedom in values and consumer preferences.

2. Modern mainstream middle class with a strong interest in consuming branded products, a longing for recognition within their community, and a willingness to achieve and adapt.

3. Nature-loving, religious, nationalistic, conservative middle class that seeks to escape technological progress and consumer materialism.



Management Summary – Local Level (5/5)

GERMANY



USP

A country with an objectively very high standard of living, where residents subjectively feel left behind



Structural key figures

Positive – Very good ranking in the HDI, very high education spending, low Gini Index, recently declining inflation.

Negative – Weakly growing economy, structural problems, catching up with digitalization, aging society, declining population.



Economic Indicators

High dependence on exports, efforts by the new government to boost the economy by significantly increasing government investment, unclear forecast of the consequences of the expansion of national debt.



Key Values & Mindset

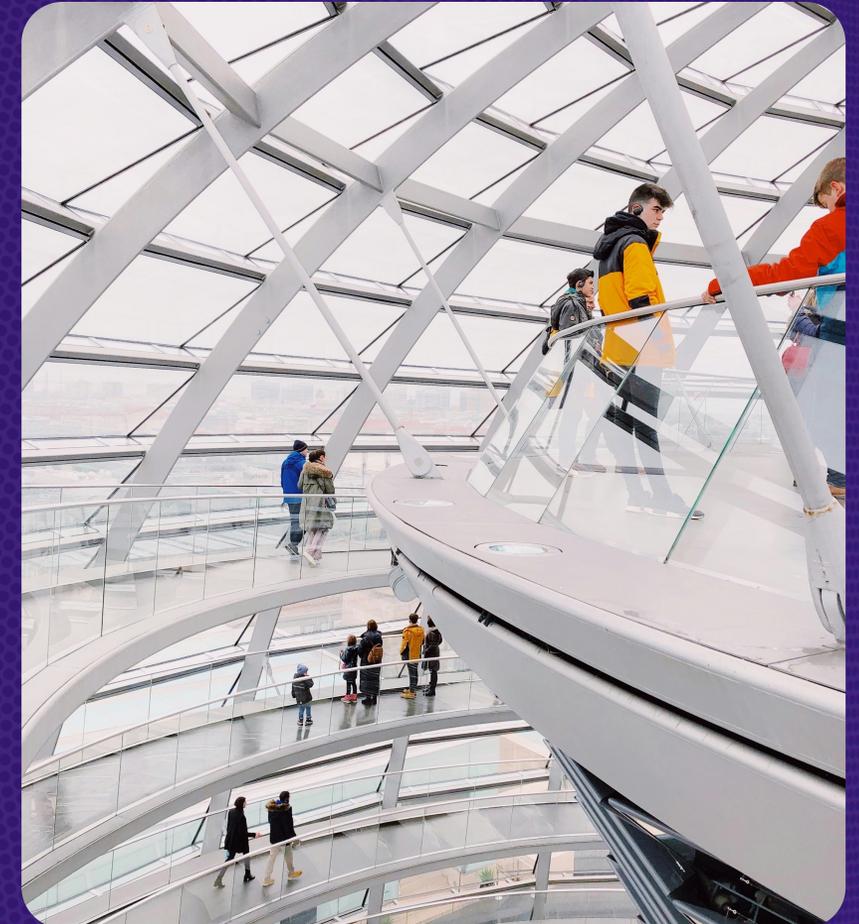
- Freedom, Success, Security, Family.
- The attitude of a sad digital laggard is becoming a self-fulfilling prophecy.
- A country in search of things its residents can be proud of.
- Political dynamite due to the rise of the right-wing party.



Consumer Insights

Growing intolerance towards different lifestyles, danger of social division, especially among the lower middle class which remains under severe pressure. Three middle class milieus (Uranos class Micromilieu Segmentation, 2025):

1. Relatively small group of postmodern middle-class members with a clear focus on an urban lifestyle, socio-cultural openness, high environmental awareness, and highly individualized consumption
2. Very large conventional middle class with a pragmatic lifestyle and a high appreciation for unpretentious brand-name products with solid quality and reasonable value for money
3. Critical, tradition-loving, conservative middle class; religiously oriented family people who place great value on quality, well-known brands, and traditional forms of communication



Preamble

“The Next Billion Middle Class Consumers” is the title of the “Hot Topic Space”. The hypothesis: In the next ten years, one billion people around the globe will make the leap into their country's middle class.

But is that even true? How well can economic development be defined and forecast in the light of volatile global markets, political tensions, social upheaval, and an increasingly urgent climate crisis? And how do we define the middle classes today? Is it sufficient to look at people's income situation, or are values, attitudes, and consumer needs more important to determine membership in this class? We attempt to answer all of these questions with this report.



Preamble

We begin by defining the term middle class and examining its historical development to demonstrate that the rise of the middle class has always been associated with great political and socioeconomic hopes. The existence of a broad, healthy middle class in a country is considered an indicator of prosperous development and stable societal conditions.

“The construction of new norms of respectability is a universal feature of the emerging middle classes, though their rhetoric has varied in different societies.”

(Imtiaz Ahmad, Helmut Reifeld: Middle-Class Values in India and Western Europe, Routledge 2024)

It's no wonder, then, that there is no universally accepted definition of the middle class. Rather, one finding of this research is that middle classes are difficult to grasp, that not all people who might consider themselves middle class according to the official national definition actually see it that way – and, above all, that the income ranges within which one is supposed to be part of the middle class are interpreted very flexibly and are subject to considerable variation worldwide.

„However, we must be cautious when using the middle class as an analytical tool, as there is no universally agreed definition of what it is or how it should be measured. And the size of the middle class in any economy depends entirely on how it is defined and measured.“

(Financial Times, February 17, 2025)

For this reason, when considering the expected changes that are part of our Fact Book, we have endeavoured to achieve a uniform categorization and follow the definition of researchers at the Oxford Economics Institute, who only identify people with a net household income between \$20,000 and \$70,000 per year as members of a stable middle class.

“In the absence of a universally agreed definition of middle class, we settled on households with disposable income between US\$20,000 and US\$70,000 per year.”

(Oxford Economics, The future of the middle class in emerging markets, 2024)

We begin by defining the term middle class and examining its historical development to demonstrate that the rise of the middle class has always been associated with great political and socioeconomic hopes. The existence of a broad, healthy middle class in a country is considered an indicator of prosperous development and stable conditions.

The Fact Book, along with the Country Reports, forms the two main components of this report. Both parts focus on eight emerging markets and three comparable markets (China, the USA, and Germany). Four quantitative criteria were defined to select the eight markets (GDP growth, urbanization rate, share working age population, and population size), which are considered indicators of a strengthening middle class in the respective country. Qualitative characteristics based on desk research and expert assessments were also considered. This blend of facts and expert opinion also forms the basis for all findings in this report.

Preamble

The research and analysis period was November 2024 to March 2025. Given the speed with which major global political and economic transformations are currently taking place, we explicitly point this out. Events that occurred after March 2025 or reports published at a later date are not part of this analysis, but may be evaluated in future updates and integrated into the Fact Book and the Country Reports. The three comparison markets may also be updated with new facts and figures in due course. This section of the report is based on the micromilieu system class of the research institute Uranos, which is conducted annually. Further details on the analysis methodology can be found in the „User Manual“.

So what is the conclusion to the research questions and hypotheses posed? The importance of a global middle class will definitely increase in the coming years. However, the development is very heterogeneous in different parts of the world, non-linear, and in some places zigzagging. In some regions of the world, the rise of the middle class is already well advanced, for example in India; other nations or even continents will need even longer to develop a healthy middle class comprising around half the population or even more people. A good example of this is Nigeria, a country where a healthy strengthening of the middle class can only be expected in the years after 2035. And in other countries where the middle class was considered a solid pillar of the social and economic structure, the importance and numerical size of the middle class may even weaken in the short to medium term – the USA is a good example here.

“Poorer, more populous countries like China, India, and Vietnam have grown economies and one might say they have created a global middle class. The same push toward globalization that raised incomes in China and created the global middle class may have lowered the incomes of many American workers. That is why inequality is growing in the United States.”

(Branko Milanović, *The unequal world – migration, the one percent and the future of the middle class*)

But that doesn't change the fundamental importance that can be attributed to a strong middle class. It is a barometer of a system that is not only economically stable, but also socially stable and culturally diversified. This does not mean that the same values are practiced in all countries in the world with a thriving middle class. Quite the opposite. Rather, it means that, conversely, countries, their economies, and social systems can be stabilized by the strengthening of the middle class – regardless of whether its members are Muslim (e.g., Indonesia) or predominantly Christian (as in Brazil), whether they live in residential units with 3.9 other people (Malaysia) or only 2.6 people, as in Poland.

Preamble

The World Bank defines the middle class as “those who enjoy economic security, do not have to worry about financial poverty, and therefore use their disposable income for consumption rather than for subsistence” (Inequality and Poverty Analysis, World Bank 2022). In this sense, it is worthwhile to examine economic indicators, demographic developments, values, and consumption preferences equally, as we have attempted to do in this report.

“Understanding the middle class is important to brands wishing to grow in any market. The concept of a middle class carries with it a sense of financial stability, a developed consumer culture and a clear trajectory of growth.”

(Van Blerk and Mwaura in: Africa’s Middle Classes, Henning Melber 2022)

Since the effects of the climate crisis have so far only been partially considered in analyses of the future development of the global middle class, a continuous screening of the entire topic is warranted. The question arises whether climate change is the Black Swan that could bring down all of capitalism and, with it, the development of the middle classes, as some experts fear. Or to put it another way: “What will happen when two or three billion consumers demand more Big Macs, Audis and Caribbean cruises?”

(Dr. Alejandro Guarín, German Development Institute)

1 Introduction

Introduction Middle Class | Historic context | Definition Middle Class | Global perspective Middle Class | Criteria market selection | Market selection process | Final decision market selection

2 Fact Book

Fact sheet demographic status | Fact sheet economic status | Middle class size & future projection | Middle Class briefing

3 Insights *Middle Class Experts Research & Interviews*

Expert interviews and secondary sources scenario elaboration on future middle-class values, lifestyles and consumption

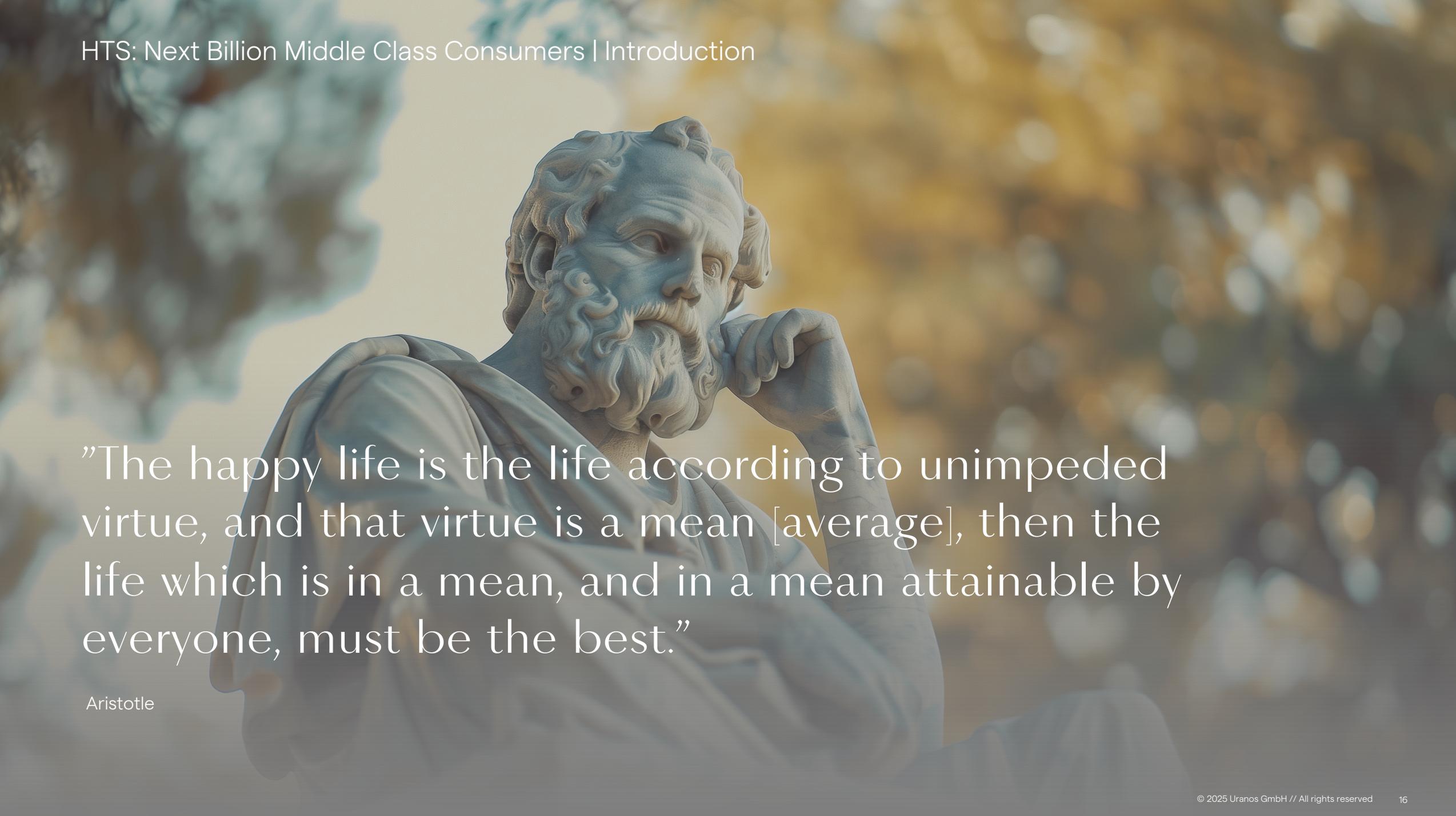
HTS: Next Billion Middle Class Consumers

Introduction *Middle Class*

Evolution of the Middle Class: A Historical Perspective

The concept of the middle class, while rooted in history, predates many modern assumptions about it. Over the centuries, its definition has evolved, adapting to societal changes and ultimately shaping the understanding we hold today.





”The happy life is the life according to unimpeded virtue, and that virtue is a mean [average], then the life which is in a mean, and in a mean attainable by everyone, must be the best.”

Aristotle

Evolution of the Middle Class: A Historical Perspective

Aristotle was among the first intellectuals to explicitly examine and express views of the **political** and **social significance** of the middle class. According to his definition, the middle class included anyone who was neither particularly wealthy nor particularly poor.

Aristotle believed that middle class citizens' (Louis Markos, Ford Forum, 2024) **moderate living conditions** fostered **virtuous behaviour**, free from the extremes of greed and desperation, which could otherwise corrupt one's character.

For him, the middle class was essential for a stable and just society. He believed that **extreme wealth and poverty** led to tension and **conflict**, while the middle class promoted harmony and consensus, thereby ensuring political stability.

Politicians and scientists in emerging countries all over the world continue to argue in this tradition. Their promise: If the economy and society are shaped by people with **middle incomes**, aspirations and conformist attitudes, this will **support** the **prosperity** of the country and every individual (Homi Kharas, Brookings Institute, 2023).



“Great then is the good fortune of a state in which the citizens have a moderate and sufficient property; for where some possess much, and the other nothing, there may arise an extreme democracy, or a pure oligarchy; or a tyranny may grow out of either extreme ... but it is not so likely to arise out of a middle and nearly equal condition.”

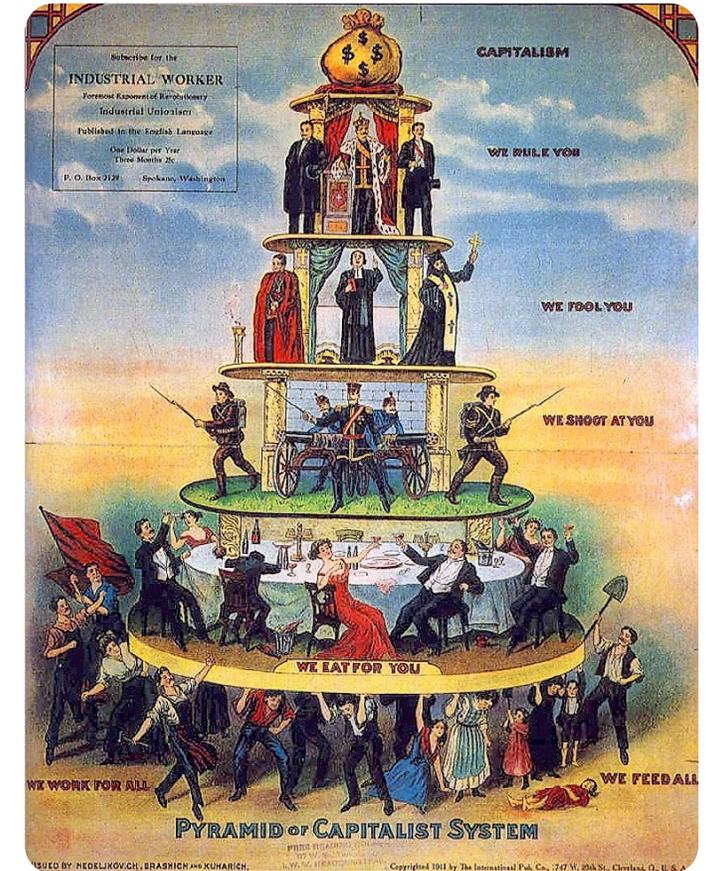
– Aristotle

From Erosion to Opportunity: Marx and Weber on the Middle Class

For **Karl Marx**, the middle class was a less significant **hybrid** form, consisting of **proletarians** and **capitalists**. He stated that the middle class would be eroded by the class conflict between capital and labour classes. However, later societal developments showed that capitalism was indeed capable of allowing a broad segment of society to share in the gains of prosperity.

Max Weber's class concept offers a more compelling argument that the **middle class** represents a **specific class position**.

For Weber, **classes** are not communities but rather specific **market positions** that **determine life chances**. For the middle class, what matters is how they engage in the market and leverage their earning opportunities. **Education** and **qualifications**, essentially accumulated **human capital**, play a **central role** in this process of **becoming middle class** (Steffen Mau, bpb, 2014).



1911 – The Pyramid of Capitalist System, American cartoon caricature critical of capitalism, copied from a Russian flyer of c. 1901. The graphic focus is on stratification by social class and economic inequality.

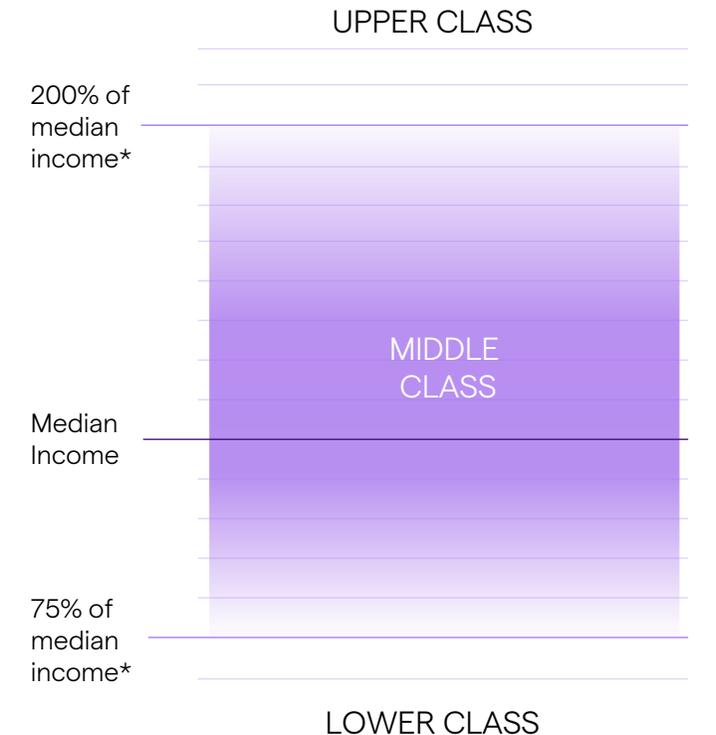
Middle Class: Households neither Upper nor Lower Class

Defining the middle class today is a complex and debated issue without a universally applied definition. Researchers approach the concept from various perspectives, which can be roughly distinguished into three categories, namely cash, credentials and culture:

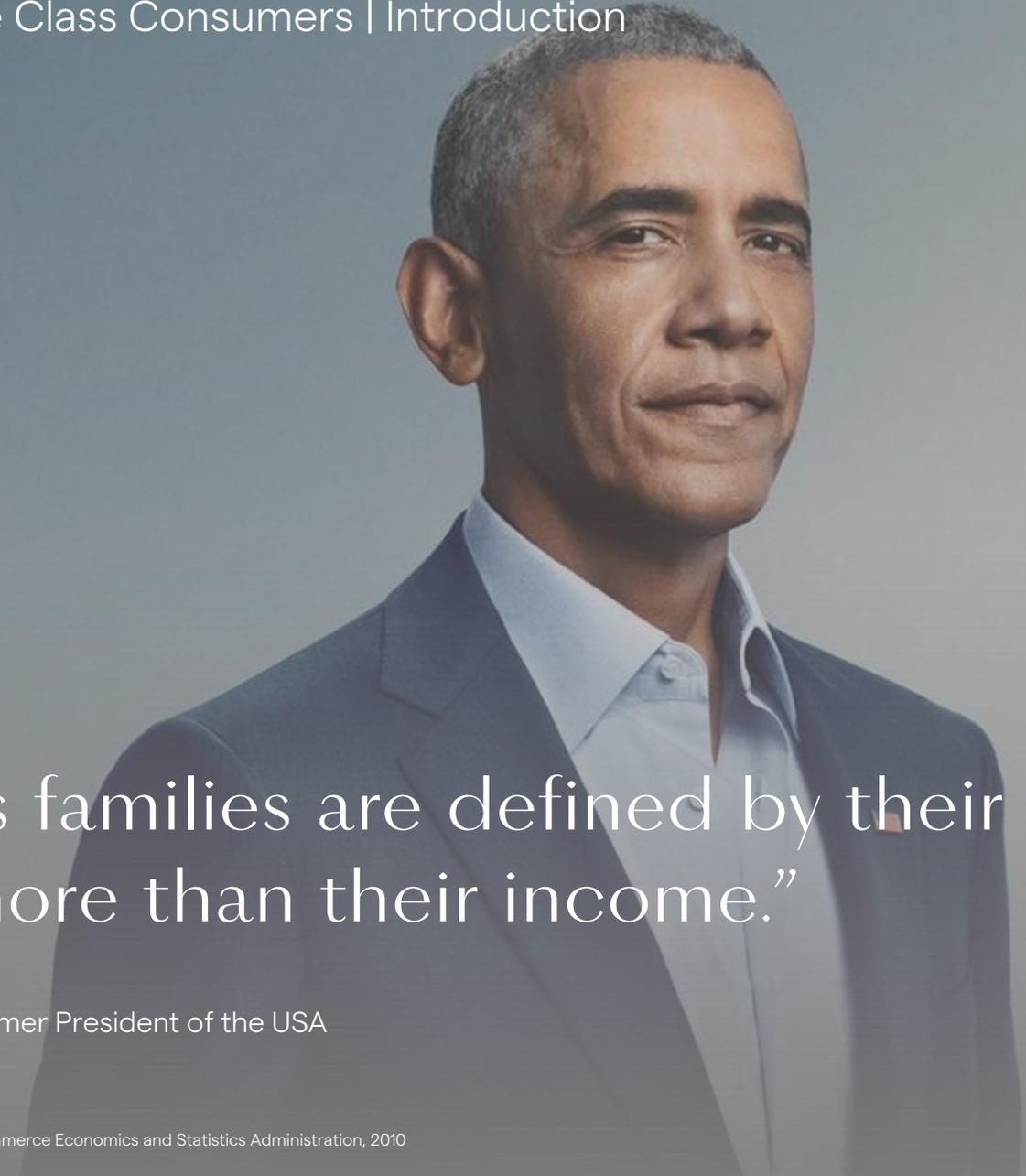
Cash → Economic Approach: Economists and institutes, like Alan Krueger, Lester Thurow or the Pew **Research Center**, define the middle class in terms of **income and/or wealth**, categorizing households as middle class if their earnings range between **two-thirds and double the national median income** adjusted for household size. The OECD's definition of middle-class household earnings lies between 75% and 200% of the median national income.

Class → Sociological Approach: Sociologists recurrently focus on **occupational status** and **educational attainment** to characterize the middle class, emphasizing social position and lifestyle rather than just financial metrics.

Culture → Philosophical Approach: Philosophers and anthropologists tend to consider **cultural factors**, education, and power dynamics, highlighting that the middle class is not solely defined by economic means but also by **social and cultural capital**.



*OECD available household income median middle-class definition

A portrait of Barack Obama, the former President of the United States, wearing a dark blue suit jacket over a light blue shirt. He is looking slightly to the right of the camera with a neutral expression. The background is a soft, out-of-focus grey.

”Middle-class families are defined by their aspirations more than their income.”

Barack Obama – Politician and former President of the USA

Source: “Middle Class in America”, U.S. Department of Commerce Economics and Statistics Administration, 2010

Benefits of a Strong Middle Class

Despite various approaches and methods of defining the middle class and affiliation to it, its positive effects on economic growth, social cohesion and political stability are now widely acknowledged (Gu Y, Wang Z, J Chin Polit Sci. , 2021)

A stable middle class not only provides economic security but also fosters **social integration** and **equal opportunity**. These benefits serve as essential drivers for innovation and progress by enabling broader access to education and employment opportunities. At the same time, the middle class is regarded as a central promise of upward mobility, an ideal that shapes **individual aspirations** and symbolizes societal advancement.

While **developed industrial nations** are witnessing a **decline** in the middle class due to rising income inequality and structural shifts, it is steadily **expanding** in **emerging and developing countries**, thanks to improved access to education and dynamic economic developments. Thus, despite regional challenges, the middle class remains an indispensable foundation for a just and prosperous society.

“Real democracy is not possible without a minimum of economic democracy.”

Pierre Bourdieu



”A healthy middle class is necessary to have a healthy political democracy. A society made up of rich and poor has no mediating group either politically or economically.”

Lester Thurow (1938 – 2016) – Political Economist

Source: “The disappearance of the Middle Class”, New York Times, February 5, 1984

HTS: Next Billion Middle Class Consumers

Derivation & Methodology

Global market shift

In the **1980s**, a fourth of the world population was living in advanced economies, generating up to **70 percent** of the global GDP (IMF).

Today, with a share of more than **85 percent** of the world population, emerging markets and developing economies account for nearly half of global GDP, up from just 25 percent in 2000 (World Bank).



China & Asia Pacific Region Driving Middle Class Growth



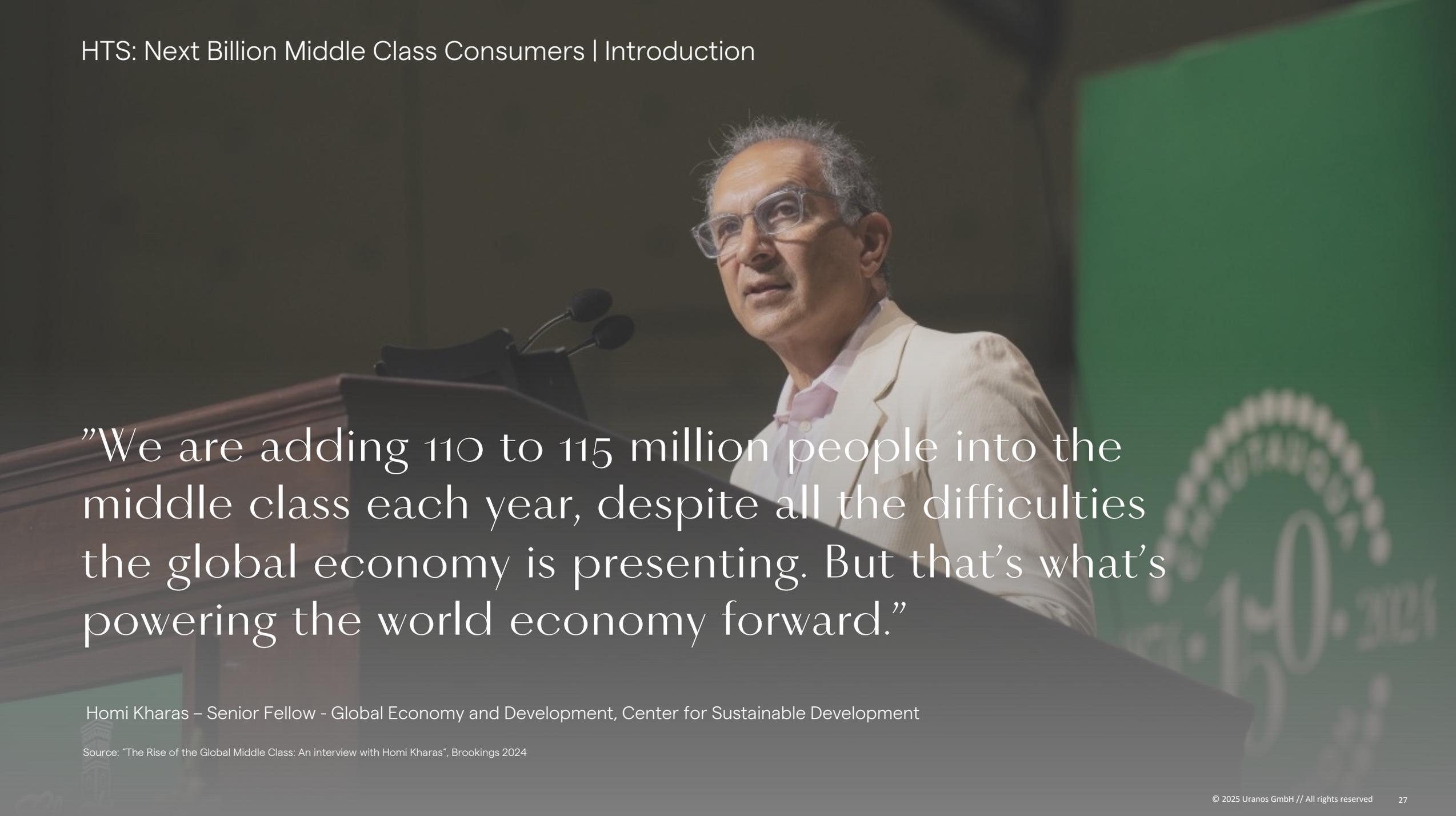
With the projection that in the next ten years four out of 10 household's will be Chinese, China's economic growth is going to drive middle class development in the Asia Pacific region.

By 2030, the Asia Pacific region is going to drive more than 50% of global middle-class consumption*.

Share of global middle class by region

2025	2030*	
60%	65%	Asia Pacific
16%	14%	Europe
8%	7%	North America
7%	6%	Central and South America
6%	5%	Middle East and North Africa
4%	4%	Sub-Saharan Africa



A photograph of Homi Kharas, a man with glasses and a light-colored suit, speaking at a podium. The background is a green wall with a circular logo. The text is overlaid on the image.

”We are adding 110 to 115 million people into the middle class each year, despite all the difficulties the global economy is presenting. But that’s what’s powering the world economy forward.”

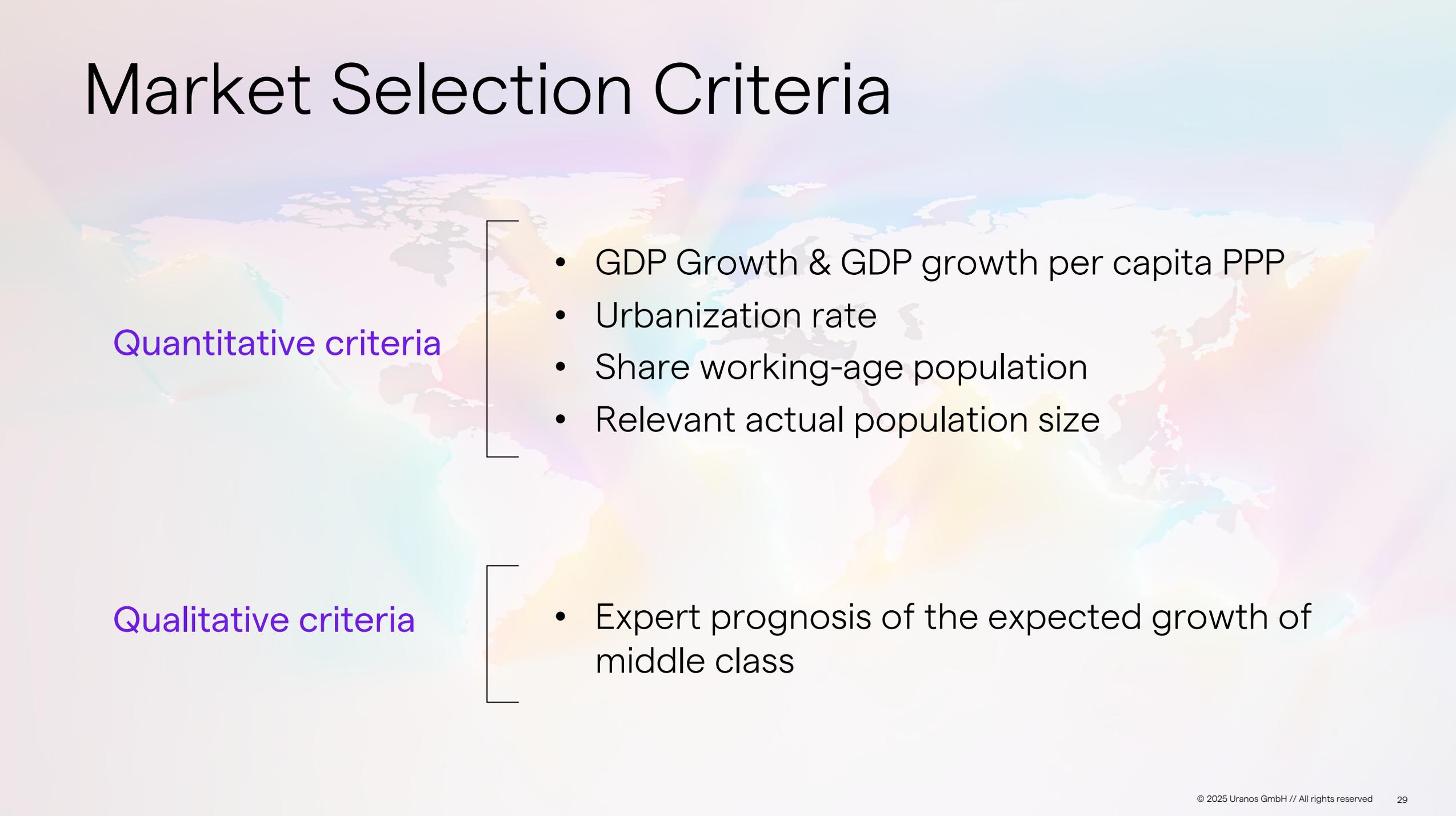
Homi Kharas – Senior Fellow - Global Economy and Development, Center for Sustainable Development

Source: “The Rise of the Global Middle Class: An interview with Homi Kharas”, Brookings 2024

HTS: Next Billion Middle Class Consumers

Market Selection

Market Selection Criteria

A world map with a soft, multi-colored gradient overlay, serving as a background for the slide.

Quantitative criteria

- GDP Growth & GDP growth per capita PPP
- Urbanization rate
- Share working-age population
- Relevant actual population size

Qualitative criteria

- Expert prognosis of the expected growth of middle class

Market Selection Criteria

Quantitative criteria

GDP Growth & GDP growth per capita PPP

Countries experiencing sustained and stable economic growth typically exhibit an upward trend in population income levels, contributing to the expansion of the middle class. Furthermore, increases in per capita purchasing power provide a quantitative indication of improved economic mobility, enabling a larger share of the population to transition into the middle-class income bracket.

Urbanization rate

Urbanization serves as a significant catalyst for middle-class expansion, as urban centers frequently provide enhanced income levels and access to superior employment opportunities, driven by the concentration of industries, services, and economic infrastructure.

Share working-age population

Nations with an expanding working-age population experience heightened demand for consumer goods and services, which drives economic activity and facilitates the expansion of the middle class by generating income growth and improving living standards.

Relevant actual population size

A growing and sizable population drives demand for goods and services, expands the labour force, and supports economic activity, creating conditions for middle-class growth through increased income and consumption.

Qualitative criteria

Expert prognosis of expected middle class growth

Expert evaluations validate key findings by critically assessing assumptions, interpreting data, and refining conclusions. Their contributions deliver powerful insights, underline core theses, and ensure the robustness of projections, enhancing both analytical rigor and practical relevance.

Emerging Markets Criteria Check

	GDP Growth & GDP growth per capita PPP	Growing urbanization rate	Growing share working-age population	Relevant actual population size	Expert prognosis of the expected growth of the middle class
 India	✓	✓	✓	✓	✓
 Vietnam	✓	✓	✓	✓	✓
 Indonesia	✓	✓	✓	✓	—
 Malaysia	✓	✓	✓	✓	✓
 Philippines	✗	✓	✓	✓	✗
 Poland	✓	✗	✗	✓	✓
 Romania	—	—	✗	—	✓
 Egypt	—	—	✓	✓	—
 South Africa	✗	—	✗	✓	✗
 Nigeria	✓	✓	✓	✓	✓
 Saudi Arabia	—	✓	✓	✗	—
 Brazil	✓	✓	✓	✓	✓
 Chile	—	✓	✓	✗	—
 Mexico	—	✓	✓	✓	✓
 Peru	—	✓	✓	—	—

Middle Class Household Outlook | Overview

Middle Class Growth

687 million by
2034

Today there are **354 million** middle class households in emerging markets. By 2034 it will be doubled: **687 million**.

China No. 1

50% share
middle class
HH

By 2034, nearly **50%** of middle-class households in emerging markets will be in **China** (2024: 150 million households, 2029: 229 mn = +79 mn).

India ≠ China 2.0

India:
2,7 US\$ per
person/day

By 2029 India's middle class will double from **27 million** households up to **62 million** (+35 million). (Persons per household: China: 2,6, India: 4,3)

But: Average spending per day will still be **under half of China's** (China: 7,7 US\$ per person/day – India: 2,7 US\$ per person/day).

Asian Power

24 EM add 30
mn HH by 2029

Five out of the six countries with the biggest absolute increase in middle class until 2029 are in Asia: **China, India, Indonesia, Malaysia, and Vietnam**. No. 6 is **Brazil**.

All together 7 Asian countries (the 5 from above + Philippines, Thailand) with the biggest increase in middle class households will be responsible for a plus of **138 mn** households by 2029.

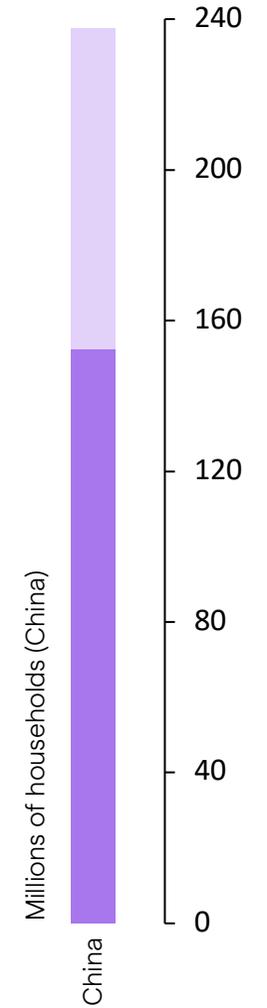
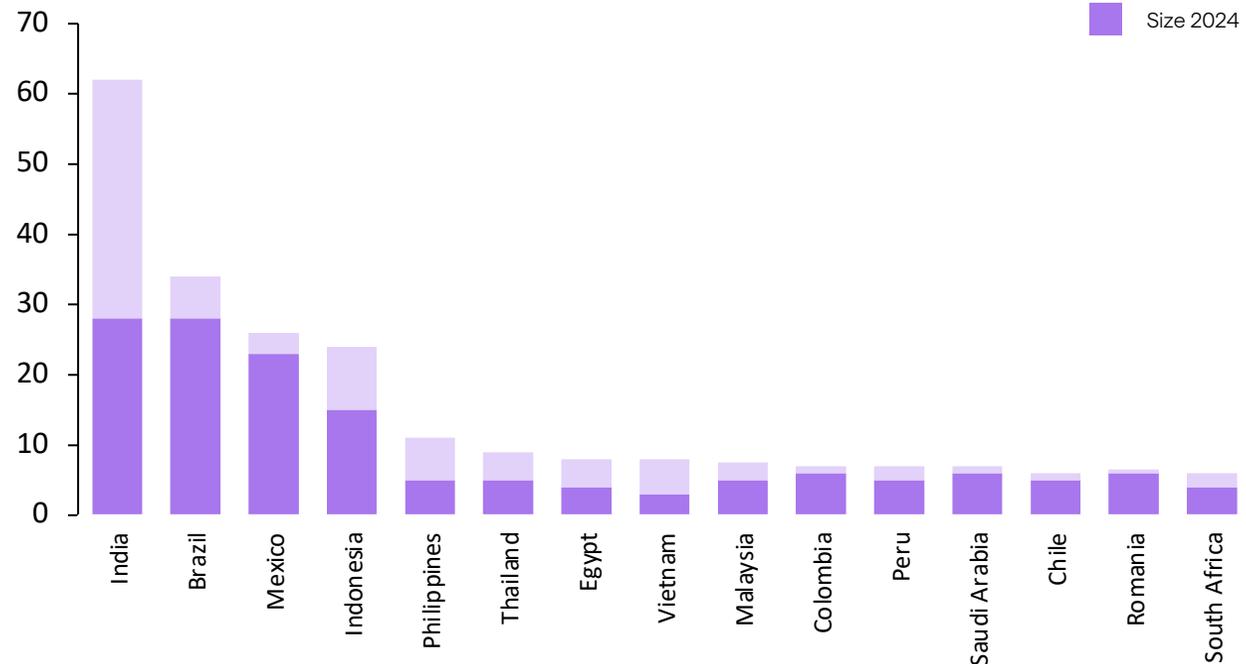
Whereas the 24 biggest emerging countries from Latin America, Africa, Middle East and Europe (e.g. Romania) will add only **30 mn** households by 2029.

Emerging Markets

Middle Class today/next five years

Middle class households in emerging markets by households with disposable income between **US\$ 20,000 and US\$70,000 per year.**

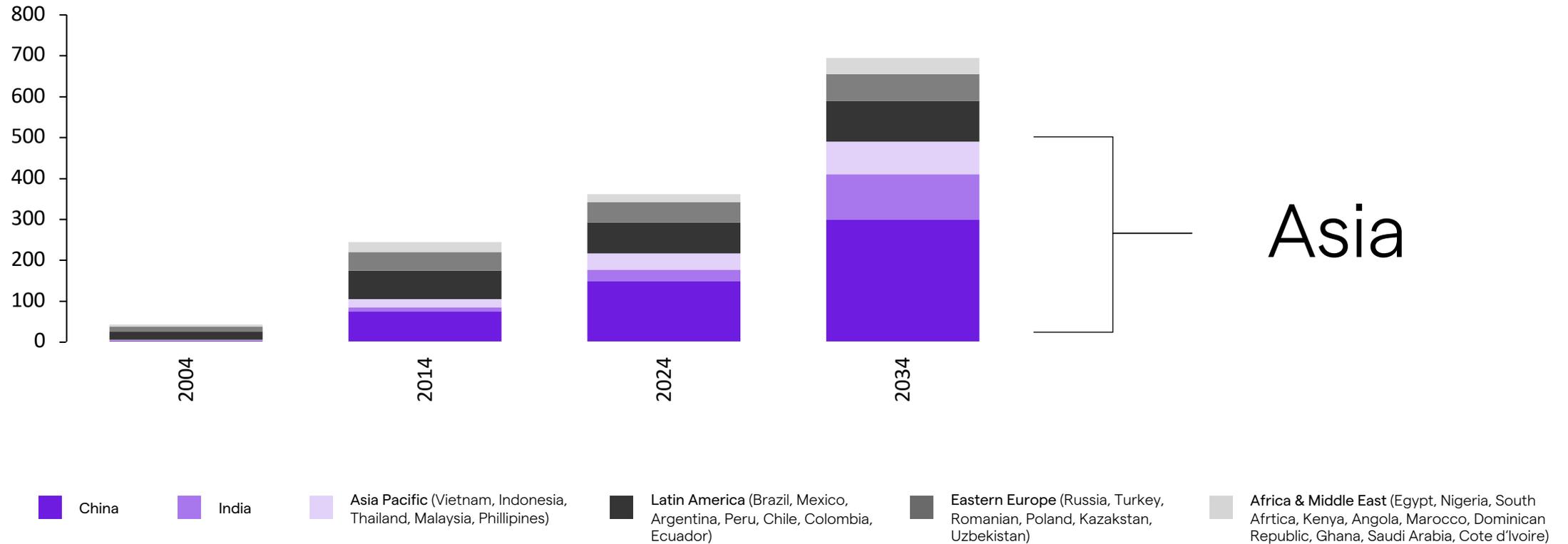
Millions of households (ex-China)



Emerging Markets

Emerging Markets Middle Class Size

Millions of households



Final Emerging Middle Class Countries Proposal

	GDP Growth & GDP growth per capita PPP	Growing urbanization rate	Growing share working-age population	Relevant actual population size	Expert prognosis of the expected growth of the middle class
 India	✓	✓	✓	✓	✓
 Vietnam	✓	✓	✓	✓	✓
 Indonesia	✓	✓	✓	✓	✓
 Malaysia	✓	✓	✓	✓	✓
 Philippines	✗	✓	✓	✓	✗
 Poland	✓	✗	✗	✓	✓
 Romania	—	—	✗	—	✓
 Egypt	—	—	✓	✓	—
 South Africa	✗	—	✗	✓	✗
 Nigeria	✓	✓	✓	✓	✓
 Saudi Arabia	—	✓	✓	✗	—
 Brazil	✓	✓	✓	✓	✓
 Chile	—	✓	✓	✗	—
 Mexico	—	✓	✓	✓	✓
 Peru	—	✓	✓	—	—

Middle Class Market selection

Emerging Markets Selection Proposal

India

- Rapid GDP growth projected at 6–7% annually, driven by industrialization and digital transformation.¹
- A massive population with increasing urbanization (expected to reach 40% urban by 2030).¹²
- Disposable incomes are rising; the middle class is projected to grow from 27 million households to 62mn by 2030.²
- **Industries to watch:** IT, Bio-Tech, E-Mobility and Automotive, AVGC (Animation, Visual Effects, Games, Comics).⁶

Indonesia

- Southeast Asia's largest economy with sustained GDP growth of 5–6%.¹
- Middle-class population is expected to grow from 15 million households to 25 mn by 2029, driven by rising consumption.
- Stable macroeconomic policies and investment in infrastructure.³
- **Industries to watch:** Industrial Pre-Production, Electronics, Fintech, Platform-Economy.⁴

Malaysia

- One of Southeast Asia's most dynamic economies, with 4–5% GDP growth¹.
- A rising middle class, driven by rapid industrialization, urbanization, and foreign investments.²
- Strong export performance, particularly in electronics, palm oil, and petroleum products.
- **Industries to watch:** Fintech, Electronics, Automotive, Platform Economy.⁵

Vietnam

- High GDP growth (6.1% in 2024; projected to remain robust through 2025).¹
- Young, urbanizing population and significant foreign direct investment (FDI) in manufacturing and technology.⁶
- The middle class is expected to triple by 2029, driven by wage growth and an expanding private sector.²
- **Industries to watch:** Electronics, clothing and construction industry.⁷

Brazil

- Largest economy in Latin America, recovering from recent stagnation with growth 3% in 2024.¹
- Expanding middle class driven by structural reforms and increasing consumer confidence.
- High demand for urban housing and financial services.
- **Industries to watch:** Services (finance, communication) and production (consumer goods and construction industry).⁶

Mexico

- One of Latin America's most dynamic economies, with steady GDP growth around 2–3%.¹
- A growing middle class, fueled by industrialization, urbanization, and a robust trade relationship with the United States.
- Strong export performance, particularly in automotive, electronics, and agricultural products.
- **Industries to watch:** Automotive manufacturing, tourism, renewable energy, and digital services.⁹

Poland

- Consistent GDP growth (3% in 2024) and strong EU integration.¹
- Declining income inequality and a growing proportion of the population entering the middle class.
- Government policies emphasize education, digitalization, and green technologies
- **Industries to watch:** Automotive manufacturing, chemical and pharmaceutical industry, renewable energy.¹⁰

Nigeria

- Africa's most populous nation and largest economy (GDP Growth: 2.9% in 2024), with a young and dynamic workforce.¹
- A rapidly expanding middle class, driven by urbanization and entrepreneurial growth.
- Significant inflows of foreign investment and a booming tech startup ecosystem.
- **Industries to watch:** Technology, agriculture, and renewable energy.¹¹

Middle Class Market selection

Emerging Markets Delete Proposal

Romania

- Although Romania has made progress, its middle class is growing **more slowly** than in some other emerging economies.
- Factors such as **unequal income distribution**, **migration of workers** (especially to western EU countries) and **economic instability** are holding back development.
- While urban centres such as Bucharest and Cluj-Napoca are growing economically, many **rural regions** are lagging economically. This is hindering the emergence of a strong national middle class.
- Population size: 19 million

Saudi Arabia

- Saudi Arabia faces complex challenges that are both economic, social and political in nature. **Dependence on oil**, **social tensions** and the **authoritarian style** of government pose long-term risks.
- For the sustainable rise of the middle class, Saudi Arabia needs: Greater diversification of its economy and a **long-term solution to water and environmental problems**.
- Also important are reforms in the **education** and labour market and improvements in **human rights and social participation**.

Philippines

- Despite economic growth, the **gap between rich and poor** remains large, especially between urban centers such as Manila and **rural regions**.
- **Infrastructure deficiencies**, such as in the transport and energy sectors, hamper economic development and increase the cost of living.
- **Corruption** and **inefficient government** structures hamper the implementation of reforms and the fight against poverty.
- Highly vulnerable to **natural disasters** such as typhoons, earthquakes and floods.

Chile

- Chile has developed well economically and is considered a model country in South America.
- However, deep-seated problems such as **social inequality**, dependence on **raw materials** and unresolved **political and ethnic conflicts** are threatening the country's stability.
- Dealing with **environmental problems**, particularly water shortages, will be crucial for Chile's future.
- In addition, Chile only has 19 million inhabitants.

Egypt

- Egypt is struggling with **high unemployment** (especially among young people), **rising inflation** and a heavy dependence on tourism, while the **unequal distribution** of wealth is **increasing social tensions**.
- **Political repression** and an overburdened education system are exacerbating the population's frustration.
- In addition, **water shortages**, **climate change** and environmental problems are threatening the country's quality of life and economic stability.

Peru

- Peru has enormous economic potential, but is held back by profound **social, political and economic problems**.
- Dependence on **raw materials**, **inequality** and **political instability** are hindering the development of a stable middle class and **sustainable economy**.
- The country also has a massive **drug and crime problem**.
- 34 million inhabitants.

South Africa

- South Africa has one of the **highest unemployment rates** in the world, at over 30% (youth unemployment over 60%). Many people work in insecure, **informal jobs**.
- **Income inequality** is extremely high: Only a **small elite** profits disproportionately.
- In addition, the economy is heavily dependent on **raw material exports**, meaning that fluctuating prices make the country **vulnerable to crises**.
- Another problem: the gigantic **crime rate**.

Reference and Emerging Markets

India



Indonesia



Malaysia



Vietnam



Brazil



Mexico



Poland



Nigeria



Emerging

Reference

China



USA



Germany



“Upper classes are a nation's past;
the middle class is its future.”

Ayn Rand (1905-1982) – Writer

Source: “Ayn Rand Letters”, posthum published 1995

Fact Book Middle Class

HTS: Next Billion Middle Class Consumers

Fact Book Middle Class User Manual

The Middle Class Fact Book addresses and visualizes key demographic data, overviews and projections for the 11 selected markets India, Indonesia, Malaysia, Vietnam, Brazil, Mexico, Poland, Nigeria, China, USA and Germany.

The data collected provides a comprehensive impression of the current economic state of the markets and thus enables a demographic and economic comparison of the future middle-class potential with other markets.

The figures and forecasts presented are the results of the underlying research and sources. These are a reflection of their current circumstances and are subject to the probabilities of change by unforeseeable future local and global events.

Terminology

Real GDP Growth Annual

Gross domestic product measures a country's overall economic activity. It represents the total value at constant prices of final goods and services produced within a country during a specified time period, such as one year.

Inflation Rate, average consumer prices, annual percent change, CPI

The Inflation Rate measures the percentage change in the average price level of a basket of consumer goods and services over a year. It is based on the Consumer Price Index (CPI), which tracks price fluctuations to reflect the cost of living and purchasing power changes in an economy.

Human Development Index Rank

The Human Development Index (HDI) Rank refers to a country's position in the global HDI ranking, which measures human development based on three key dimensions health, education and Standard of Living. Countries are ranked based on their HDI score, with higher ranks indicating better overall human development.

GDP PPP USD

Gross Domestic Product at Purchasing Power Parity in U.S. Dollars measures the total economic output of a country, adjusted for differences in price levels across countries, and expressed in U.S. dollars.

Government Expenditure on Education as a Percentage of GDP

Government Expenditure on Education as a Percentage of GDP refers to the total public spending on education, covering schools, universities, and other educational institutions, expressed as a share of a country's Gross Domestic Product (GDP).

Gini Index

The Gini Index measures income inequality within a country, ranging from 0 to 100. A value of 0 represents perfect equality, where everyone has the same income, while 100 indicates maximum inequality, where one person or group holds all the income. It helps assess economic disparity and social inequality.

Middle Class Definition

Income based middle class definition

Shown figures of present and projected middle class size in the Fact Book Middle Class are based on estimations by Oxford Economics. Their estimations represent a definition of middle-class households with a disposable household income between US\$20,000 and US\$70,000 per year. This broad income range allows for a more accurate benchmark for market size regardless of local purchasing power, enabling multinational companies to compare addressable market size for products largely manufactured and at least partially priced with developed market benchmarks.

Data Sources

U.N.:

U.N. Dept. of Economic and Social Affairs

World Bank:

World Bank Group Data

International Monetary Fund:

World Economic Outlook

Oxford Economics:

The future of the middle class in emerging markets

Global Data Lab:

Area Database (v4.4.1)



Facts & Figures | Demographics

INDIA

Population Size

1.46 billion

U.N. Dept. of Economic and Social Affairs 2024

Population Growth Annual %

0.8%

World Bank 2023

Share World Population

17.8%

U.N. Dept. of Economic and Social Affairs 2024

Share Urban Population

36.6%

U.N. Dept. of Economic and Social Affairs 2024

Median Age

28.4 years

U.N. Dept. of Economic and Social Affairs 2024

Average HH Size

4.44 people

Global Data 2021





Facts & Figures | Economy

INDIA

Real GDP Growth Annual

6.5%

International Monetary Fund 2025

GDP USD

4.27 trillion

International Monetary Fund 2025

GDP per capita USD

2,940

International Monetary Fund 2025

GDP PPP USD

17.36 trillion

International Monetary Fund 2025

GDP per capita PPP USD

11,940

World Bank 2025

Human Development Index Rank

134

Rank of 193, UNDP 2022

Inflation Rate, average consumer prices, annual percent change, CPI

4.1%

International Monetary Fund 2025

Government Expenditure on Education as a Percentage of GDP

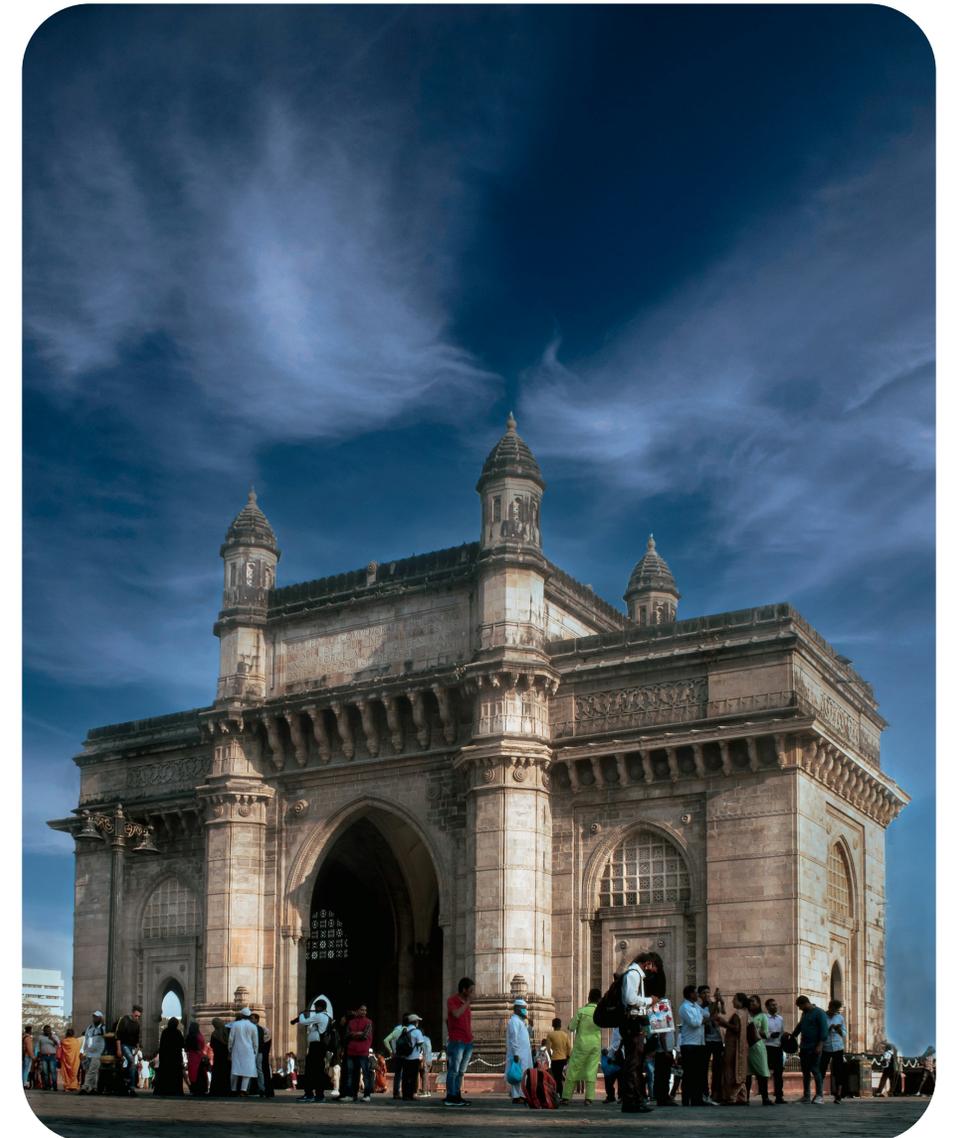
4.1%

World Bank 2022

Gini Index

32.8

World Bank 2021

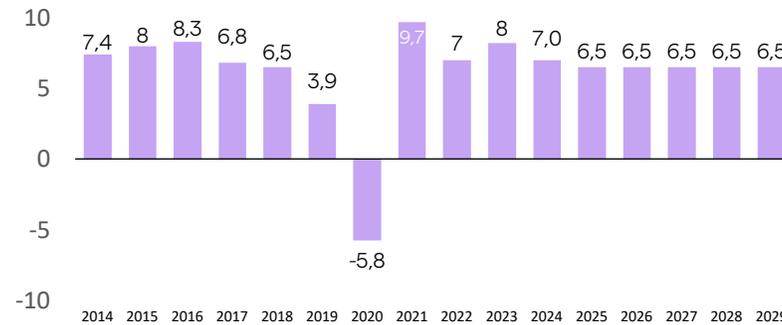




Market Review and Outlook: INDIA

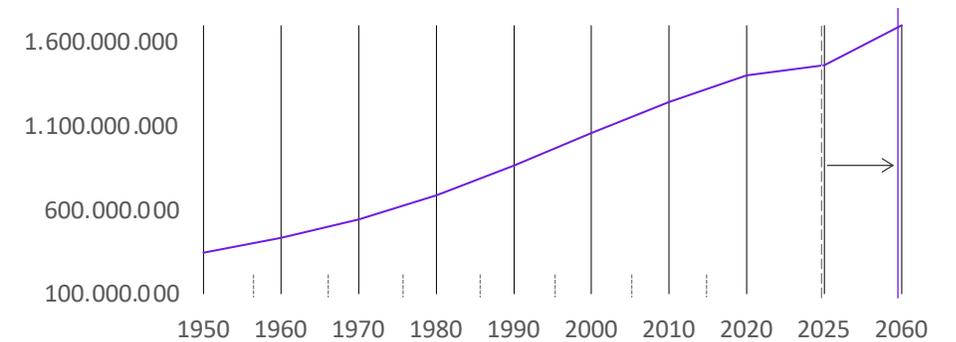
GDP Growth Annual percent change

International Monetary Fund October 2024



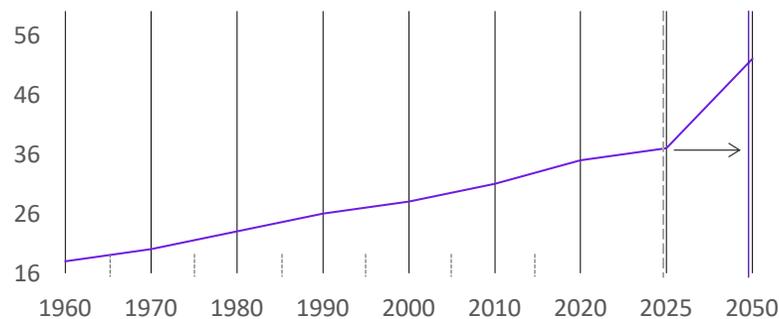
Population growth in total population

U.N. Dept. of Economic and Social Affairs 2024



Urbanization Rate % of total population

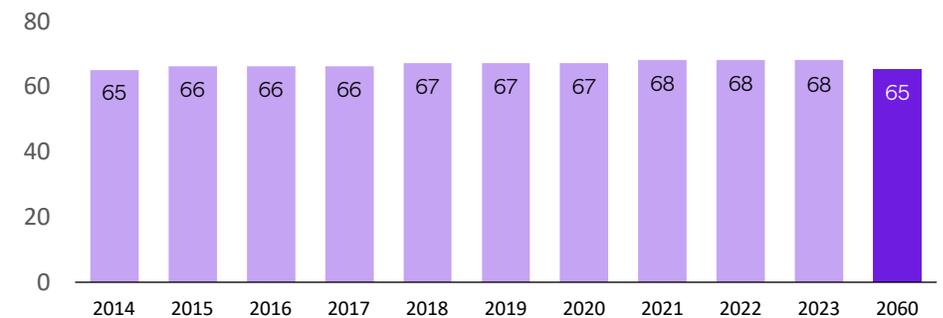
U.N. Dept. of Economic and Social Affairs 2024



Working-age population % of population

Working age population is the share of 15- to 64-year-olds in the total population. |

U.N. Dept. of Economic and Social Affairs 2024





Middle Class Briefing INDIA

Education + Urbanization as Accelerators

India's middle class is projected to **grow substantially** in the coming years, supported by economic growth and demographic shifts. Recent data suggests that India will have contributed 33 million people to the global consumer class in 2024 alone. This expansion is attributed to **rising income levels, urbanization, and increased access to education and technology** – even if the education does not always match the jobs that will be created in the next few years. In addition, it should be noted that **91% of households** in India have a net household income of **less than USD 20,000**, while in China this figure is only 70%. Above all, the **costs of medical treatment and education** prevent many people from moving up the ladder. Nevertheless, the government in New Delhi has already launched **first initiatives** to strengthen the middle class in the long term and drive its growth. Coupled with increasing **international interest in India's economy**, the Indian middle class is poised for growth.

Ranking Largest Economies

“In 10 years, India will reach third place, overtaking Germany and Japan. This is due to the extensive spending programs that create jobs and improve international competitiveness.” (DZ Bank 2024)

Source: World Data Lab 2024 | Oxford Economics, “The future of the middle class in emerging markets”, 2024 | India Briefing 2024-2025, Deza Shira & Associates 2024 | “India’s economic mismatch: not enough jobs and not enough workers”, Financial Times, October 2024

27
million hh
today
/
62
million hh
by 2029

Middle Class Size by definition of as households earning between US\$20,000 and US\$70,000 per year (Oxford Economics).





Facts & Figures | Demographics

INDONESIA

Population Size

285 million

U.N. Dept. of Economic and Social Affairs 2025

Population Growth Annual %

0.8%

World Bank 2023

Share World Population

3.47%

U.N. Dept. of Economic and Social Affairs 2025

Share Urban Population

59.6%

U.N. Dept. of Economic and Social Affairs 2024

Median Age

30.4 years

U.N. Dept. of Economic and Social Affairs 2025

Average HH Size

3.8 people

Michael Bauer Research 2022





Facts & Figures | Economy INDONESIA

Real GDP Growth Annual

5.1%

International Monetary Fund 2025

GDP USD

1.49 trillion

International Monetary Fund 2025

GDP per capita USD

5,250

International Monetary Fund 2025

GDP PPP USD

4.98 trillion

International Monetary Fund 2025

GDP per capita PPP USD

17,520

International Monetary Fund 2025

Human Development Index Rank

112

Rank of 193, UNDP 2022

Inflation Rate, average consumer prices, annual percent change, CPI

2.5%

International Monetary Fund 2025

Government Expenditure on Education as a Percentage of GDP

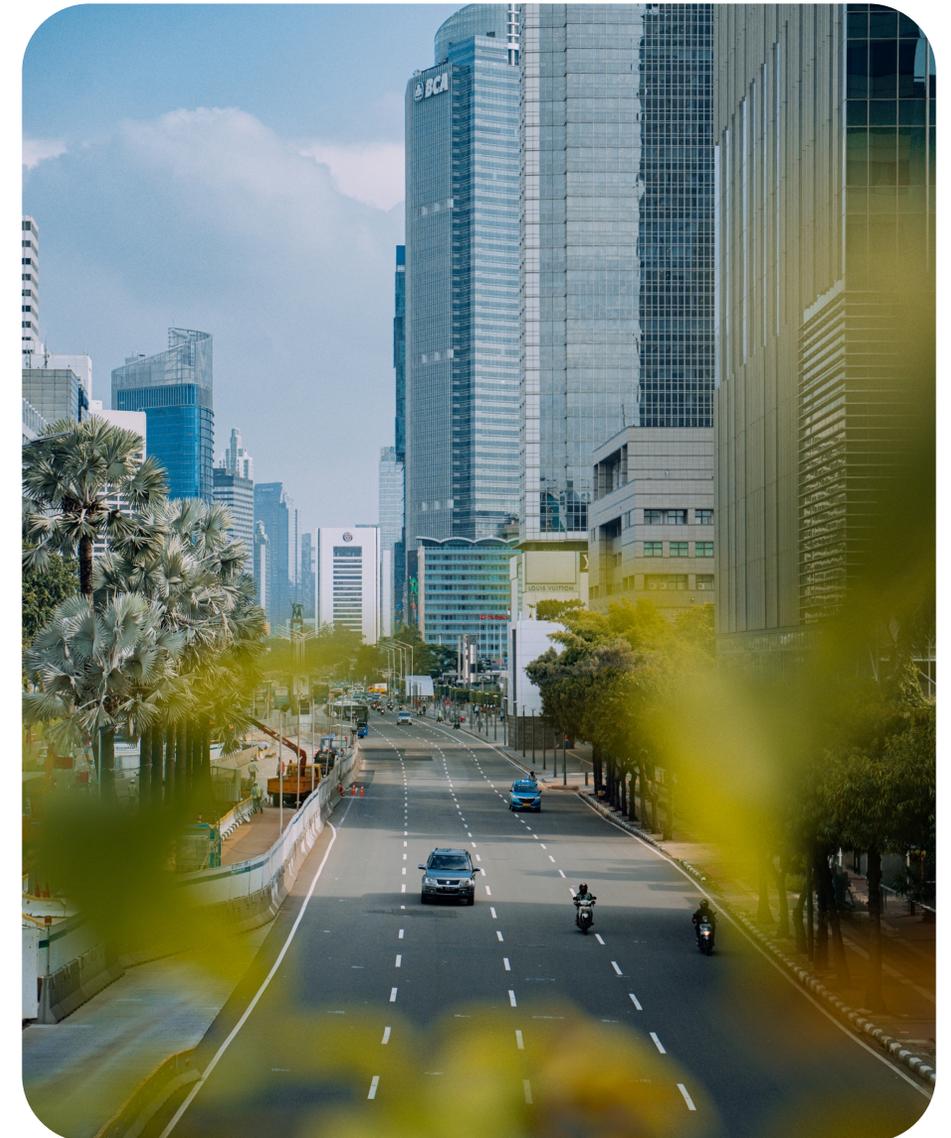
1.3%

World Bank 2023

Gini Index

37.3

World Bank 2021





Middle Class Briefing INDONESIA

Disparities in the Indonesian Middle Class

An **economic growth** of 5 to 6 % by 2029 is responsible for the predicted increase of the Indonesian middle class. However, the future of the Indonesian middle class depends on whether their income can be stabilized through **investments in infrastructure** and the implementation of **planned reforms**. The pandemic has shown that a **lack of social safety nets** could not compensate the **decline in the traditional industrial sector**. Around 9,5 million people from the vulnerable middle class fell back into the lower class. Almost as many, 8,6 million, however, managed to make the leap from the aspiring middle class to the real middle class. The next few years will show whether it will be possible to further **digitize the economy** and **mitigate the social divide**.

Middle Class Development depends on Economic Growth and vice versa

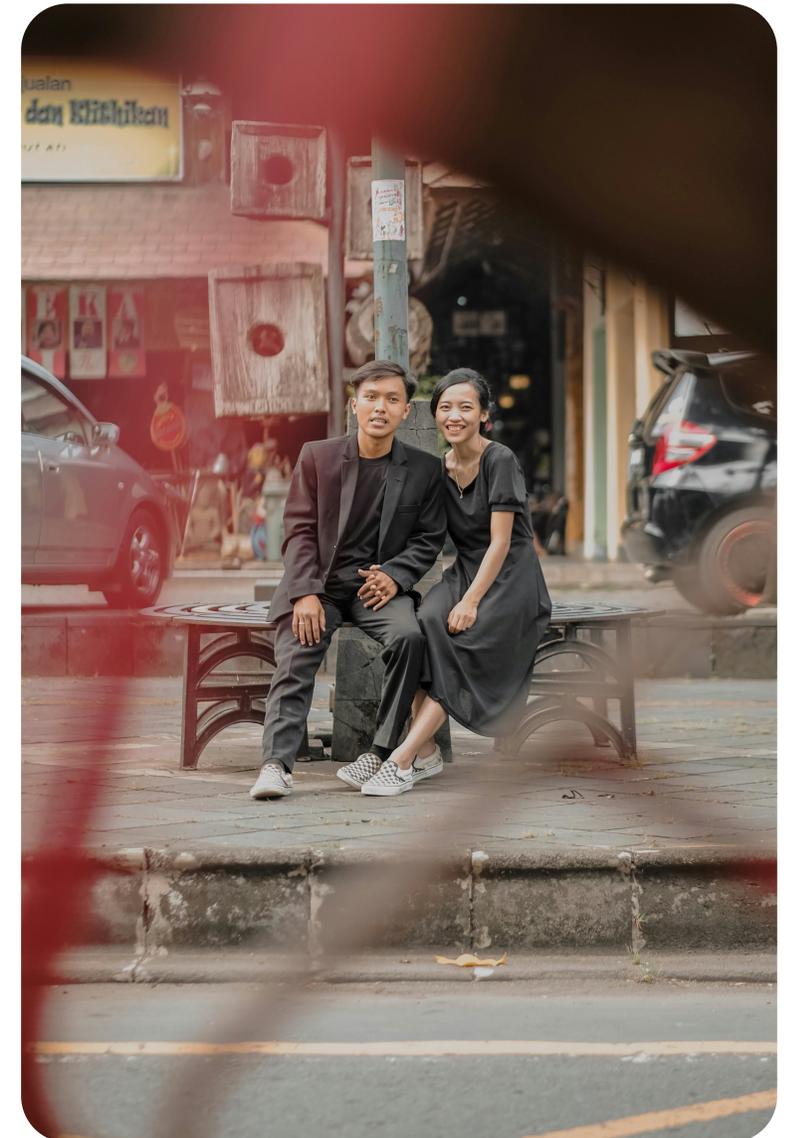
“The middle class plays a crucial role as an economic buffer for the nation. It contributes significantly to aggregate household consumption that underpins the Indonesian economy.”

(Mari Pangestu, World Bank)

Source: World Economic Outlook Database Oktober 2024 | “Aspiring Indonesia: Expanding the Middle Class”, World Bank 2024 | Badan Pusat Statistik 2024 | Oxford Economics, “The future of the middle class in emerging markets”, 2024

14.5
million hh
today
/
22.5
million hh
by 2029

Middle Class Size by definition of as households earning between US\$20,000 and US\$70,000 per year (Oxford Economics).

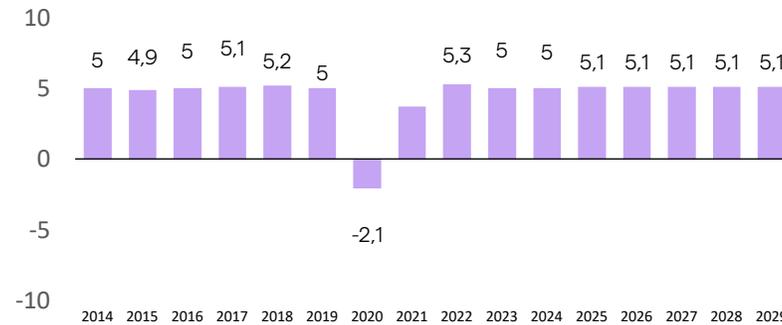




Market Review and Outlook: INDONESIA

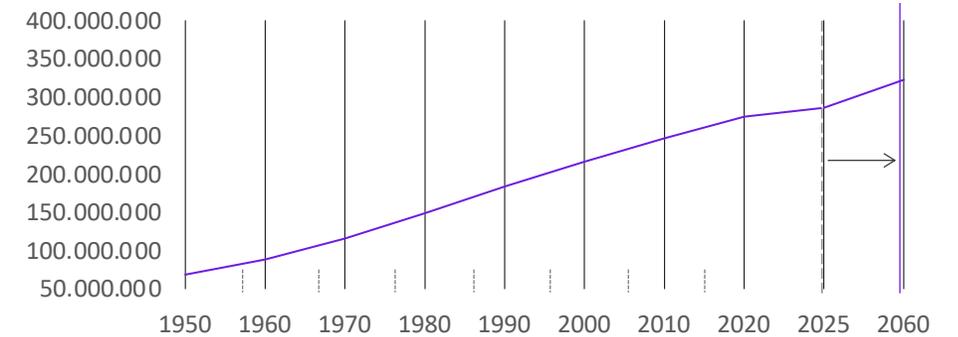
GDP Growth Annual percent change

International Monetary Fund October 2024



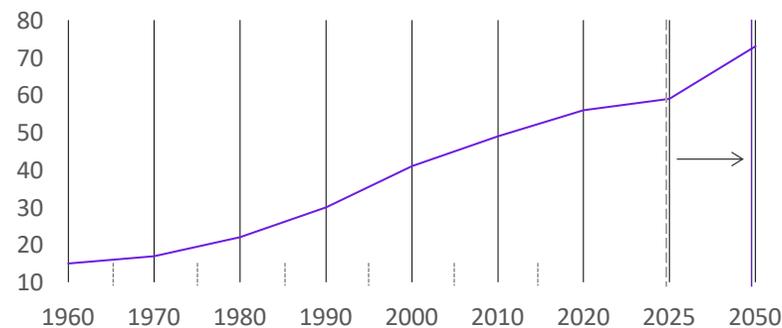
Population growth in total population

U.N. Dept. of Economic and Social Affairs 2024



Urbanization Rate % of total population

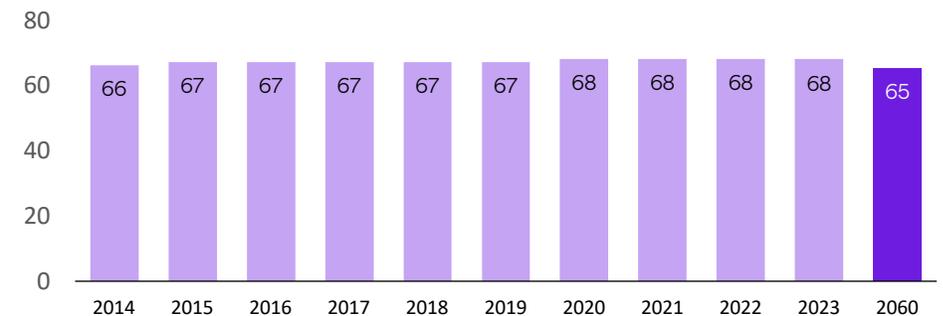
U.N. Dept. of Economic and Social Affairs 2024



Working-age population % of population

Working age population is the share of 15- to 64-year-olds in the total population. |

U.N. Dept. of Economic and Social Affairs 2024





Facts & Figures | Demographics

MALAYSIA

Population Size

36 million

U.N. Dept. of Economic and Social Affairs 2025

Population Growth Annual %

1.2%

World Bank 2023

Share World Population

0.44%

U.N. Dept. of Economic and Social Affairs 2025

Share Urban Population

77.4%

U.N. Dept. of Economic and Social Affairs 2025

Median Age

31.0 years

U.N. Dept. of Economic and Social Affairs 2025

Average HH Size

3.9 people

Michael Bauer Research 2022





Facts & Figures | Economy

MALAYSIA

Real GDP Growth Annual

4.4%

International Monetary Fund 2025

GDP USD

488 billion

International Monetary Fund 2025

GDP per capita USD

14,420

International Monetary Fund 2025

GDP PPP USD

1.46 trillion

International Monetary Fund 2025

GDP per capita PPP USD

43,100

International Monetary Fund 2025

Human Development Index Rank

63

Rank of 193, UNDP 2022

Inflation Rate, average consumer prices, annual percent change, CPI

2.5

International Monetary Fund 2025

Government Expenditure on Education as a Percentage of GDP

3.6%

World Bank 2023

Gini Index

40.7

World Bank 2021





Middle Class Briefing MALAYSIA

Middle Income Trap as a Burden

Malaysia is one of the countries that are heavily caught in the **middle income trap**. As part of the **Asian Tiger economies**, the country benefited from growing global demand for **low-cost (technology) manufacturing**. As soon as **wages rose**, it lost this competitiveness to poorer countries. However, analyses show that Malaysia has made significant progress, particularly through **structural reforms, diversification of the economy and investments in infrastructure and education**. Nevertheless, challenges such as income inequality and institutional weaknesses remain critical. Nevertheless, experts expect that the proportion of people who can afford **aspirational consumption** will slowly increase in the coming years which means that the country is becoming more interesting for the manufacturer of classic consumer goods.

The consumer sector will become more differentiated in the future

“Sustained rapid and inclusive economic growth for half a century has brought Malaysia close to the threshold of high-income status.” (OECD, 2024)

Source: “Who really makes up Malaysia’s middle class?”, The Malaysian Reserve, January 9th, 2025 | Economic Forecast Malaysia, Germany Trade & Invest October 2024 | Malaysia Economic Snapshot, OECD August 2024 | Oxford Economics, “The future of the middle class in emerging markets”, 2024

3.5
million hh
today
/
5.5
million hh
by 2029

Middle Class Size by definition of as households earning between US\$20,000 and US\$70,000 per year (Oxford Economics).

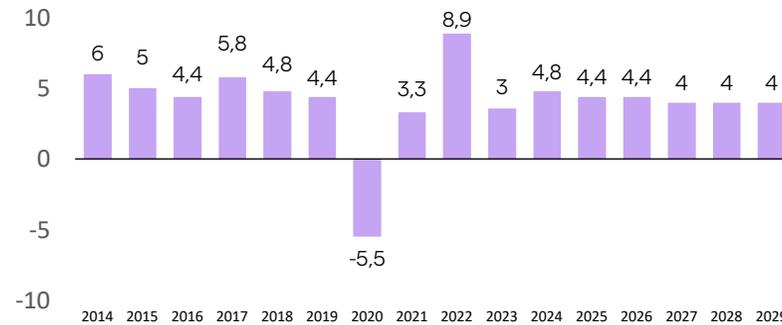




Market Review and Outlook: MALAYSIA

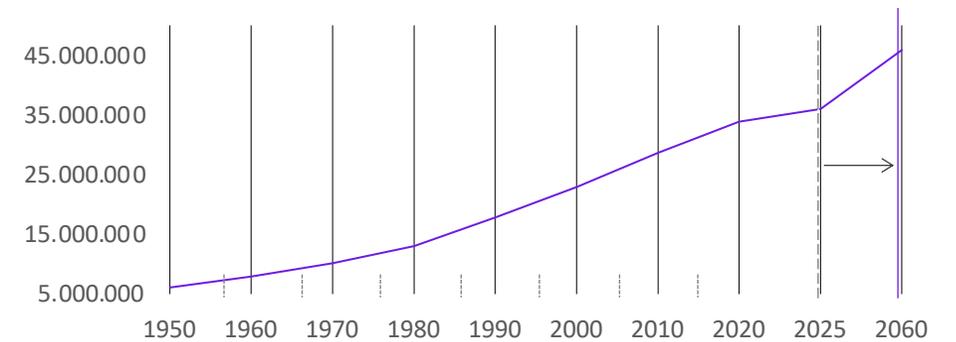
GDP Growth Annual percent change

International Monetary Fund October 2024



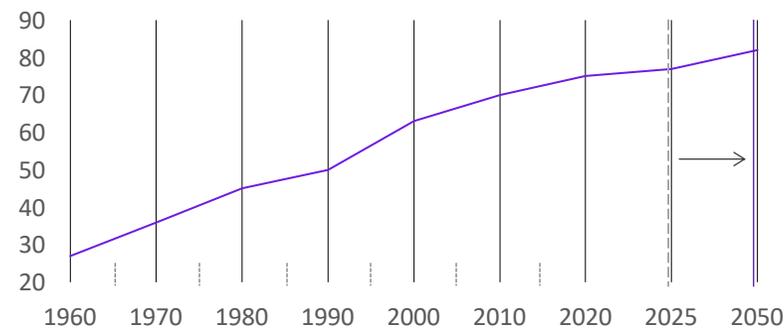
Population growth in total population

U.N. Dept. of Economic and Social Affairs 2024



Urbanization Rate % of total population

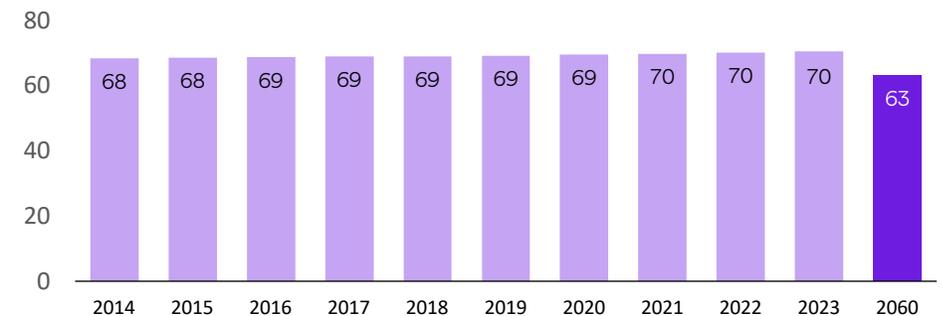
U.N. Dept. of Economic and Social Affairs 2024



Working-age population % of population

Working age population is the share of 15- to 64-year-olds in the total population. |

U.N. Dept. of Economic and Social Affairs 2024





Facts & Figures | Demographics

VIETNAM

Population Size

101 million

U.N. Dept. of Economic and Social Affairs 2025

Population Growth Annual %

0.6%

World Bank 2023

Share World Population

1.2%

U.N. Dept. of Economic and Social Affairs 2025

Share Urban Population

41.4%

U.N. Dept. of Economic and Social Affairs 2025

Median Age

33.4 years

U.N. Dept. of Economic and Social Affairs 2025

Average HH Size

3.5 people

Michael Bauer Research 2022





Facts & Figures | Economy

VIETNAM

Real GDP Growth Annual

6.1%

International Monetary Fund 2025

GDP USD

506 billion

International Monetary Fund 2025

GDP per capita USD

4,990

International Monetary Fund 2025

GDP PPP USD

1.76 trillion

International Monetary Fund 2025

GDP per capita PPP USD

17,350

International Monetary Fund 2025

Human Development Index Rank

107

Rank of 193, UNDP 2022

Inflation Rate, average consumer prices, annual percent change, CPI

3.5%

International Monetary Fund 2025

Government Expenditure on Education as a Percentage of GDP

2.9%

World Bank 2022

Gini Index

36.1

World Bank 2022





Middle Class Briefing VIETNAM

Investors help Decide the Future of the Emerging Class

With its **economic development** Vietnam reached a position among the **top 20 GDP-growth countries** in the world in 2024. The middle class will benefit from this, at least if the country manages to push ahead with the **transformation** of an economy that has so far been **dominated by small businesses**. Another challenge is the transition to a **state-supported social security system**. At present, only the family offers protection for the individual in difficult times. One of the biggest challenges is the further **transformation in energy production**. The money from **foreign investors** is increasingly tied to the requirement to **operate more sustainably**. The government in Hanoi has announced the ambitious goal of supplying a **third of the energy mix with renewable energies** by the end of the decade, but the country is still a long way from this.

Sustainable Economic Transition

“Vietnam still has a chance for reliable transformations towards a more sustainable and future-proof economy.” (Richard Ramsawak)*

* Economist at the Royal Melbourne Institute of Technology Vietnam

Source: “Vietnam is losing its attractiveness for EU investors”, DW, September 24th, 2024 | Duane Morris Vietnam Overview, October 4, 2024 | Vietnam 2024 Outlook, KPMG March 2024 | Oxford Economics, “The future of the middle class in emerging markets”, 2024

3
million hh
today
/
6.5
million hh
by 2029

Middle Class Size by definition of as households earning between US\$20,000 and US\$70,000 per year (Oxford Economics 2024).

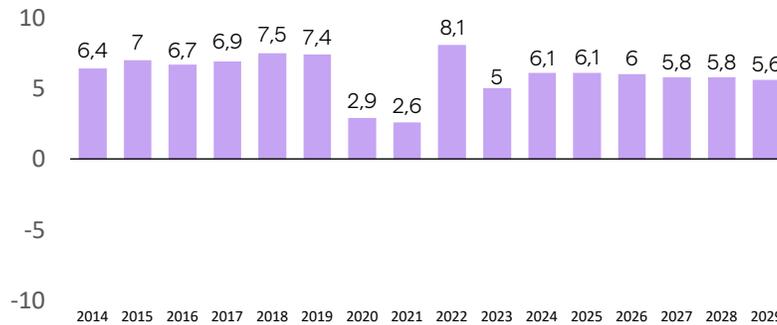




Market Review and Outlook: VIETNAM

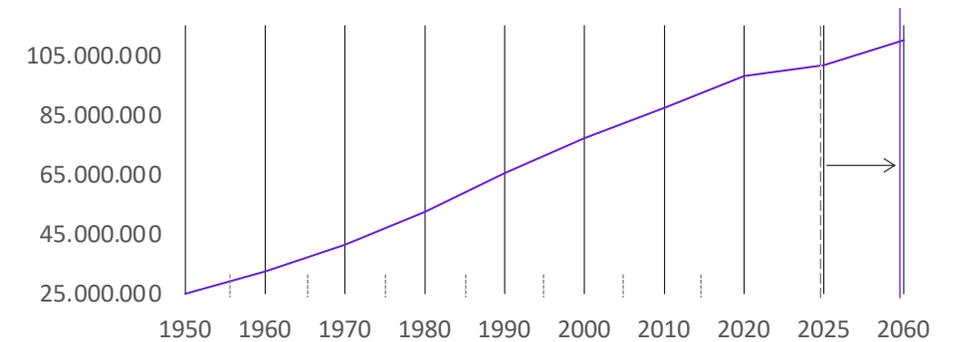
GDP Growth Annual percent change

International Monetary Fund October 2024



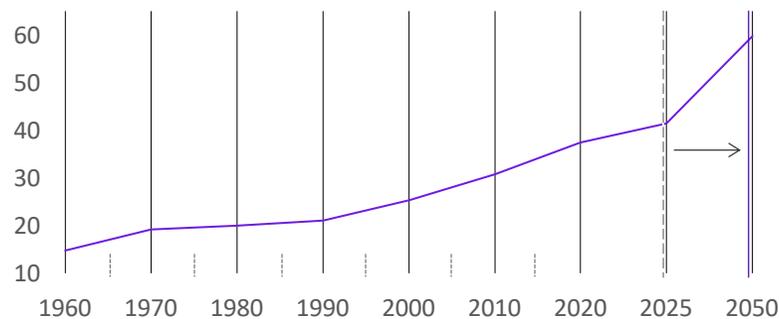
Population growth in total population

U.N. Dept. of Economic and Social Affairs 2024



Urbanization Rate % of total population

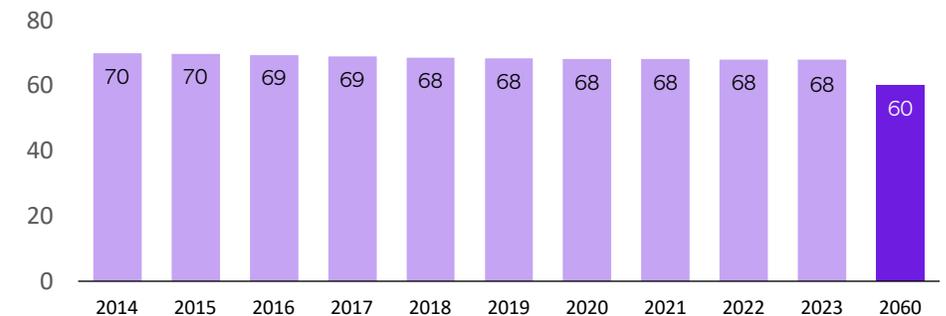
U.N. Dept. of Economic and Social Affairs 2024



Working-age population % of population

Working age population is the share of 15- to 64-year-olds in the total population. |

U.N. Dept. of Economic and Social Affairs 2024





Facts & Figures | Demographics

BRAZIL

Population Size

212 million

U.N. Dept. of Economic and Social Affairs 2025

Population Growth Annual %

0.38%

U.N. Dept. of Economic and Social Affairs 2025

Share World Population

2.6%

U.N. Dept. of Economic and Social Affairs 2025

Share Urban Population

91.4%

U.N. Dept. of Economic and Social Affairs 2025

Median Age

34.8 years

U.N. Dept. of Economic and Social Affairs 2025

Average HH Size

3.0 people

Michael Bauer Research 2022





Facts & Figures | Economy

BRAZIL

Real GDP Growth Annual

2.2%

International Monetary Fund 2025

GDP USD

2.31 trillion

International Monetary Fund 2025

GDP per capita USD

10,820

International Monetary Fund 2025

GDP PPP USD

4.89 trillion

International Monetary Fund 2025

GDP per capita PPP USD

22,930

International Monetary Fund 2025

Human Development Index Rank

89

Rank of 193, UNDP 2022

Inflation Rate, average consumer prices, annual percent change, CPI

3.6%

International Monetary Fund 2024

Government Expenditure on Education as a Percentage of GDP

5.5%

World Bank 2021

Gini Index

52.0

World Bank 2021





Middle Class Briefing BRAZIL

Re-industrialization is being Driven Forward by China's Help

The proportion of the middle class in Brazil is **comparatively small** considering the size and population of the country. Two main reasons are attributed to this: "**Custo Brasil**" – a tax system that is almost impossible to penetrate, endless bureaucratic hurdles, a lack of infrastructure, a lot of corruption and nepotism, and the years of Bolsonaro's reign, during which **de-industrialization** and strengthening the **agricultural sector** were the top priority. With the re-election of Lula Da Silva, who has been governing the country again for two years, efforts are now being made to rebuild the share of the **manufacturing industry**, which had shrunk to a tenth of GDP in the meantime – primarily with **Chinese investment support**. For example, BYD has opened its first factory outside China in Brazil.

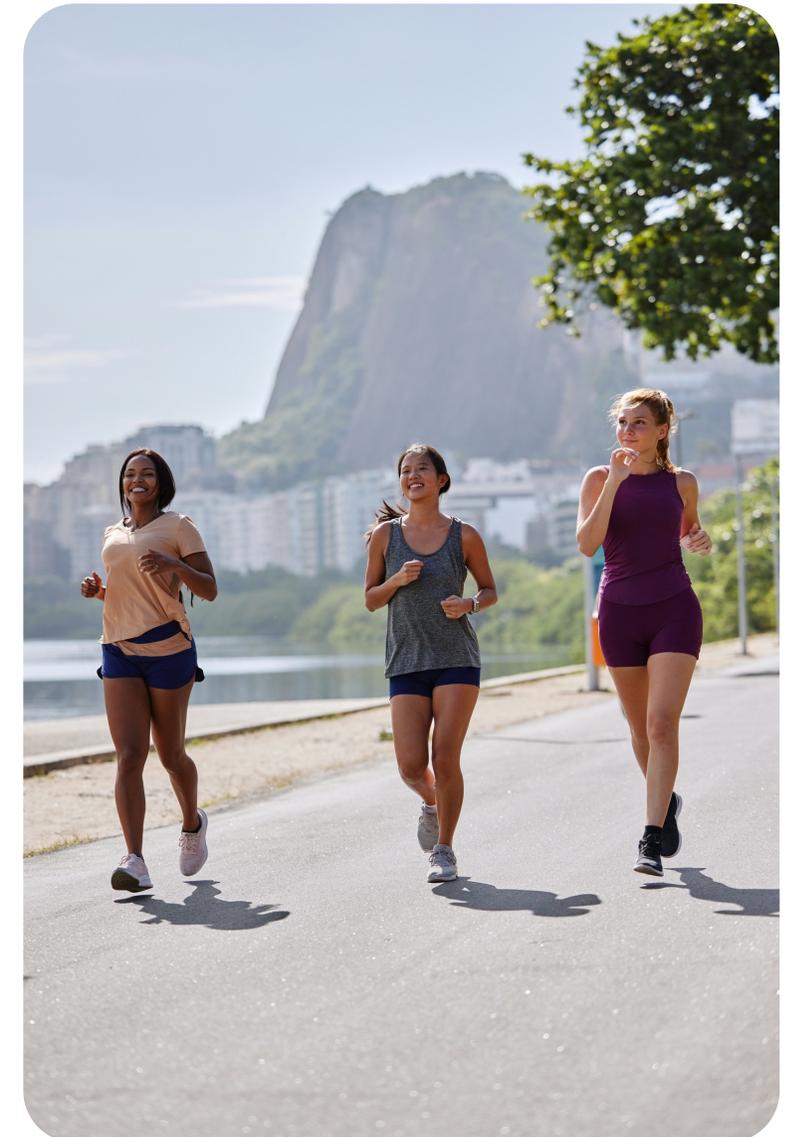
The Country's Development is highly Dependent on Political Reforms.

"The current government brought renewed political will, a strong reform agenda, and ambitious development programs to fight hunger and inequality, promote social justice, re-industrialize Brazil, and embrace a greener economy." (World Bank 2024)

Source: Brazil Overview, World Bank, October 2024 | Brazil Country Report 2024, BTI/Bertelsmann 2024 | „Classe média cresce em 2024“, Tendências Consulting Brazil, January 5th, 2025 | „Brasil volta a ser país de classe média“, CNN Brazil, January 7th 2025 | Oxford Economics, "The future of the middle class in emerging markets", 2024

26.5
million hh
today
/
33
million hh
by 2029

Middle Class Size by definition of as households earning between US\$20,000 and US\$70,000 per year (Oxford Economics 2024).

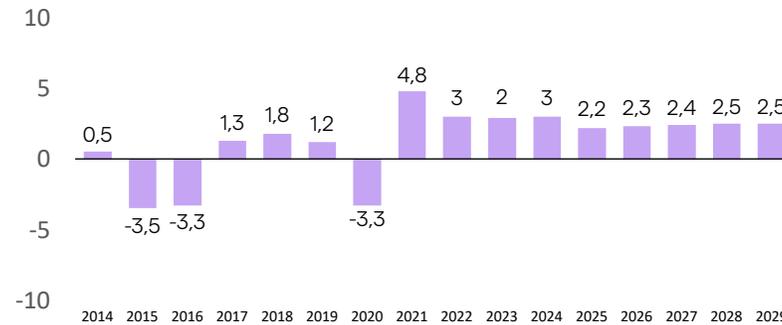




Market Review and Outlook: BRAZIL

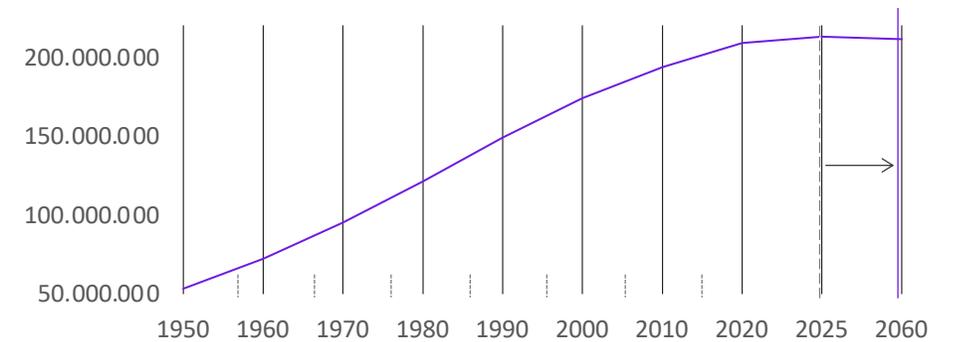
GDP Growth Annual percent change

International Monetary Fund October 2024



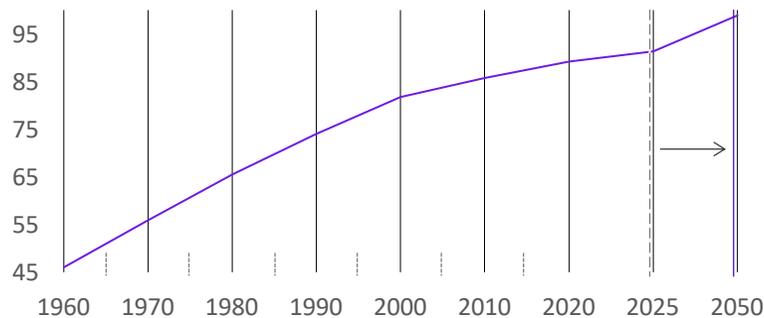
Population growth in total population

U.N. Dept. of Economic and Social Affairs 2024



Urbanization Rate % of total population

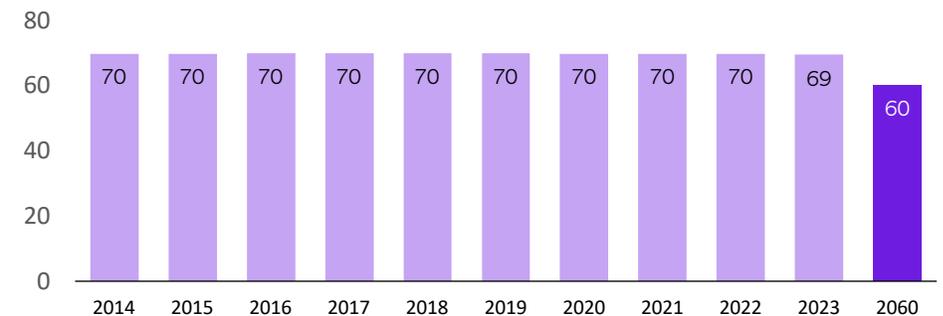
U.N. Dept. of Economic and Social Affairs 2024



Working-age population % of population

Working age population is the share of 15- to 64-year-olds in the total population. |

U.N. Dept. of Economic and Social Affairs 2024





Facts & Figures | Demographics

MEXICO

Population Size

131 million

U.N. Dept. of Economic and Social Affairs 2025

Population Growth Annual %

0.7%

World Bank 2023

Share World Population

1.6%

U.N. Dept. of Economic and Social Affairs 2025

Share Urban Population

87.9%

U.N. Dept. of Economic and Social Affairs 2025

Median Age

29.6 years

U.N. Dept. of Economic and Social Affairs 2025

Average HH Size

3.6 people

Michael Bauer Research 2022





Facts & Figures | Economy

MEXICO

Real GDP Growth Annual

1.3%

International Monetary Fund 2025

GDP USD

1.82 trillion

International Monetary Fund 2025

GDP per capita USD

13,630

International Monetary Fund 2025

GDP PPP USD

3.41 trillion

International Monetary Fund 2025

GDP per capita PPP USD

25,560

International Monetary Fund 2025

Human Development Index Rank

77

Rank of 193, UNDP 2022

Inflation Rate, average consumer prices, annual percent change, CPI

3.8%

International Monetary Fund 2025

Government Expenditure on Education as a Percentage of GDP

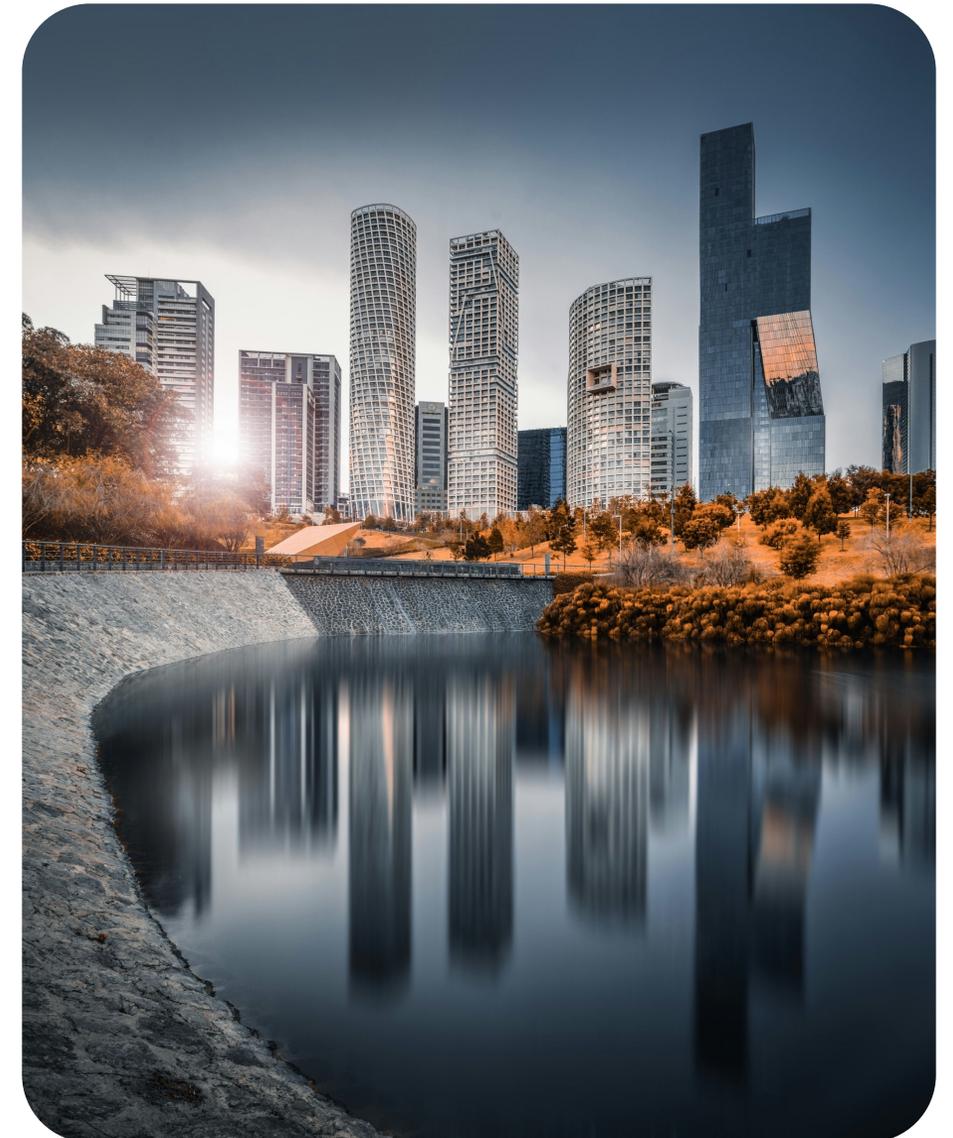
4.2%

World Bank 2021

Gini Index

43.5

World Bank 2022





Middle Class Briefing MEXICO

Transformation instead of Corruption in Mexico

When President Obrador handed over the office to his successor Claudia Sheinbaum, Mexico's newly elected first female head of state, on October 1, 2024, he had an impressive economic record to show: the **"super peso"** has gained 16% in value against the US dollar in recent years, the economy is growing – at a low level but stable – and the **poverty rate fell from 44 to 36%** of the population between 2018 and 2024. Recently, Mexico even replaced China as the **USA's most important trading partner**. Sheinbaum wants to continue this policy and thus further strengthen the **most populous Spanish-speaking country in the world**.

"Corruption or transformation" was the campaign slogan of Claudia Sheinbaum, who calls herself a feminist and also admits: "For me, the **environment and renewable energy** are very important."

Rising Economical Stability in the Neighboring Country of the USA

"In Mexico, the minimum wage grows approximately by 10% at the beginning of 2025." (Deloitte 2025)

Sources: Mexico Economic Snapshot, OECD 2024 | Mexico Overview, World Bank, October 2024 | "Mexico's forth Transformation", Cultural Exchange 2025 | Mexico Economic Outlook, January 2025, Deloitte 2025 | Oxford Economics, "The future of the middle class in emerging markets", 2024

22
million hh
today
/
24
million hh
by 2029

Middle Class Size by definition of as households earning between US\$20,000 and US\$70,000 per year (Oxford Economics 2024).

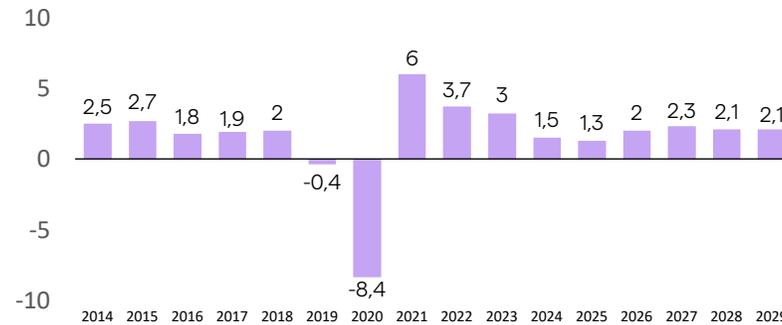




Market Review and Outlook: MEXICO

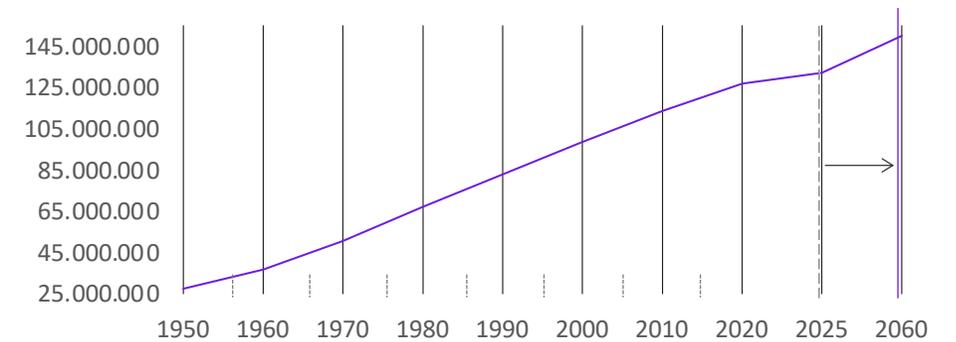
GDP Growth Annual percent change

International Monetary Fund October 2024



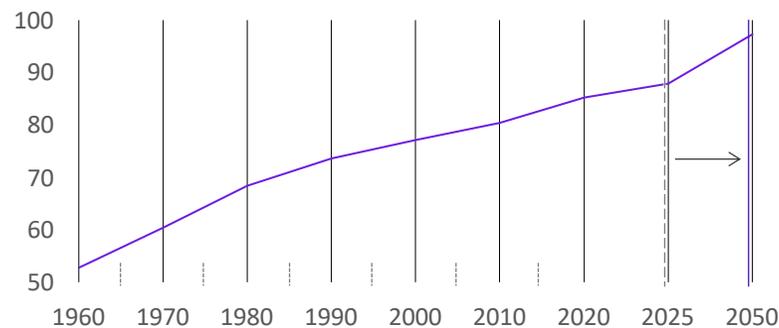
Population growth in total population

U.N. Dept. of Economic and Social Affairs 2024



Urbanization Rate % of total population

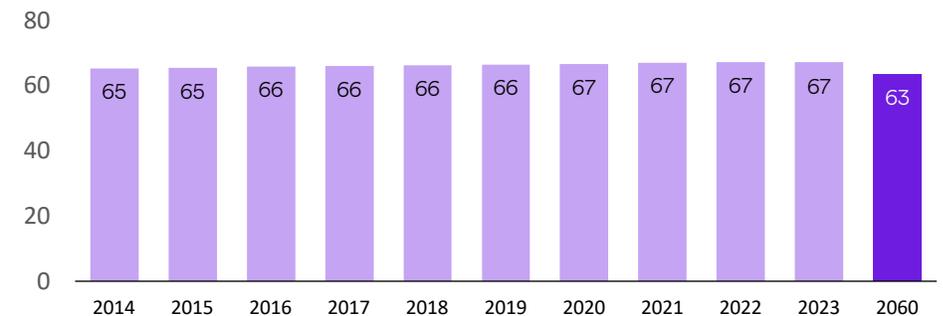
U.N. Dept. of Economic and Social Affairs 2024



Working-age population % of population

Working age population is the share of 15- to 64-year-olds in the total population. |

U.N. Dept. of Economic and Social Affairs 2024





Facts & Figures | Demographics

POLAND

Population Size

38 million

U.N. Dept. of Economic and Social Affairs 2025

Population Growth Annual %

-0.4%

World Bank 2023

Share World Population

0.46%

U.N. Dept. of Economic and Social Affairs 2025

Share Urban Population

59.2%

U.N. Dept. of Economic and Social Affairs 2025

Median Age

42.5 years

U.N. Dept. of Economic and Social Affairs 2025

Average HH Size

2.6 people

Michael Bauer Research 2023





Facts & Figures | Economy

POLAND

Real GDP Growth Annual

3.5%

International Monetary Fund 2025

GDP USD

915 billion

International Monetary Fund 2025

GDP per capita USD

25,040

International Monetary Fund 2025

GDP PPP USD

1.99 trillion

International Monetary Fund 2025

GDP per capita PPP USD

54,500

International Monetary Fund 2025

Human Development Index Rank

36

Rank of 193, UNDP 2022

Inflation Rate, average consumer prices, annual percent change, CPI

4.5%

International Monetary Fund 2025

Government Expenditure on Education as a Percentage of GDP

4.7%

World Bank 2021

Gini Index

28.5

World Bank 2021





Middle Class Briefing POLAND

The Liberal Future of the Country

Poland, said Prime Minister Donald Tusk at the EU summit in Brussels in December 2024, has the reputation of being “the **most ambitious and sensible country in Europe**”. The country's rise is impressive. Once known as the workbench of Europe, Poland is now making a name with impressive and **stable economic growth** and a high level of **education**. **Foreign direct investments** are increasing faster than in other Eastern European countries. The **low birth rate** is at least largely offset by a high proportion of **women in the workforce** (52%) and the influx of **skilled workers from Eastern Europe**. Young people in the country are considered **feminist, green and pro-European**. And even if society continues to be seen as divided between conservatives and liberals, it must be noted that the proportion of people at **risk of poverty** has been falling for several years and is now with **18% below the EU average of 21%**.

Boom Country Poland

“In Central and Eastern Europe, no other economy is growing as strongly as Poland.” (Renata Kabas-Komorniczak*)

* Poland head of the German auditing and consulting firm Rödl and Partner

Source: “Why German companies are investing more in Poland”, SZ, October 5th, 2024 | “No other country is growing as rapidly as Poland”, Focus, January 7th, 2025 | “The Polish Lesson”, Cultural Exchange Poland 2023 | Economic Change in Poland, bpb, October 2024 | Poland Overview, World Bank 2024 | Oxford Economics, “The future of the middle class in emerging markets”, 2024

7.2
million hh
today
/
13.8
million hh
by 2029

Middle Class Size by definition of as households earning between US\$20,000 and US\$70,000 per year (Oxford Economics 2024).

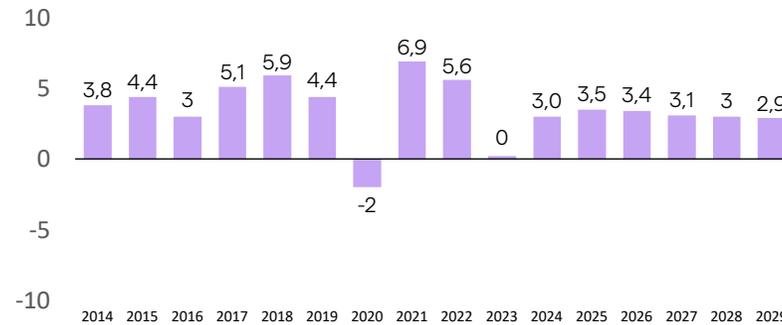




Market Review and Outlook: POLAND

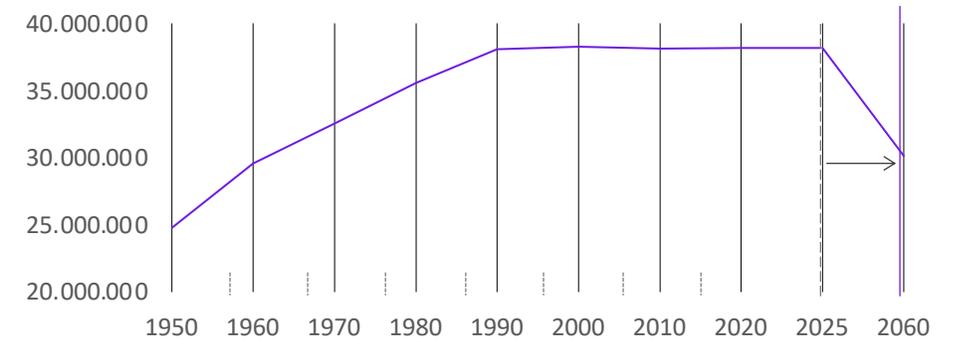
GDP Growth Annual percent change

International Monetary Fund October 2024



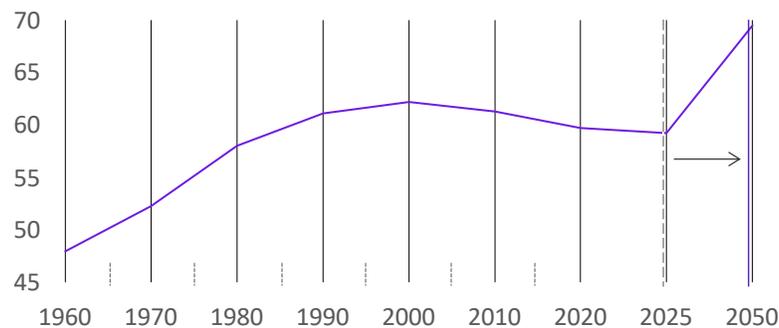
Population growth in total population

U.N. Dept. of Economic and Social Affairs 2024



Urbanization Rate % of total population

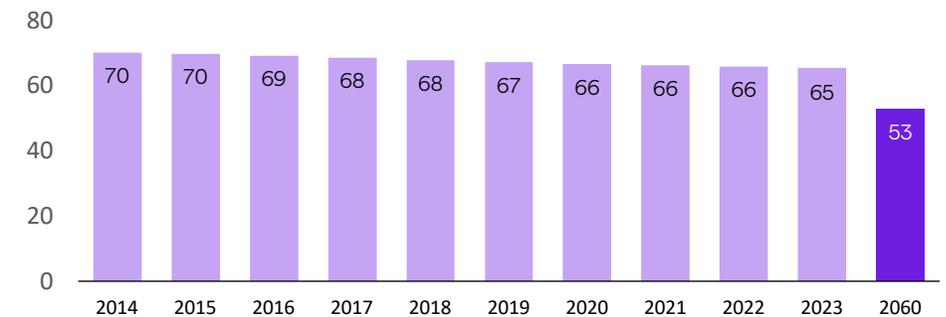
U.N. Dept. of Economic and Social Affairs 2024



Working-age population % of population

Working age population is the share of 15- to 64-year-olds in the total population. |

U.N. Dept. of Economic and Social Affairs 2024





Facts & Figures | Demographics

NIGERIA

Population Size

235 million

U.N. Dept. of Economic and Social Affairs 2025

Population Growth Annual %

2.4%

World Bank 2023

Share World Population

2.89%

U.N. Dept. of Economic and Social Affairs 2025

Share Urban Population

54.9%

U.N. Dept. of Economic and Social Affairs 2025

Median Age

18.1 years

U.N. Dept. of Economic and Social Affairs 2025

Average HH Size

4.5 people

Michael Bauer Research 2023





Facts & Figures | Economy

NIGERIA

Real GDP Growth Annual

3.2%

International Monetary Fund 2025

GDP USD

195 billion

International Monetary Fund 2025

GDP per capita USD

835

International Monetary Fund 2025

GDP PPP USD

1.56 trillion

International Monetary Fund 2025

GDP per capita PPP USD

6,710

International Monetary Fund 2025

Human Development Index Rank

161

Rank of 193, UNDP 2022

Inflation Rate, average consumer prices, annual percent change, CPI

25%

International Monetary Fund 2025

Government Expenditure on Education as a Percentage of GDP

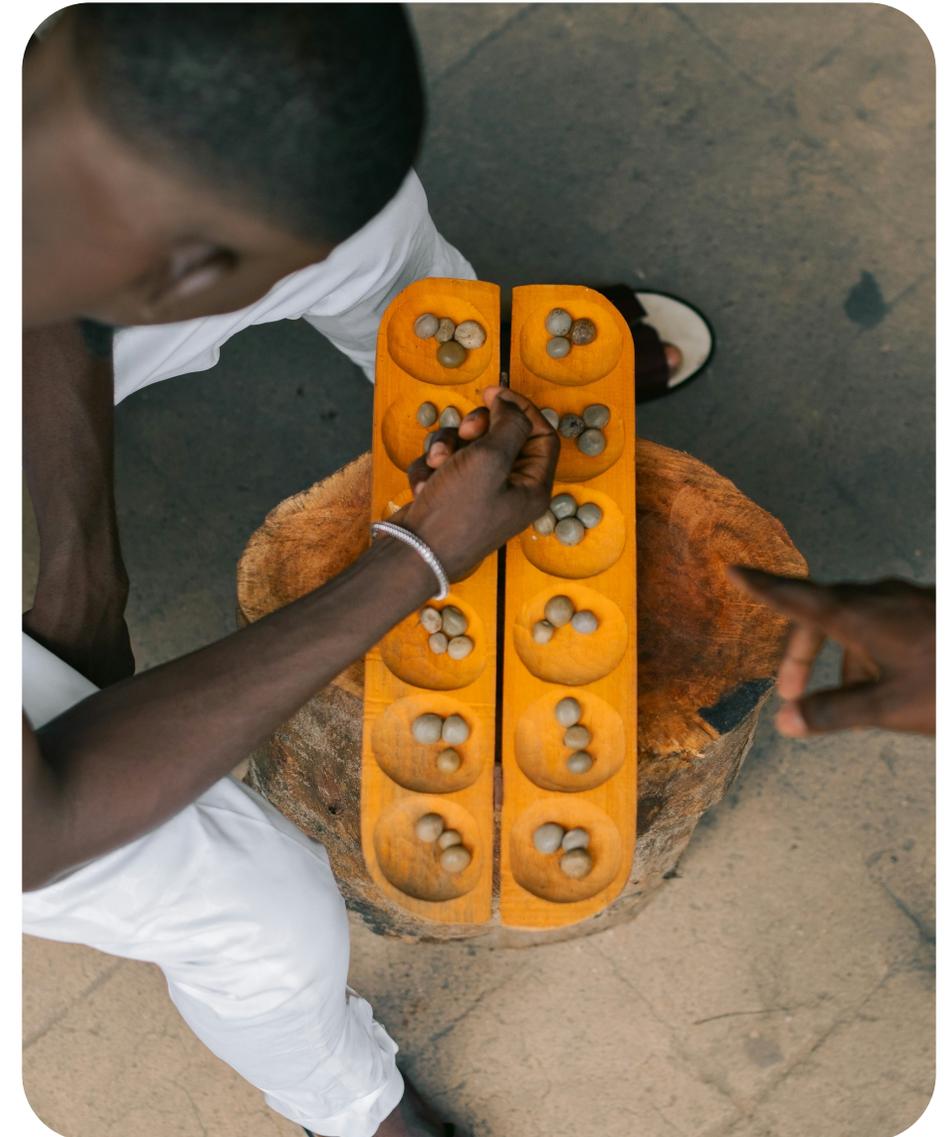
0.3%

World Bank 2022

Gini Index

35,1

World Bank 2018





Middle Class Briefing **NIGERIA**

Development with Long-Term Perspective

Nigeria is a country with great potential and will have the **third largest population in the world by 2050**. At the same time, the country has immense **natural resources**, especially oil, which accounts for a large part of the GDP. However, problems such as **inflation, weak infrastructure and high unemployment** are hampering economic growth. As the country also faces significant **political challenges**, including corruption, ethnic tensions and insecurity exacerbated by armed groups, the forecasts are clear: by 2038, the absolute number of people living in **extreme poverty** will increase and the proportion of people who can be counted as **middle class will only increase slightly**. One exception is **Lagos**, also known as the “**face of modern Africa**”. Here the modern middle class is growing.

Optimism in Lagos and Surroundings

“The economy can be brought back on track in a few months, and I think we are on the right way.” (Aliko Dangote, Dangote Foundation*)

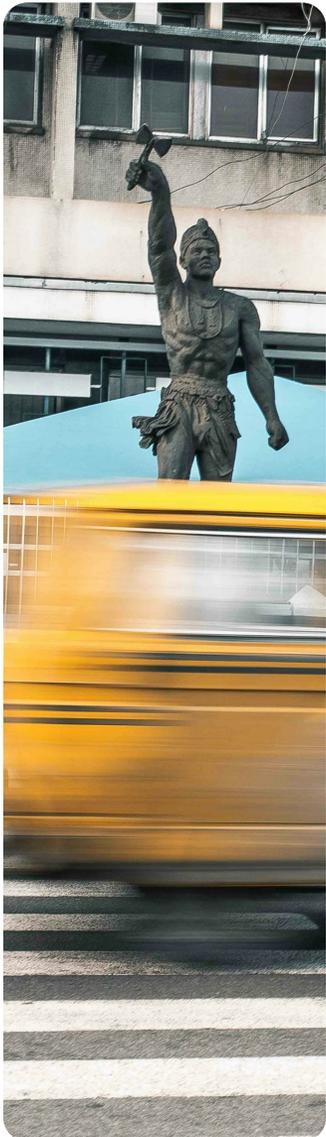
*Entrepreneur Aliko Dangote is a member of a newly formed economic council that is helping President Bola Tinubu stabilize Nigeria’s economy.

Source: Institute for Security Studies: Nigeria 2050 | World Bank Group: Nigeria Update, 10/2024 | Nigeria Country Report 2024, Bertelsmann Stiftung | Oxford Economics, “The future of the middle class in emerging markets”, 2024

1.0
million hh
today
/
2.4
million hh
by 2029

Middle Class Size by definition of as households earning between US\$20,000 and US\$70,000 per year (Oxford Economics 2024).

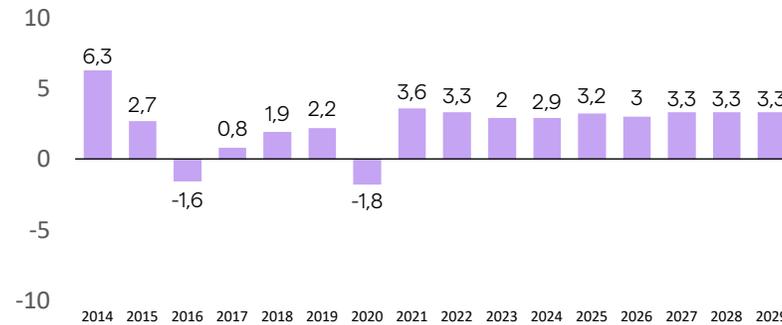




Market Review and Outlook: NIGERIA

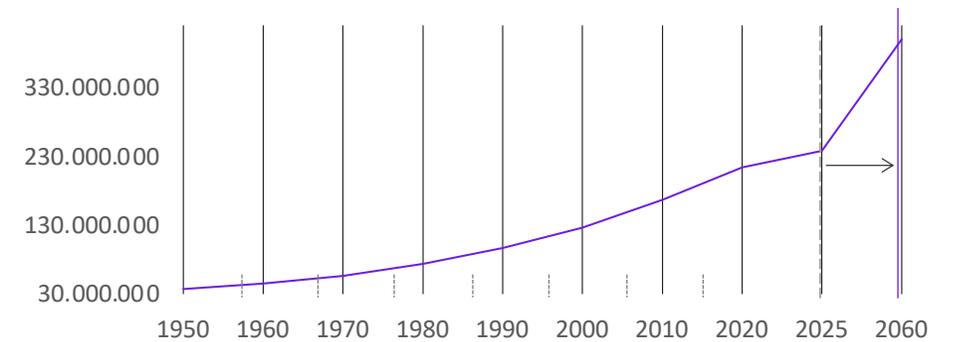
GDP Growth Annual percent change

International Monetary Fund October 2024



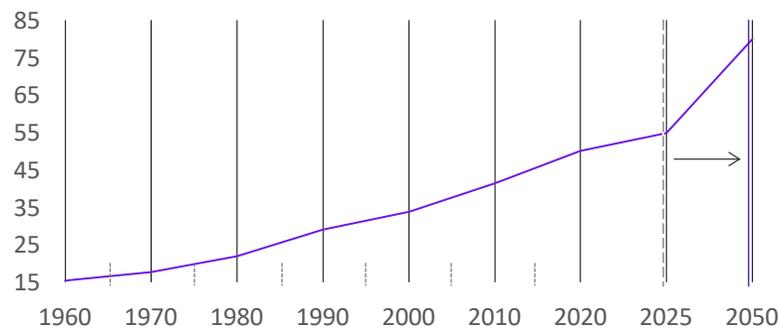
Population growth in total population

U.N. Dept. of Economic and Social Affairs 2024



Urbanization Rate % of total population

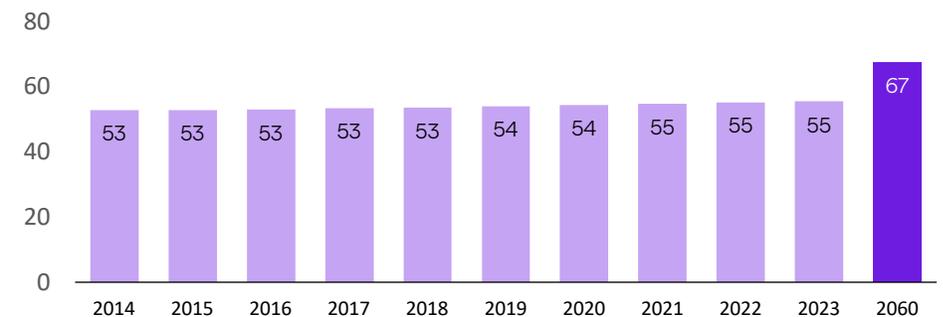
U.N. Dept. of Economic and Social Affairs 2024



Working-age population % of population

Working age population is the share of 15- to 64-year-olds in the total population. |

U.N. Dept. of Economic and Social Affairs 2024





Facts & Figures | Demographics

CHINA

Population Size

1.42 billion

U.N. Dept. of Economic and Social Affairs 2025

Population Growth Annual %

-0.1%

World Bank 2023

Share World Population

17.2%

U.N. Dept. of Economic and Social Affairs 2025

Share Urban Population

67.5%

U.N. Dept. of Economic and Social Affairs 2025

Median Age

40.1 years

U.N. Dept. of Economic and Social Affairs 2025

Average HH Size

2.7 people

Michael Bauer Research 2022





Facts & Figures | Economy

CHINA

Real GDP Growth Annual

4.5%

International Monetary Fund 2025

GDP USD

19.53 trillion

International Monetary Fund 2025

GDP per capita USD

13,870

International Monetary Fund 2025

GDP PPP USD

39.44 trillion

International Monetary Fund 2025

GDP per capita PPP USD

28,010

International Monetary Fund 2025

Human Development Index Rank

75

Rank of 193, UNDP 2022

Inflation Rate, average consumer prices, annual percent change, CPI

1.7%

International Monetary Fund 2024

Government Expenditure on Education as a Percentage of GDP

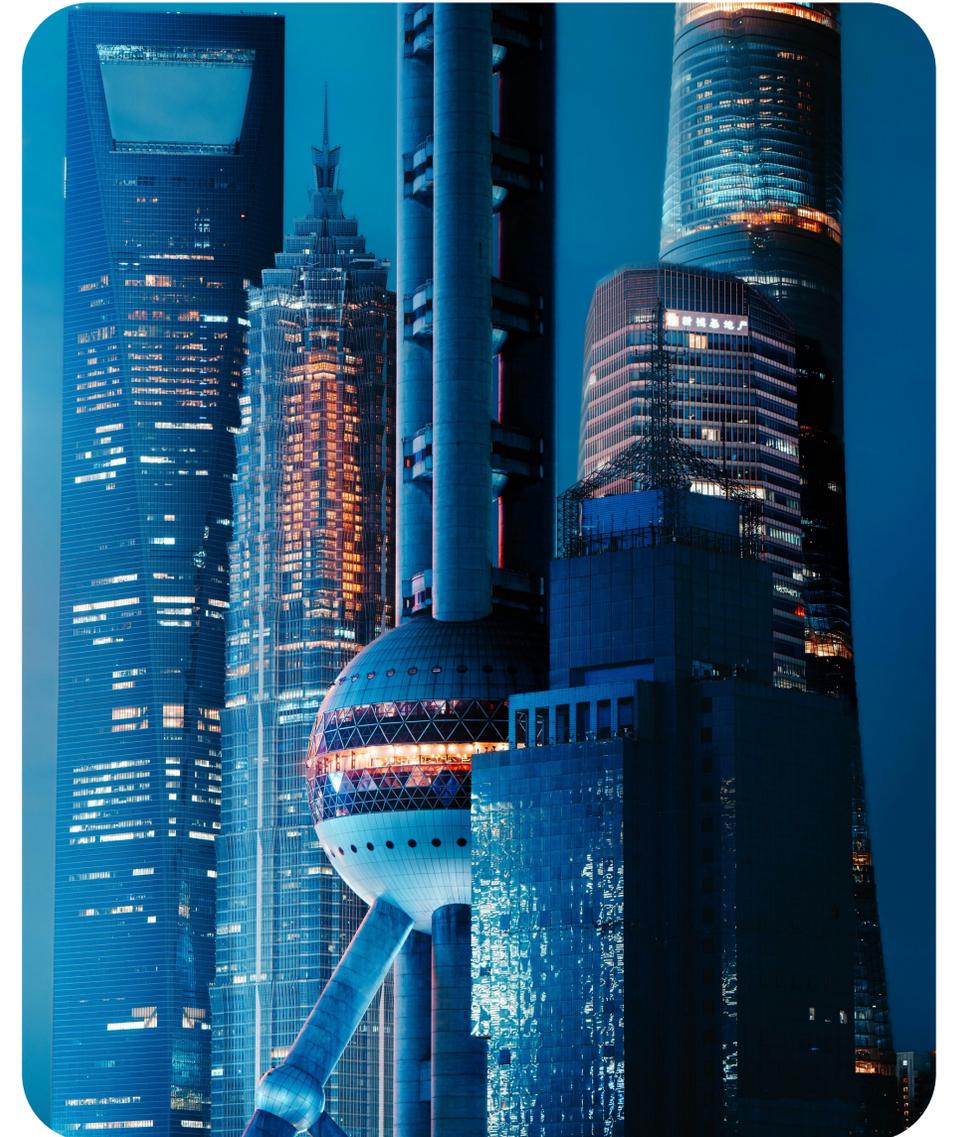
4.0%

World Bank 2022

Gini Index

37.1

World Bank 2020





Middle Class Briefing CHINA

Middle Class on the Rise Amid Economic Challenge

China's middle class has experienced **remarkable growth** in recent decades, emerging as a crucial driver of economic development. By 2030, the middle and upper classes are projected to increase by over 80 million people, making up **40% of the population**, with **70% residing in third- or lower-tier cities**. Despite surpassing its self-imposed economic growth target of over 5% last year, China's **consumer spending has fallen** short of expectations. Household consumption currently represents only 37% of GDP, as the population remains cautious about spending, still influenced by the lingering effects of the pandemic. Additionally, annual **population growth has been declining** for the third consecutive year, posing **long-term challenges to labour productivity**. Aware of these implications, the government in Beijing has already implemented various measures last year to reignite economic momentum.

Competitiveness, Innovation, and Technology

"The most important thing for a country is not your top line GDP growth rate. What's most important is how competitive you are, what kind of companies you're creating and what kind of technology you're creating."
(Andy Xie, Economist*)

*Andy Xie is an independent economist based in Shanghai, and the former Morgan Stanley star chief Asia-Pacific economist

Source: "The Next Chapter in China's Consumer Story", BCG, 2023 | "China's squeeze on the aspiring classes will have an economic cost", Financial Times, 2024 | Oxford Economics, "The future of the middle class in emerging markets", 2024 | "China's Middle Class – Growth, Policy, and Consumption", China Briefing, 2023

150
million hh
today
/
240
million hh
by 2029

Middle Class Size of households earning between US\$20,000 and US\$70,000 per year (Oxford Economics 2024).

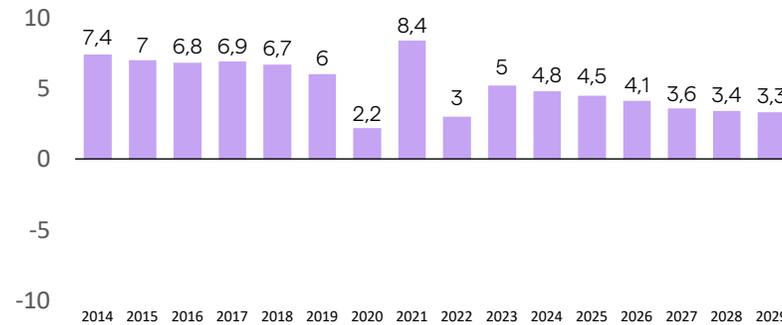




Market Review and Outlook: CHINA

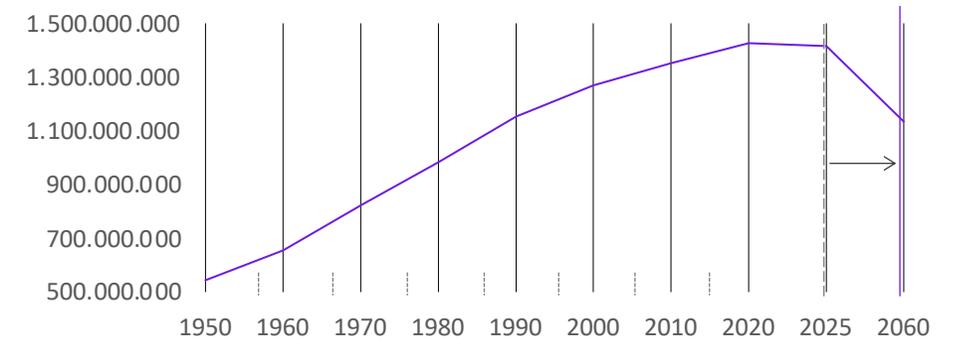
GDP Growth Annual percent change

International Monetary Fund October 2024



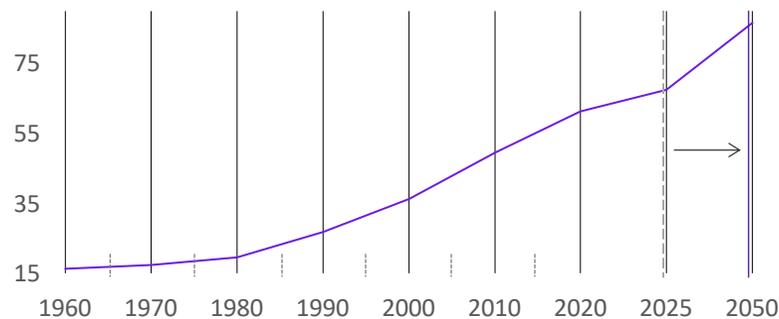
Population growth in total population

U.N. Dept. of Economic and Social Affairs 2024



Urbanization Rate % of total population

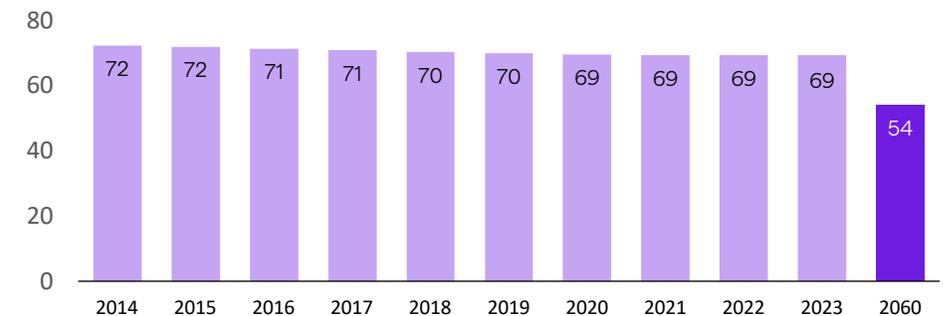
U.N. Dept. of Economic and Social Affairs 2024



Working-age population % of population

Working age population is the share of 15- to 64-year-olds in the total population. |

U.N. Dept. of Economic and Social Affairs 2024





Facts & Figures | Demographics

USA

Population Size

346 million

U.N. Dept. of Economic and Social Affairs 2025

Population Growth Annual %

0.5%

World Bank 2023

Share World Population

4.2%

U.N. Dept. of Economic and Social Affairs 2025

Share Urban Population

82.8%

U.N. Dept. of Economic and Social Affairs 2025

Median Age

38.5 years

U.N. Dept. of Economic and Social Affairs 2025

Average HH Size

2.5 people

Statista 2023





Facts & Figures | Economy USA

Real GDP Growth Annual

2.2%

International Monetary Fund 2025

GDP USD

30.34 trillion

International Monetary Fund 2025

GDP per capita USD

89,680

International Monetary Fund 2025

GDP PPP USD

30.34 trillion

International Monetary Fund 2024

GDP per capita PPP USD

89,680

International Monetary Fund 2024

Human Development Index Rank

20

Rank of 193, UNDP 2022

Inflation Rate, average consumer prices, annual percent change, CPI

1.9%

International Monetary Fund 2025

Government Expenditure on Education as a Percentage of GDP

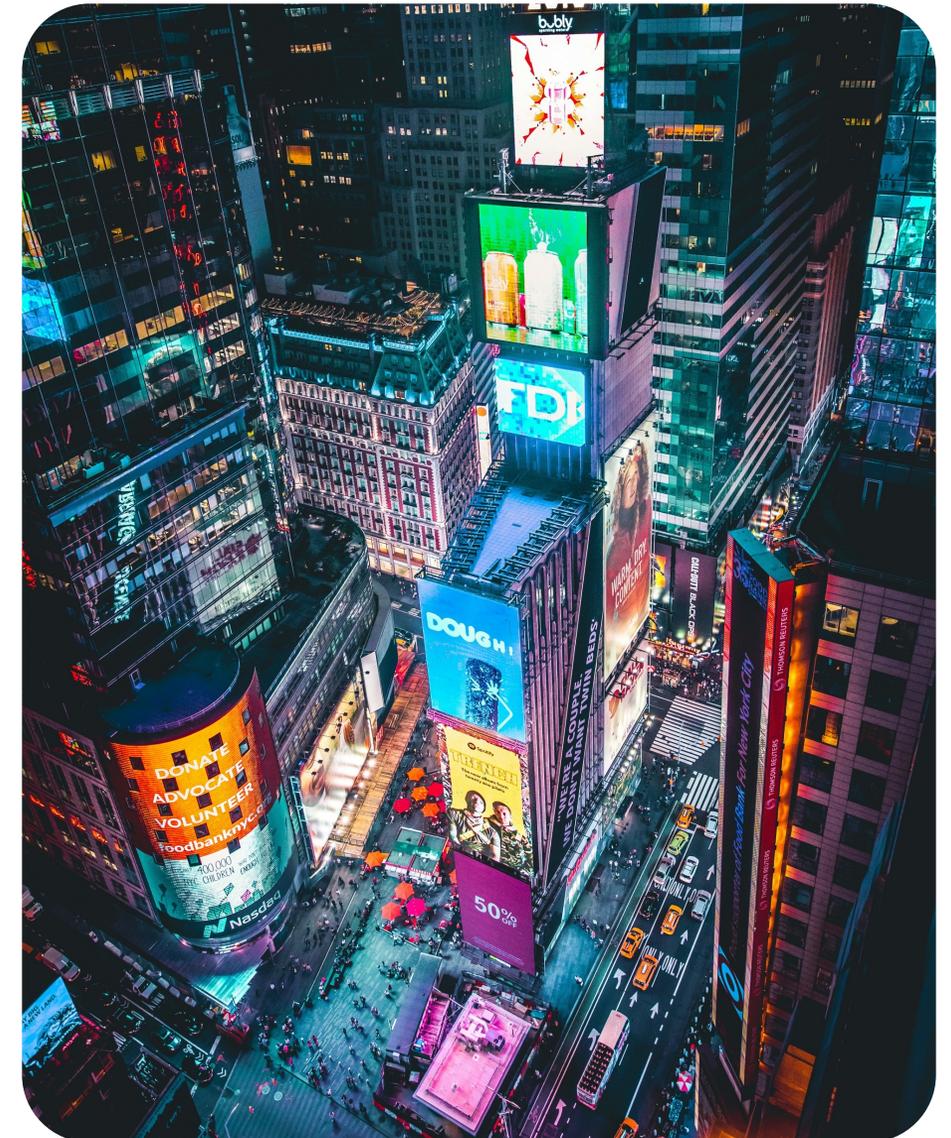
5.4%

World Bank 2021

Gini Index

39,8

World Bank 2021





Middle Class Briefing USA

Middle class declined but now hopes for growth

Over the past 50 years, the U.S. middle class has **shrunk by over 10%**, with **51% of the population classified as middle class in 2023**. Alongside this decline, middle-class incomes have grown more slowly than those of upper-income households, while costs for **housing, education, and healthcare** have outpaced median household income growth. Additional challenges are high **childcare costs** and limited access to **quality services**, which strain finances and hinders **workforce participation**, particularly for **women**. With unemployment at a record low and an avoided recession in 2024, expectations for economic growth in 2025 were high. But markets and the middle class are unsettled. The erratic economic policy of the new government is particularly troubling for middle-income earners. Even Donald Trump does not rule out the possibility of a recession in the U.S. Under these conditions, an increase in the middle class is not to be expected in the short term and will only become more likely once U.S. economic policy becomes aware of its international dependencies.

Middle Class and the American Dream

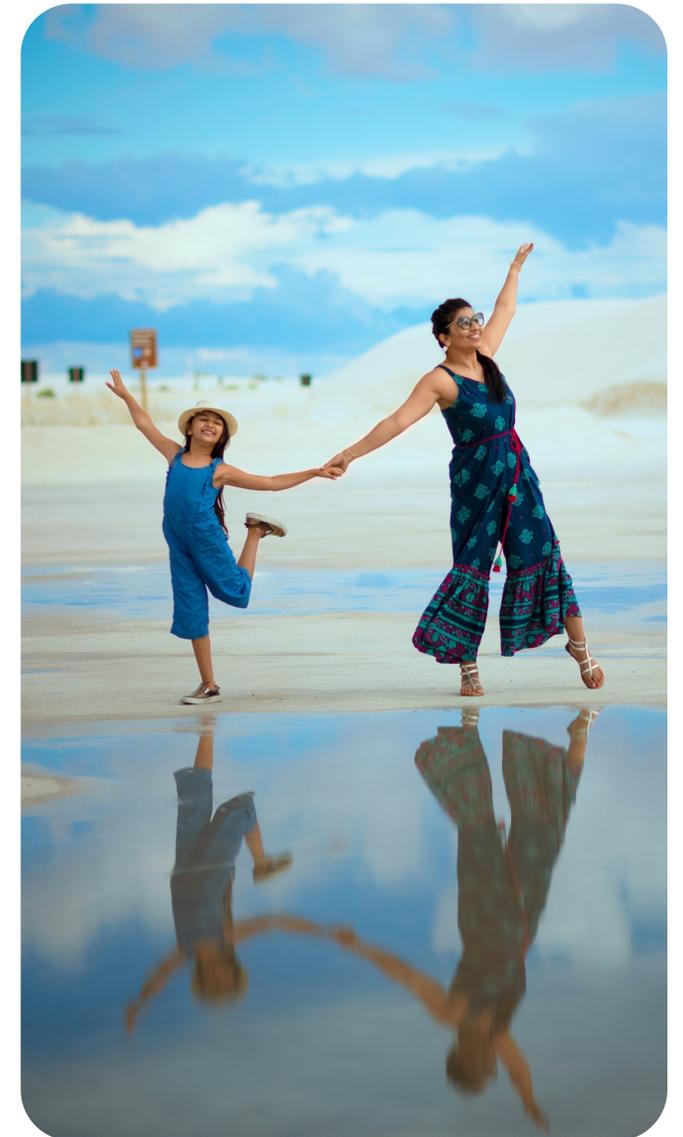
“Middle class-ness and predictability are very tied in the American imagination. Sometimes that is about security in the present, but it also means feeling secure about where life is going” (Caitlin Zaloom, Anthropologist*)

*Caitlin Zaloom is a cultural anthropologist and a professor of Social & Cultural Analysis at New York University.

Source: “How Americans define a middle-class lifestyle – and why they can’t reach it”, Washington Post, 2024 | “The State of the American Middle Class”, Pew Research, 2024 | United States Economic Forecast, Deloitte, 2024 | Economic Well-Being of U.S. Households in 2023, Federal Reserve System | “Steady 54% of Americans Identify as Middle Class”, Gallup, 2024 | Der Spiegel, “Ruiniert Trump die US-Wirtschaft?”, 2025

67
million hh
today
/
67
million hh
by 2029

Middle-income households are defined as those with an income that is two-thirds to double that of the U.S. median household income, after incomes have been adjusted for household size respectively between 157,076 USD and 52,359 USD (Pew Research Center 2024).

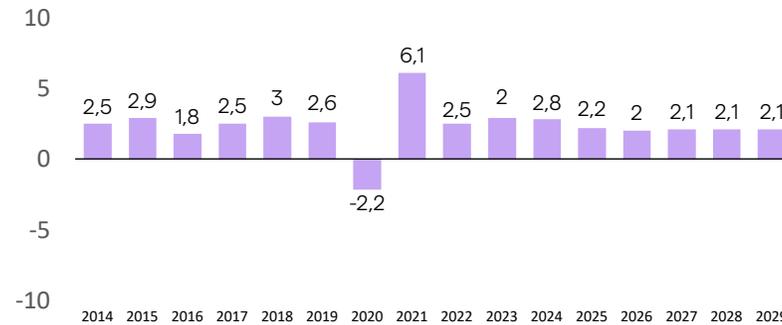




Market Review and Outlook: USA

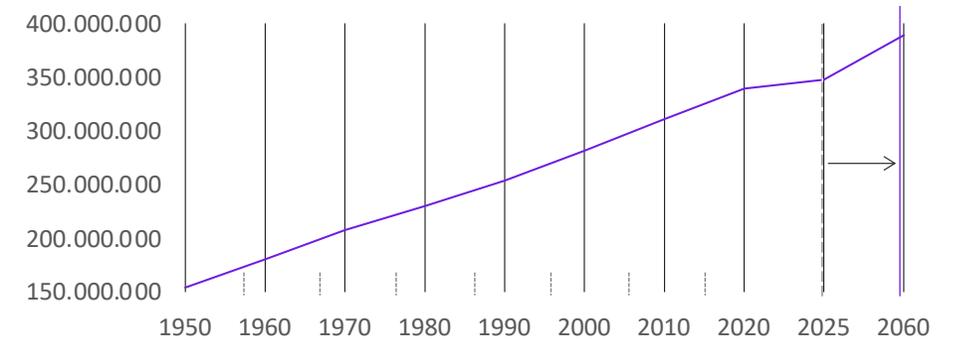
GDP Growth Annual percent change

International Monetary Fund October 2024



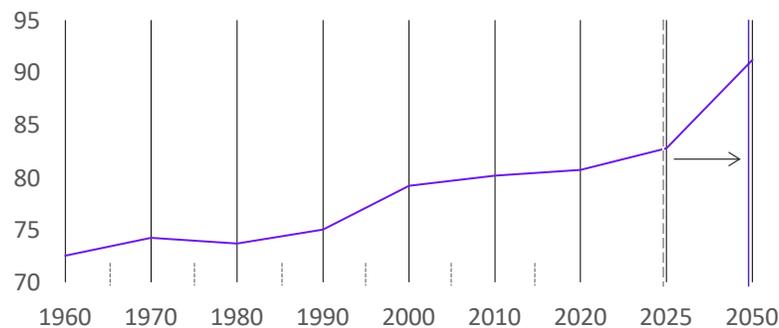
Population growth in total population

U.N. Dept. of Economic and Social Affairs 2024



Urbanization Rate % of total population

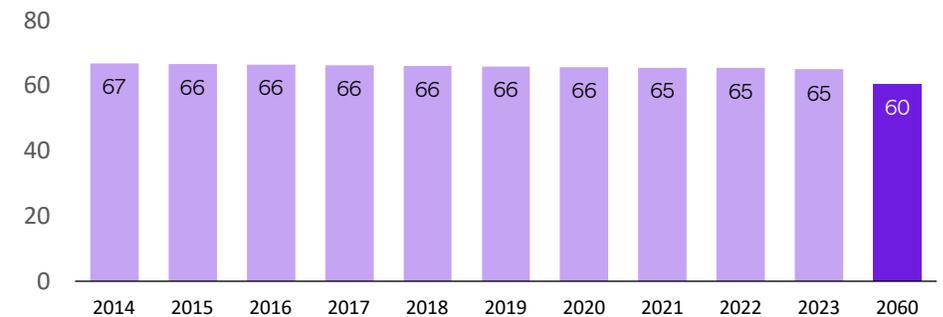
U.N. Dept. of Economic and Social Affairs 2024



Working-age population % of population

Working age population is the share of 15- to 64-year-olds in the total population. |

U.N. Dept. of Economic and Social Affairs 2024





Facts & Figures | Demographics

GERMANY

Population Size

84 million

U.N. Dept. of Economic and Social Affairs 2025

Population Growth Annual %

0.8%

World Bank 2023

Share World Population

1.0%

U.N. Dept. of Economic and Social Affairs 2025

Share Urban Population

76.5%

U.N. Dept. of Economic and Social Affairs 2025

Median Age

45.5 years

U.N. Dept. of Economic and Social Affairs 2025

Average HH Size

2.0 people

Statista 2023





Facts & Figures | Economy

GERMANY

Real GDP Growth Annual

0.8%

International Monetary Fund 2025

GDP USD

4.92 trillion

International Monetary Fund 2025

GDP per capita USD

57,910

International Monetary Fund 2025

GDP PPP USD

6.17 trillion

International Monetary Fund 2025

GDP per capita PPP USD

72.660

International Monetary Fund 2025

Human Development Index Rank

7

Rank of 193, UNDP 2022

Inflation Rate, average consumer prices, annual percent change, CPI

2.0%

International Monetary Fund 2024

Government Expenditure on Education as a Percentage of GDP

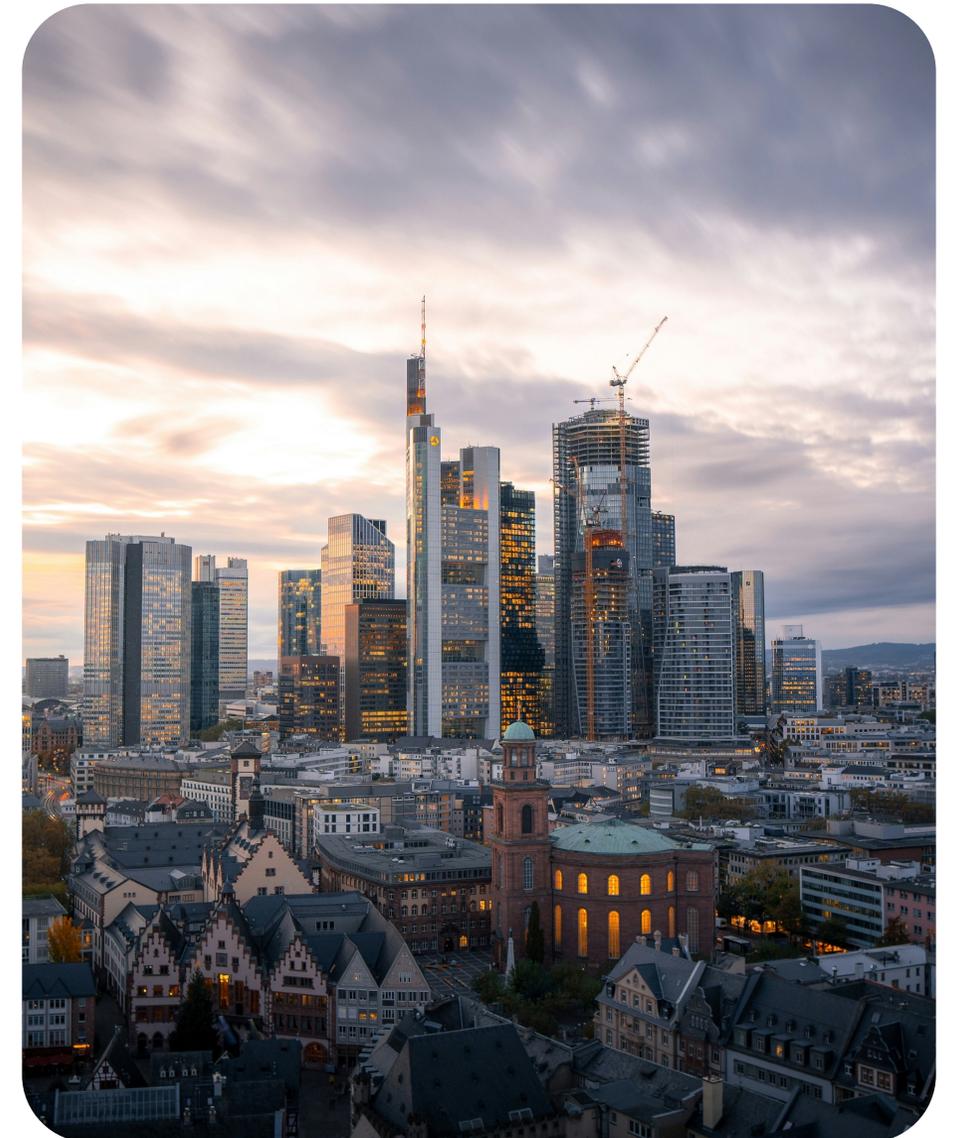
4.5%

World Bank 2022

Gini Index

29.4

Eurostat 2023





Middle Class Briefing GERMANY

Germany's Shrinking Middle Class: Challenges and the Path Forward

The middle class in Germany is shrinking, dropping from **72% in 1995 to 63% of the population in 2023**. This decline, driven by changes in the lower and upper middle classes, places Germany's middle class only **mid-range in a European comparison**. The **widening income gap**, coupled with the pandemic and **inflation**, has worsened conditions for **lower-middle-class** households. Consequently, fears of **losing one's standard of living** have grown across the middle class, with even 47% of the upper middle class sharing these concerns. **Demographic shifts** and Germany's delayed **digital transformation** are key contributors to this trend. To secure future prosperity and make the middle class attainable for **younger generations, reducing bureaucracy, improving infrastructure, and addressing climate change** are essential.

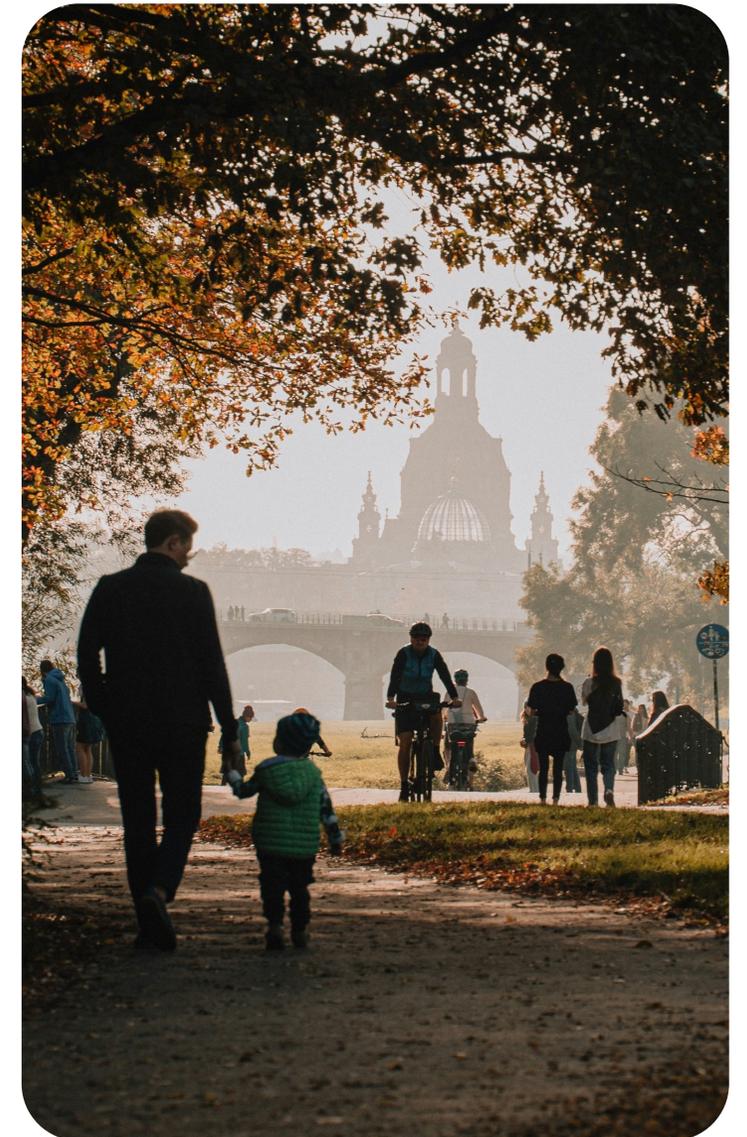
Middle Class and the American Dream

"The German middle class shrank in the late 1990s and early 2000s – especially at the lower end – and has not recovered since then." (OECD 2023)

Source: "The fear of poverty is growing so strongly – even in the middle class", RND, 2024 | Distribution Report WSI, 2024 | Distributional Wealth Accounts, Bundesbank, 2024 | "Is the German Middle Class Crumbling"? Risks and Opportunities, OECD, 2023 | "The middle class in Germany: belonging, development and tax burden", ifo Institut 2023

26
million hh
today
/
25
million hh
by 2029

Net disposable income (including transfers) between 17,475 and 46,600 euros. Couples without children = 26,212 and 69,900 euros. Couples with two children = EUR 36,698 and EUR 97,860 (ifo Institut, 2023).

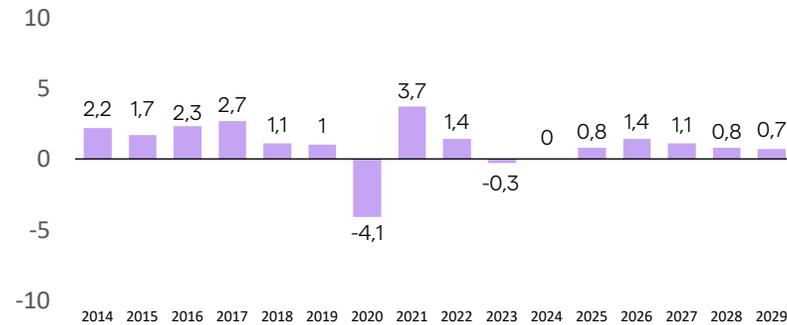




Market Review and Outlook: GERMANY

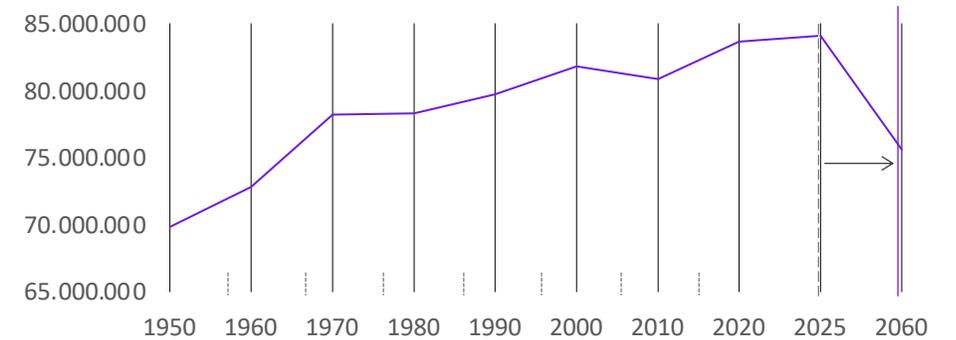
GDP Growth Annual percent change

International Monetary Fund October 2024



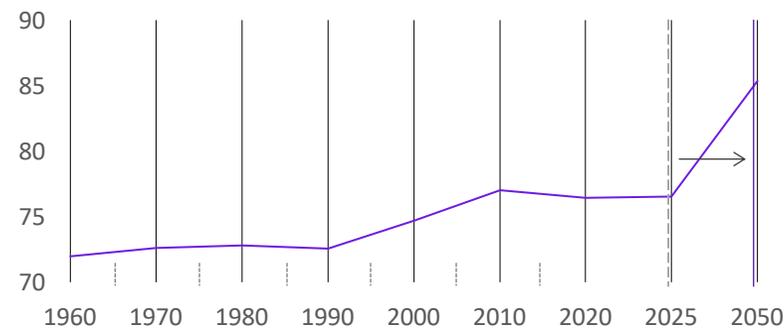
Population growth in total population

U.N. Dept. of Economic and Social Affairs 2024



Urbanization Rate % of total population

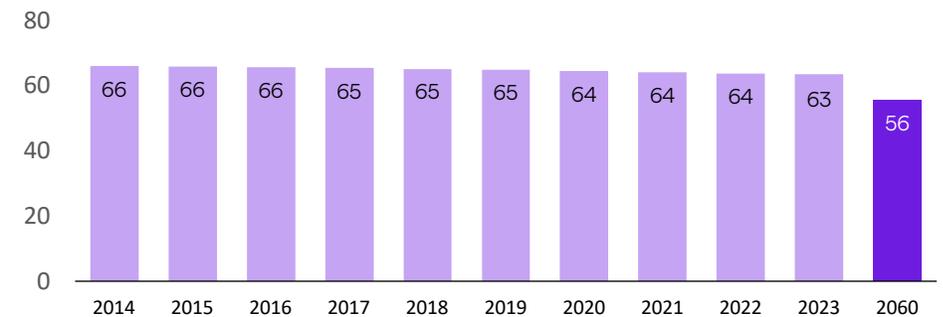
U.N. Dept. of Economic and Social Affairs 2024



Working-age population % of population

Working age population is the share of 15- to 64-year-olds in the total population. |

U.N. Dept. of Economic and Social Affairs 2024



Country Reports Middle Class: Expert Insights & Future Forecast

HTS: Next Billion Middle Class Consumers

Interviewed Experts



Laura Höflinger

Laura Höflinger studied science journalism in Darmstadt and graduated from the Henri Nannen School of Journalism. She has been working for SPIEGEL since 2011, initially as an editor in the science and technology department and since 2017 as a correspondent in India.



Tjerk Brühwiler

Latin America correspondent and political editor for the Frankfurter Allgemeine Zeitung, previously for the Neue Zürcher Zeitung. Journalist for 25 years. Living in Brazil since 2009 with a constant eye on politics, economy and society in the region. Open to tips, topics and new contacts.



Prof. Henryk Domański

Sociologist, professor at the Institute of Philosophy and Sociology of the Polish Academy of Sciences in Warsaw, director of IFIS PAN in the years 2000–2012. He deals with the study of social stratification, social mobility, methodology of social research and international comparative studies.



Dr. Tom Simmert

Research associate in the BMBF-funded joint research project CEDITRAA - Cultural Entrepreneurship and Digital Transformation in Africa and Asia, Johannes Gutenberg University Mainz and research assistant at the Institute of Anthropology and African Studies, Johannes Gutenberg University Mainz, regular research stays in Lagos, Nigeria for 10 years.



Wasisto Raharjo Jati

Wasisto Raharjo Jati is a researcher at Research Center for Politics at Indonesia's National Research and Innovation Agency (BRIN) and a research fellow on governance, public policy, and development studies at International NGO Forum on Indonesian Development (INFID). His main research interests include voting behaviour, politics of Indonesian middle class, and political movement.



Emeritus Prof.

Dato' Dr. Abdul Rahman Embong

Professor Dato' Dr. Abdul Rahman Embong, PhD, is emeritus professor in sociology of development, and serves as a principal research fellow at the Institute of Malaysian and International Studies (IKMAS), Universiti Kebangsaan Malaysia. His research focus is on development, middle class, ethnicity, corruption and integrity, nation-state and globalisation.



Dr. Binh Trinh

Dr. Binh Trinh is a postdoctoral researcher at BRIN, Indonesia. Her research focuses on citizenship, economic globalisation and international migration of Southeast Asian migrant workers. Dr. Trinh graduated from the University of Leeds in 2020 with a doctoral degree in Politics and International Studies. She specialises in qualitative research and fieldwork studies. Her research specialisation is on gender, civil society, NGOs and governance in post-colonial and post-socialist economies in Southeast Asia.



Deep Dive Middle Class INDIA

“With its relatively low entry barrier, the IT and service sector are the most important drivers of the Indian economy, and therefore crucial for the current and future growth of the Indian middle class. However, in relation to the size of the population, the capacity of these sectors, and therefore potential to boost middle class growth, is limited.”

Laura Höflinger

Laura Höflinger, editor in the science and technology department of the SPIEGEL and since 2017 as a correspondent in India

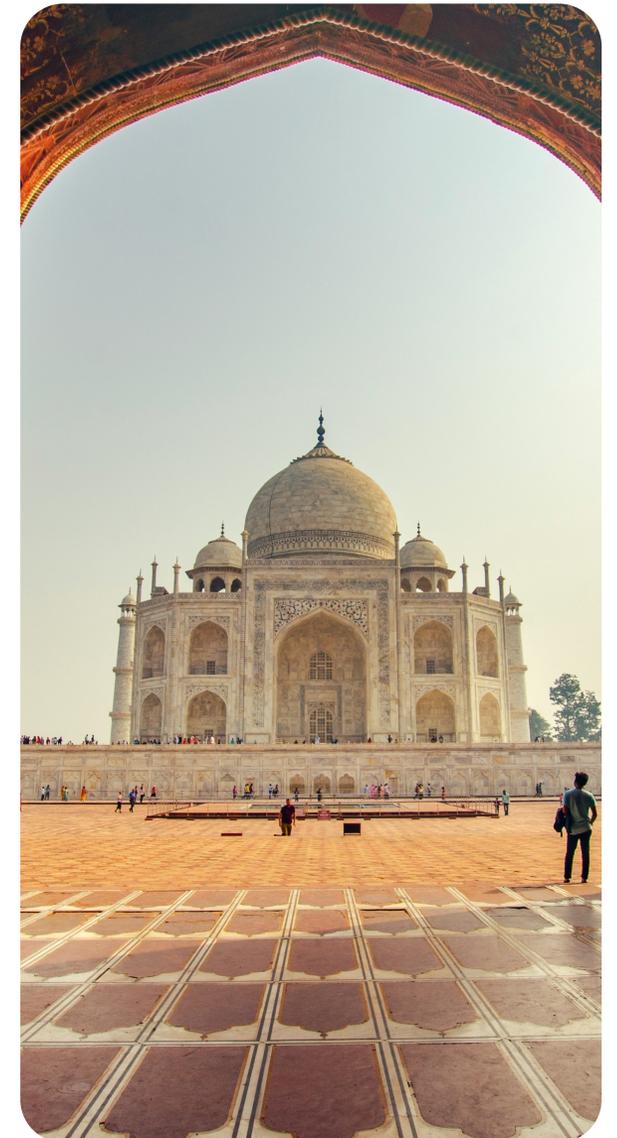
Definition and size of middle class

“The Indian Middle Class is conservative, with a strong emphasis on religious, family and traditional oriented values. Liberal values are not prevalent in the middle class but more common in the upper elite.

According to the World Bank, only about 7% of India’s population belongs to the middle class, defined by a disposable monthly income of over 500 euros.

The middle class in India are the people who can spend more than 100 Euros a month without compromising their living standard.”

Laura Höflinger





India's Middle Class and Economic Aspirations: Growth, Consumption, and Social Mobility

With its vision "Viksit Bharat 2047" ('Developed India'), India has announced the goal of becoming a developed country by 2047, 100 years after its independence. The chances of this happening are promising. According to IMF forecasts, India will become the third largest economy in the world by 2027.

The country's robust economic development is supported by stable growth and a favourable demographic trend. India is currently the country with the largest young population in the world and will remain so for the foreseeable future. The best conditions for growing prosperity and a strong middle class. How fast and to what extent India's middle class will grow in the future depends on whether India manages to increase the proportion of women in the labour market, reduce the high youth unemployment rate, improve education and build up a productive industry.

"India could grow even faster if inequality were tackled."

Thomas Piketty



"The Indian middle class will definitely grow, and India as a country will definitely ascend. The living standards are improving day by day."

Laura Höflinger

India's middle class has grown strongly in recent years, but in terms of income, its share of the total population is relatively small. According to the World Bank, only about 7% of India's population belongs to the middle class, defined by a disposable monthly income of over 500 euros.

India's recent economic success, and middle class growth, can be largely attributed to its growing IT and services sector, which contributes for roughly half of India's gross value added (GVA) but employs only 31% of India's workforce. Yet this sector alone is not sufficient to guarantee strong growth in middle incomes in the long term and to achieve prosperity for the majority of the population.



Middle Class Growth in India: Foreign Direct Investment Could Boost Double Digit Growth

While India's largest economic sector is still low waged agriculture, it additionally suffers from a shrinking industrial sector. Unlike China or South Korea, India lacks a strong manufacturing base. Too few foreign manufacturing companies are setting up operations in India to equip workers with the long-term skills needed to lift them into the middle class across generations. The extent of Indian middle class growth is therefor also depending on how fast India can become a more attractive location for foreign industries, therefor attract more FDI.

India's economic future in global trade is bolstered by its strong diplomatic relations with almost all countries, particularly its close ties with the USA, which remain intact under the new government. As economic tensions between China and the USA continue, India has the potential to emerge as one of the key beneficiaries. Additionally, the widespread use of English makes it easier for foreign companies to establish a presence in the country.

“We see four key drivers for India’s economic potential: India’s ‘demographic dividend’, urbanization and the corresponding expansion of the Indian consumer in a rising middle class, and infrastructure investments.”

David Born, Senior Manager Roland Berger

To attract more foreign investment and enhance profitability, India must undertake significant reforms in its bureaucratic system, land records, and labour laws. Measures that would, in the long run, contribute to the expansion of the middle class. The current administration has already begun addressing many of these issues, but as the world's largest democracy, the process of implementing reforms naturally takes time before yielding visible results.

While the standard of living is steadily improving, the middle class is unlikely to reach 50% of the population within the next two decades. Nevertheless, given India's consistent economic growth, a gradual increase in the middle class, albeit in single digits, is inevitable.

“Without a manufacturing sector and industry, India will not be able to achieve broad prosperity for its population. It lacks factories, like China or South Korea, that could employ many workers and thus enable a faster and sustainable rise of the middle class.”

Laura Höflinger



Middle Class Values: Upper and Lower Middle Class

Being part of the middle class holds great significance in India. It represents financial security, stable pensions, social protection, and a promising prospect for prosperity. Typical middle-class professions can be found in the IT and service sectors, the pharmaceutical industry, and the civil service.

When analysing the values of the Indian Middle class, a distinction has to be made between upper middle class (UMC) and lower middle class (LMC). While both share similarities in values, differences arise from income, education, and social background (caste).

Both groups emphasize security, tradition, and conformity in their values, while seeing themselves as the backbone of the nation. They prioritize financial stability, family values, and social respectability. Hard work, law-abiding behaviour, and adherence to social norms are central to their identity.



“India is a conservative country. Tradition, religion and spirituality play an important role in the lives of Indians. Only 5% of the population marry outside their own caste.

Laura Höflinger

Key Differences: The UMC is cosmopolitan oriented, valuing achievement, recognition, and modernity. They emphasize professional status, elite education, English proficiency, conservation and self enhancement. Expecting recognition and reward of achievement through bolder moves against corruption and cleaner cities.

The LMC values focus on hard work, modesty, and social mobility. They emphasize traditional family structures, religious morality, and perseverance. Unlike the UMC, they seek government support for security and stability rather than social prestige.

Regardless of income, Indian society remains fundamentally conservative, and the middle class is no exception. Traditional values such as classic gender roles, family and religion are deeply rooted. For example, only about 5% of Indians marry outside their caste. Liberal values are mostly confined to the elite, and a shift within the middle class toward modern, Western-style societal norms is not expected in the foreseeable future.



Consumption Behaviour of the Indian Middle Class: Catalyst for Economic Growth

India's economy is primarily driven by domestic consumption, with household spending contributing around 60% of GDP, far higher than China's 37%, which relies more on investment and exports. This highlights the crucial role of the middle class in shaping economic growth. The Fast-Moving Consumer Goods (FMCG) sector plays a significant role in fueling this consumption-driven economy. After a pandemic-induced slowdown, the sector rebounded with a growth rate of 12.2% in mid-2023, supported by urban demand and a recovering rural market.

With 65% of India's population under 35, urbanization fuels economic dynamism. Migration to cities leads to higher wages, better education, and improved healthcare, boosting purchasing power. This rising urban middle class drives demand in housing, retail, automobiles, and services, creating a cycle of economic growth and expanding markets for innovative products from tech gadgets to healthcare solutions.

Simultaneously, digitalization and increased internet access have transformed consumer behaviour, with e-commerce and quick-commerce services gaining traction, especially for food, beverages, and household goods.

“Today being middle class means owning a foreign car, going on one holiday abroad, eating in an Italian restaurant. Our lifestyles are not different from millennials in New York and London. However, as I have a Brahmin upbringing, I am inclined to be simple and not show off.”

ISPP, 2022

For the Indian middle class, consumption signifies social mobility. Key status symbols include smartphones, refrigerators, entertainment electronics, cars and motorized two-wheelers. Education is a top priority, with strong investment in children's schooling and careers in medicine, engineering, and finance. While the elite send their children to the USA or UK, the middle class increasingly prefers Germany for affordable, high-quality education.





Consumption and Social Mobility: Aspirations of India's Middle Class

Private healthcare and schooling are essential aspirations, reinforcing the belief that private institutions offer superior opportunities. Domestic (spiritual) tourism is growing, reflecting a shift toward discretionary spending. The rising demand for sustainable and ethically produced goods also signals an evolution in consumer preferences, with more middle-class consumers willing to pay a premium for eco-friendly packaging and organic products.

Daily consumption habits reveal deeper social dimensions. Food-related spending is significant, with sweets, baked goods, and restaurant visits central to family and social life. Middle-class status is also evident in household dynamics, having a domestic servant is a symbol of affluence, reinforcing class distinctions.

The digital economy has also reshaped shopping habits, with direct-to-consumer (D2C) models and AI-driven personalized recommendations becoming common. Quick-commerce services have particularly gained popularity, with 37% of consumers preferring them for food and beverages due to spontaneous purchasing behaviours.



The Indian middle class, with its rising purchasing power and evolving aspirations, remains a key driver of economic expansion. Its spending patterns shape industries and reflect broader societal values, from education as a success pathway to private healthcare as a necessity. As this segment grows, its influence on India's economy and culture will only deepen.

“The middle class in India are the people who can spend more than 100 Euros a month without compromising their living standard.”

Laura Höflinger



Interview INDONESIA

“Middle Class Individuals in Indonesia are struggling under the phenomenon of the Sandwich Generation, meaning the responsibility of taking care of their own families and the expectation to financial support their parents.”

Wasisto Raharjo Jati

Wasisto Raharjo Jati, researcher at Research Center for Politics at Indonesia's National Research and Innovation Agency (BRIN) and a research fellow at International NGO Forum on Indonesian Development (INFID)

Definition and size of middle class

“The ideal type of middle class is basically a professional who has an income between 2 to 20 million rupees. They own a house, a car, and have access to public healthcare facilities. They can also afford leisure activities like co-working spaces, concert tickets, or going to a pub for socializing. That was the ideal middle-class lifestyle before the pandemic.”

According to the latest data from the Indonesian Central Bureau of Statistics (BPS) for 2024 Indonesia's middle class population was reported at 47.85 million individuals, accounting for 17.13% of the total population. This reflects a decline from 2019, when the middle class numbered 57.33 million people, or 21.45% of the population. In contrast, the “aspiring middle class” segment has grown, reaching 137.5 million people in 2024, or 49.22% of the population.

Wasisto Raharjo Jati





The Economic Future of the Indonesian Middle Class: Shift from the formal to the informal labour market sector

Indonesia is now the world's fourth most populous country and the tenth largest economy in terms of purchasing power parity. Furthermore, Indonesia has made tremendous progress in poverty reduction, reducing the poverty rate by more than half since 1999, to below 10 percent in 2019 – before the outbreak of the COVID-19 pandemic. However, recent data from the Indonesian Central Bureau of Statistics (BPS) have revealed a significant shrinkage of the country's middle class over the past five years, estimating that approximately 9.5 million people have fallen out of this socioeconomic class since 2019, while the emerging middle class grew by only 8.65 million people.

“Declining economic growth has affected much to the condition of the middle class in Indonesia recently.”

Wasisto Raharjo Jati

“The lower international demand for Indonesian raw materials puts additional strain on the middle class”.

Ega Kurnia Yazid, CNN Indonesia 2024

This decline is attributed to a confluence of factors, including the ongoing impact of the pandemic and job losses, particularly in the manufacturing sector. On January 1, 2025, the government implemented a VAT increase from 10% to 12%. This is compounded by rising fuel and energy prices and higher monthly contributions to statutory health insurance. In addition, the cost of commuting has also increased, affecting millions of Indonesians who rely on this mode of transport every day.

The population is highly proactive; around 50 percent of economic output is generated in the informal sector, which, however, offers lower wages and only minimal social security. While the International Monetary Fund (IMF) predicts stable economic growth of five percent annually through 2028, numerous challenges remain. Industrial competitiveness and the private sector's willingness to invest are hampered by frequent government intervention, pervasive corruption, cumbersome bureaucracy, long-neglected infrastructure, a shortage of skilled workers, and an overall inadequate level of education. As a result, far from enough jobs are being created to keep pace with population growth. Upper-middle-class people in particular are now increasingly looking for job opportunities abroad, especially in Australia and Japan.

Golden Indonesia 2045

Indonesia aims to become a high-income country by 2045 and thus significantly increase the proportion of people in the middle and upper middle class. This goal is part of the “Golden Indonesia 2045” vision issued by the government. At the same time, the country wants to transform itself into a country that creates “intelligent and superior human resources, a society that upholds pluralism, culture, religiosity and ethical values”. The aim is not only to be economically strong, but also to become an independent and free country and “one of the most influential in the Asia Pacific”. To achieve these goals, the World Bank calculates that Indonesia must significantly increase tax revenues for investments in human and physical capital. Currently, the country's public capital stock lags behind regional and structural peer countries. Closing these gaps could boost productive growth and support the sustainable average growth of 6 % required to become a high-income country by 2045.

(World Bank, December 2024)



Change in Values: The strong faith is unique in the Indonesian middle class

With approximately 230 million Muslims (87% of population), Indonesia today has the largest Muslim population in the world. The more democratic the country become, the greater the influence of religion. This development is particularly visible in the middle class, which is increasingly oriented towards religious values – often as a distancing from what is perceived as “Western” secularism. Furthermore, Indonesia has increasingly absorbed influences from the Middle East. Saudi Arabia, in particular, has invested in religious educational institutions and scholarships for Indonesian students, which have been particularly well-received by the urban middle class. And the Palestinian conflict is one of the most important current issues.

“This is a special condition in Indonesia: the more money the more pious you get.”

Wasisto Raharjo Jati

“Nearly all Indonesian respondents surveyed – 96 percent – answered that belief in God was necessary to be moral and have good values.”

The Jakarta Post/Pew Research Study



The family is at the centre of social life in Indonesia. Close relationships with extended relatives foster a strong sense of community, with neighbours and friends often viewed as extensions of one's own family. Married men automatically feel responsible not only for their own family, but also for their (extended) in-laws, which affects everyday life, consumption habits, and living arrangements: people come closer together and help each other. This is especially necessary in view of exploding housing costs. Furthermore, education is extremely important – those who have the necessary financial means invest in their own education and that of their children.

Health is another big value topic

“After the pandemic, work-life balance has become a priority, with many prioritizing health conditions over long working hours. Rather than being obsessed with high pay, people now seek jobs that allow time for physical activities and personal well-being.”

Wasisto Raharjo Jati



Shift of Consumer Behaviour

The split between daily and hedonistic consumer goods

Private consumption among Indonesia's middle class has still not reached pre-pandemic levels. Most importantly, consumption patterns are very different today than they were before. A study published in August 2024 by the Institute for Economic and Social Research at the University of Indonesia (LPEM-UI) shows that the purchasing power of the middle class and emerging middle class in Indonesia has declined over the past five years. People now have to allocate a larger portion of their budget to food and are therefore spending less on other things. "Non-food spending, such as consumer durables, health, education, and entertainment, is more predictive of purchasing power and economic well-being," the report states. Wasisto Raharjo Jati elaborates: According to his analysis, middle class spending has recently shifted from an entertainment and daily consumption focus to long-term profitable asset investment. After the pandemic, the middle class is more inclined to cut spending on entertainment and technology purchases but rather buy second hand. Instead of going to a concert or cinema, middle class people watch Netflix instead.

"The middle class is the driving force of economic activity and consumption in society. However, it is also vulnerable to various economic, health, and social shocks. Therefore, its social protection is very important."

Prof. Arif Anshory Yusuf, December 2024

Another problem is that, although Indonesia's middle class contributes most to tax revenue, it receives only limited social assistance, which is largely paid out through formal employment mechanisms such as job security and state health insurance. This leads to a phenomenon that economist Prof. Arif Anshory Yusuf of the Universitas Padjajaran summarizes as "immiserating growth". This refers to the situation in which positive economic growth is accompanied by increasing poverty among the middle class, who subsequently offset all consumer spending against each other. This is also evident when comparing the consumption behaviour of unmarried men with that of married men: After marriage, spending on leisure activities such as gyms or cinemas is drastically reduced. And then the focus is on maintaining the standard of living of the new extended family.

Islam shapes middle-class consumption

The significant influence of Islam can also be seen in the consumer sector. Greater religiosity by no means implies greater radicalization – in many cases, it is an individualized, consumer-oriented religious practice. This is reflected in phenomena such as the increasing popularity of Islamic fashion brands (Indonesia ranks third in the world in the Muslim fashion industry), halal-certified products, and religiously influenced leisure activities like Hijrah. And it can also be seen in the workplace: Employees are explicitly asking for opportunities to practice their faith in their daily work and to celebrate Islamic holidays.

ISEAS Institute 2025, The Halal Times 2024, Islamic Economy Market Size 2024, Study by Universitas Negeri Surabaya 2024



Deep Dive Middle Class MALAYSIA

“The Malaysian middle class has the hope that the country remains prosperous, allowing them to sustain their own well-being and economic stability. They aspire for their children to succeed and at least maintain the achievements of their parents, ensuring they do not fall too far below the middle-class standards set by previous generations.”

Emeritus Prof. Dato’ Dr. Abdul Rahman Embong

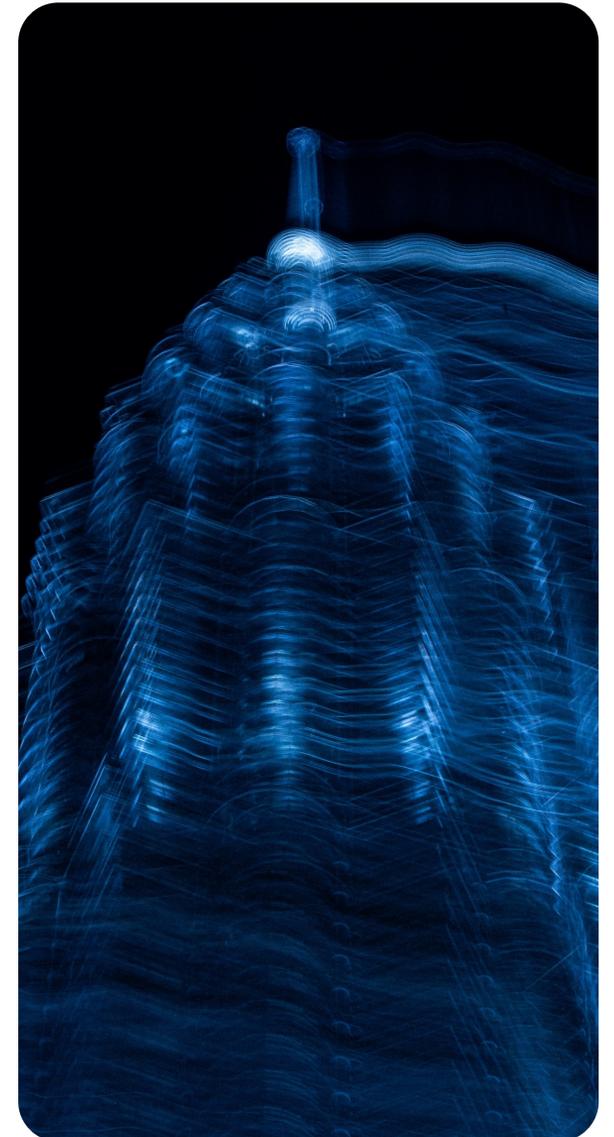
Emeritus professor in sociology of development, and principal research fellow at the Institute of Malaysian and International Studies (IKMAS), Universiti Kebangsaan Malaysia

Definition and size of middle class

“Measured by income, the government’s definition of the Malaysian Middle Class (M40) are the households with monthly earnings between 5,000 to 11,000 RM, which is between 1,000 and 2,200 Euro.

Using occupational categories, the middle class can be defined as citizens that work in administrative or managerial positions, as Professionals or Technicians, Clerical or certain services or pursuing entrepreneurial activities.”

Emeritus Prof. Dato’ Dr. Abdul Rahman Embong





Malaysia Economic Middle Class Definition

To determine the Malaysian middle class, it is necessary to consider the Malaysian government's classification. The Malaysian government uses the World Bank's household income-based categories for the redistribution of wealth and allocation of state subsidies, which divides the population into 3 different groups. The subdivision system of Bottom 40 (B40), Middle 40 (M40) and Top 20 (T20) percent, defines a broad Malaysian middle class (M40) with a monthly income of RM5,000 to RM11,000.

However, this government-defined M40 middle class is less homogeneous than assumed and its lifestyle cannot be universalized to the entire M40 population, as the cost of living varies greatly between the west and east, urban and more rural regions. Criticism of this division has already prompted the Malaysian government to move away from this system in the future and pay more attention to net disposable household income. Nevertheless, this system will remain in use for some time and will continue to influence the consumption decisions of the various groups.



Upper Class = Middle Class?

To define a more meaningful and comparable picture of the middle class, critics of the government system argue that, instead of focusing on income, attention should be given to consumption patterns. When analyzing these, the Khazanah Research Institute identifies a B20, M50, and T30 classification of Malaysian society. According to this, the consumption behaviour of the M50 corresponds to an Aspirational Middle Class, a vulnerable group that hovers on the borderline between essential and status-oriented spending. Only the consumption behaviour of the T30 reflects a stable standard of living, and according to this theory, they would represent the true middle class.



Malaysia Middle Class Growth Outlook and Economic Challenges

The Malaysian middle class looks back on a young but successful history. Since the 1980s, it has grown rapidly and steadily, overcoming major setbacks such as the 1997 Asian financial crisis and the COVID-19 pandemic. Nevertheless, today's middle class remains vulnerable, with limited savings to withstand economic fluctuations. There is a prevailing fear within the middle class of falling back out of it and being unable to maintain their standard of living for the next generation. In particular, older generations who have spent their lives working to achieve a middle-class living standards face the challenge of maintaining it in retirement, especially with the legally mandated retirement age set at 60. If the state does not take countermeasures, this could reduce future middle-class growth in an increasingly aging society like Malaysia. Inflation and rising living costs are currently challenging the middle-income group, to which the state has responded with increasing minimum wages and higher salaries for civil servants. However, to further support the broader middle class, the state currently lacks the financial resources, not least due to the pandemic.

“The Malaysian Middle Class doesn’t have a long history and there is still a fear of falling out of it among the members. Its future depends on how the government can intervene and steer the economy and the country forward.”

Prof. Dr. Abdul Rahman Embong

The development of Malaysia's export-oriented economy and the resulting growth of the middle class, as is the case for other ASEAN countries, is highly dependent on the stability of global trade. The USA is Malaysia's second most important trading partner, and American tech companies have invested in Malaysia in recent years as part of their China Plus One strategy. Protectionism and geopolitical tensions could therefore negatively affect economic development and impact import costs for goods that are particularly popular among the middle class, slowing domestic consumption.

Despite uncertain development of global trade relations, Malaysia's economic development projection is stable. Foreign trade rebounded in 2024 after a decline in 2023. In the first three quarters, exports rose by 5% year-on-year, while imports surged by 16%, driven by increased demand for industrial pre-products and machinery. The Malaysian central bank forecasts further growth in 2025, with exports up 5.1% and imports up 4.4%.

Malaysia's vision (Wawasan 2020) to become an industrialized nation and escape the middle-income trap by 2020 was not achieved, with stagnation since the late 1990s due to slow technological advancement, low productivity, and stagnant wages. A key challenge has been the reliance on cheap labour, preventing the development of a high-skilled workforce. However, the government is now implementing reforms, including a modern economic framework, higher minimum wages, and investment in high-tech and green industries. By prioritizing skill development and reducing dependence on low-cost labour, Malaysia aims to achieve developed nation status by 2030.



Malaysia

The Values and Aspirations of Malaysia's Middle Class

The Malaysian middle class is deeply influenced by religion, with 64% of the population being Muslim and 19% Buddhist. These religious principles, alongside broader cultural and social ideals, shape a value system centered on family, community, harmony, and mutual respect.

Family remains the cornerstone of society, with 97.9% of Malaysian households consisting of family units. Strong family bonds, particularly respect and care for the elderly, are deeply ingrained, regardless of ethnicity. Community values are equally important, as housing areas are designed to foster close social ties, encouraging neighborly warmth and hospitality.

Social media has introduced new influences, particularly among the younger generation. While it provides opportunities for self-expression and even financial gain, it has also weakened face-to-face interactions within families. The pursuit of online popularity and the rise of influencers bring new dynamics to social values, sometimes challenging traditional role models.



“Malaysian middle-class values are shaped by religion, emphasizing strong family ties, respect for the elderly, and community bonds.”

Prof. Dr. Abdul Rahman Embong

Beyond personal and social values, the middle class holds strong hopes for Malaysia's future. Economic prosperity, political stability, and national unity are top priorities. The country ranks high on the Global Peace Index, reflecting its relatively peaceful society, but maintaining harmony requires continuous effort. Political instability, particularly since 2018, has been a concern, though recent years have seen a return to stability, boosting investor confidence and economic growth. Ultimately, the middle class aspires to sustain their achievements, ensure their children's success, and uphold Malaysia's diversity as an asset rather than a source of division.



Malaysia

Consumption Habits of the Malaysian Middle Class

The Malaysian middle class plays a key role in driving domestic consumption, with expenditures expected to grow steadily—5.1% in 2024 and an estimated 4.95% in 2025. Their consumption patterns vary between urban and rural areas, with city dwellers having higher budgets but also facing steeper living costs. However, urban lifestyles, including consumption behaviors, have increasingly influenced rural communities.

Essential spending includes food, housing, transportation, and electronic gadgets. Owning property remains a major aspiration, as homeownership is seen as a financial milestone and a legacy to pass on to children. While detached houses are preferred, smaller family sizes have made high-rise condominiums an attractive option. A car is considered a necessity due to inadequate public transport and heavy urban congestion. Digital connectivity is also vital, with smartphones, tablets, and streaming services like Netflix becoming household staples.

Beyond necessities, aspirational consumption is on the rise, influenced by disposable income and lifestyle aspirations. Shopping malls have proliferated, offering a mix of international and local fashion, electronics, and dining options catering to Malaysia's diverse cultural landscape. The beauty and cosmetics industry is thriving, with growing demand for culturally tailored fashion, particularly among Muslims. Modest fashion, including boutiques specializing in Muslim attire such as headscarves and religious wear, has become a booming industry, reflecting an increasing trend toward religious expression through clothing.

Despite rising consumerism, traditional values still shape spending habits. While material aspirations are important, middle-class Malaysians prioritize stability, homeownership, and maintaining their cultural and religious identities through their purchasing choices.

“Owning housing, whether bungalow or apartment is the most important insignia and goal of the middle class members in Malaysia.”

Prof. Dr. Abdul Rahman Embong





Deep Dive Middle Class

VIETNAM

“Vietnam is a socialist country, in which everybody is equal, therefore we don't believe in class. However, in terms of education, my salary as a white-collar researcher, my consumption habits and my urban status, I consider myself middle class.”

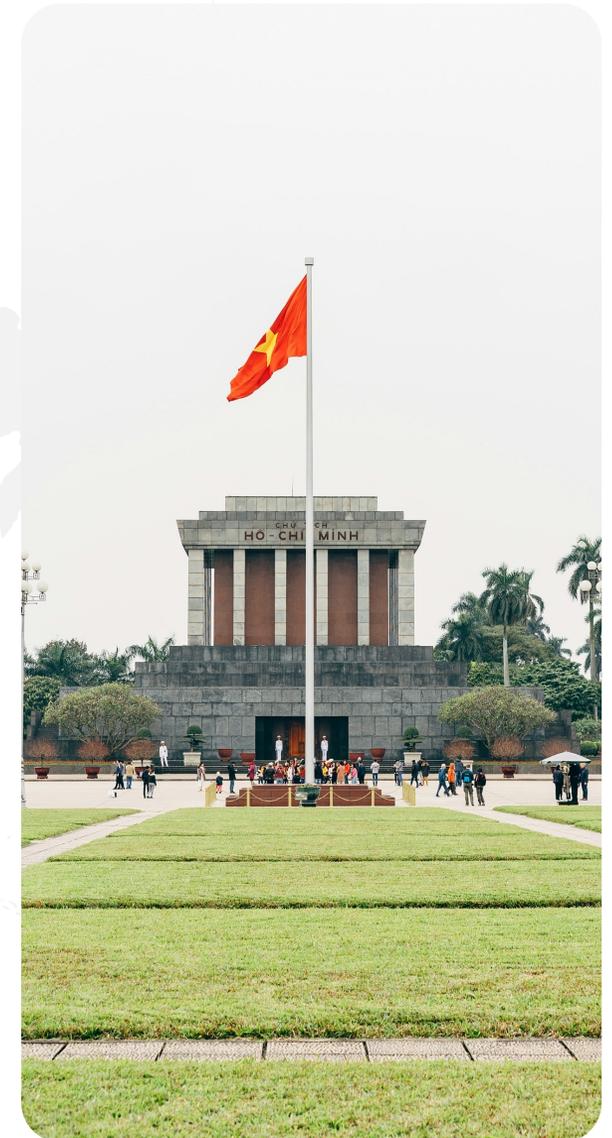
Dr. Binh Trinh

Dr Binh Trinh is a postdoctoral researcher at BRIN, Indonesia. Her research focuses on citizenship, economic globalisation and international migration of Southeast Asian migrant workers. Dr Trinh graduated from the University of Leeds in 2020 with a doctoral degree in Politics and International Studies.

Definition and size of middle class

Due to its socialist background, varying income thresholds and a dynamic economic landscape, Vietnam lacks a standardized definition of middle class. By the OECD definition, middle class households can be defined by a monthly available income reaching from 455 to 1,300 USD.

Rather than relying on fixed income categories, middle-class affiliation in Vietnam is better reflected through occupation, lifestyle, consumption patterns, and access to social and healthcare services. Key indicators include white-collar employment, homeownership, private healthcare access, urban residency, the ability to afford domestic and international travel, frequent dining out, and the consumption of fashion and cosmetics.





The Economic Future of the Vietnam Middle Class: Foreign investments meet an innovation-oriented mindset

Vietnam's transition from a centrally planned to a market economy transformed it from one of the world's poorest countries to a lower-middle-income country. Today, Vietnam is one of East Asia's most dynamic emerging economies. Economic reforms since the introduction of the Đổi Mới (Economic Reform Act) in 1986, coupled with positive global trends, have helped Vietnam transform from one of the world's poorest countries to a middle-income country within a generation. Real GDP per capita rose from less than \$700 in 1986 to nearly \$4,500 in 2023 (in constant 2023 dollars), a more than sixfold increase, and the proportion of the population living in poverty on less than \$3.65 a day (in 2017 purchasing power parity) fell from 14.0% in 2010 to less than 4% in 2023. The World Bank expects robust real GDP growth of 6.5% for 2025 and 2026. The World Bank expects robust real GDP growth of 6.5% for 2025 and 2026.



Despite the pandemic and global geopolitical risks, Vietnam's economic growth remains substantial, drawing attention from multinational corporations attracted by increased consumer spending, a rising middle class, urbanization, and infrastructure development. Foreign investors have invested in 19 out of 21 national economic sectors in which the manufacturing and energy & natural resources sectors acquired the majority of new FDI investment in recent years, accounting for more than 89% of total registered capital. Also, giants such as Samsung, LG and Hyundai, steel and shipbuilding companies, and construction firms are all driving Vietnam's industrialization. The production of high-quality electronic products such as microprocessors, smartphones and televisions in Vietnam is evidence that technology companies have faith in the country's future.

SpaceX and further digital expansion plans

Vietnam is rapidly becoming a key location for high-tech investments, attracting global companies seeking to expand their supply chains and production capacities. Prime Minister Pham Minh Chinh called for "special mechanisms" to break down institutional barriers and drive innovation at the National Assembly on February 15, 2025. Now, Elon Musk's SpaceX and its suppliers have announced multi-billion-dollar investment plans in Vietnam, focusing on satellite internet infrastructure and advanced manufacturing. This development is in line with Vietnam's digital transformation initiatives and strengthens the country's role in the global supply chain for aerospace, telecommunications, and AI-driven industries.
Vietnam Briefing, March 19, 2025



Vietnam's Investment in Education and Health: Demographic change is mitigated by economic alliances

Vietnam benefits from a “golden population structure” (KPMG, 2024) where 67% of the population is of working age. This presents Vietnam with a distinctive socio-economic development opportunity to leverage its youthful labour force and drive economic growth. Moreover, Vietnam provides a flexible labour market characterized by low wages, a trainable workforce, business-friendly laws compared to its regional counterparts. The easing of relations with the USA also further promotes this development. Both countries have strengthened their economic cooperation. Vietnam has emerged as a key partner in the US strategic competition with China.

“The proportion of middle-class citizens is expected to grow from 13 percent in 2023 to 26 percent by 2026, increasing demand for better healthcare services.”

PwC, 2025

Vietnam itself has been seeking to diversify its export markets and reduce its reliance on China (and Russia). Nevertheless, the country does not want to get involved in the rivalry between China and the United States. Vietnam maintains strategic partnerships with Japan, South Korea, and Australia, three countries that are clearly on the side of the United States. Nevertheless, the government in Hanoi emphasizes that it sees itself as an independent country interested in good relations with all countries on earth. Vietnam has made significant educational progress, achieving universal primary education in the early 2000s with a net enrollment rate above 98%. Vietnam's learning-adjusted schooling averages 10.2 years, second only to Singapore in ASEAN, and its human capital index is the highest among lower middle-income economies.

Access to infrastructure services has increased dramatically. As of 2019, almost 100% of the population used electricity as their main source of lighting, up from just 14% in 1993. Access to clean water in rural areas has also improved – up from 17% in 1993 to 51% in 2020. And governmental investments payoff: Every 1% of increase in public spending is estimated to raise GDP by 0.06%. The government's goal is clear: the proportion of people in the middle class should be significantly increased in the coming years. Achieving the goal to become a high-income country by 2045 will require an average annual per capita economic growth of about 6% for the next 20 years, which would more than triple income per capita. Vietnam also aims to grow in a greener, more inclusive way. At COP27, it pledged to reduce methane emissions by 30%, halt deforestation by 2030, and achieve net zero carbon emissions by 2050.

Vietnam's booming healthcare sector
With a population of approximately 100 million, Vietnam is undergoing a demographic shift marked by an aging population and a rapidly expanding middle class. Additionally, rising health awareness, accelerated by the COVID-19 pandemic, has led to greater demand for general medical and long-term care services. Disposable incomes are rising, and more people are willing to pay for premium healthcare. However, the public hospital system remains overcrowded, further driving patients toward private healthcare providers. The pharmaceutical market also shows strong expansion due to population growth, increased healthcare awareness, and rising chronic disease rates. However, Vietnam heavily relies on imported pharmaceuticals (55%) as domestic research and manufacturing capabilities lag international standards.



Vietnam's Middle Class Boom: A Shift Toward Higher Spending and Quality Consumption

Several trends are driving the growth of Vietnam's middle class. The urban population is creating new opportunities, particularly in the services and manufacturing sectors. Steady increases in disposable income, fueled by economic growth and higher wages, are leading to more spending on education, healthcare, and entertainment. The middle class is becoming more sophisticated and discerning in their consumption habits, driving demand for high-quality goods and foreign brands. The burgeoning e-commerce sector, supported by widespread internet access and mobile device usage, is also becoming a crucial shopping channel for middle-class consumers, significantly boosting the country's retail sector.

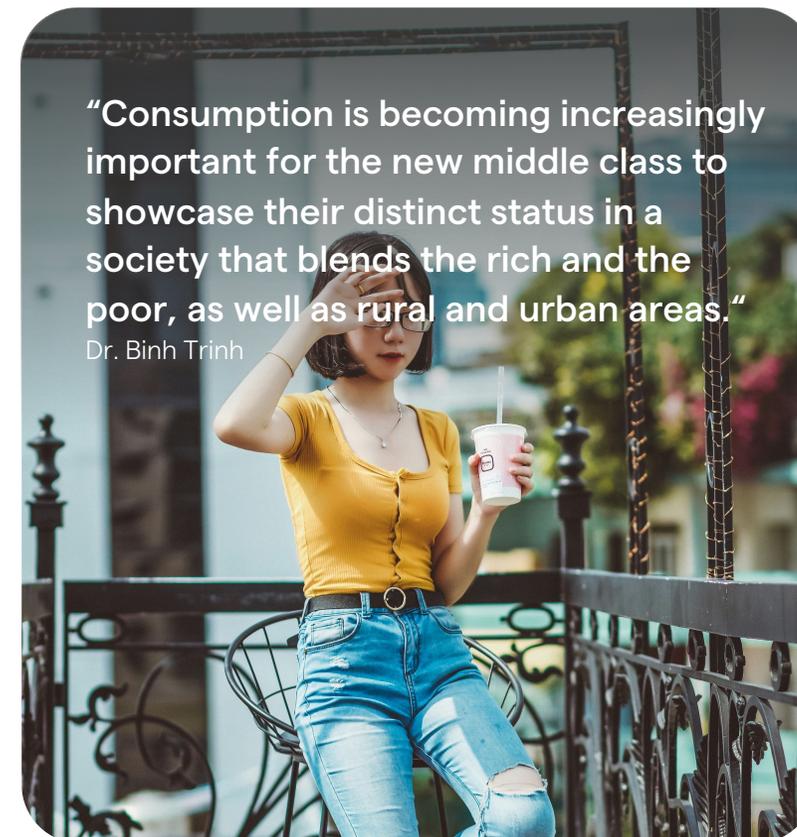
Rising affluence is reflected in the purchase of durable goods such as cars, motorcycles, and home appliances. Consumers are increasingly willing to pay more for reputable brands, and online shopping has become a popular option due to its convenience, discounted rates, and wide range of products. Alongside material goods, there is a growing prioritization of experiences such as travel, dining out, and entertainment.

It is evident that the growing middle-class population in Vietnam is shifting towards spending more on non-essential goods compared to their spending patterns during the pandemic, which were more focused on saving and consuming essential goods.

Vietnam is undergoing a notable population shift from rural to urban areas, reflected in the increasing urbanization rate. According to Vietnam's sustainable development scheme of urban areas by 2030, with vision until 2045, urbanization rate would be around 45% by 2025, and grow to 50% by 2030. Higher urbanization levels generally enhance market attractiveness for businesses due to developed logistics, concentrated consumers, and increased spending power. KPMG March 2024

"Consumption is becoming increasingly important for the new middle class to showcase their distinct status in a society that blends the rich and the poor, as well as rural and urban areas."

Dr. Binh Trinh





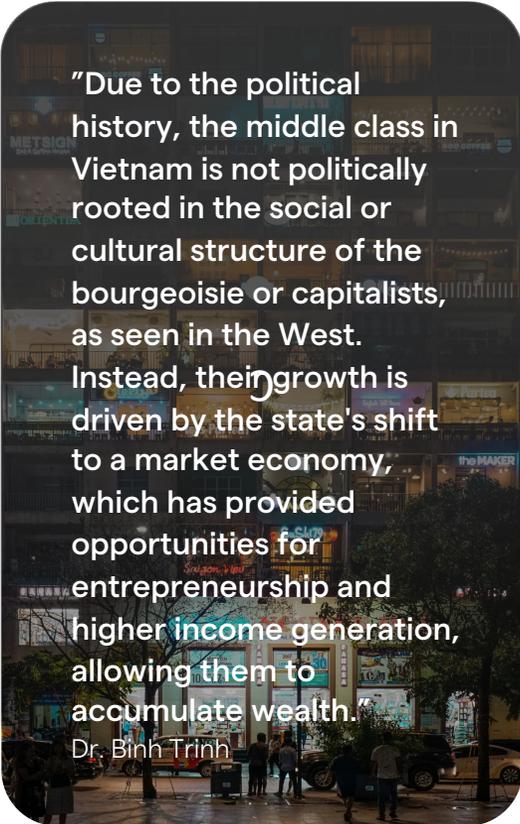
Vietnam's Middle Class: A Unique Socio-Economic Evolution

Unlike in other economies, the middle class in Vietnam is lesser defined by income but rather by occupation, lifestyle and consumption patterns. Given Vietnam's socialist framework, where social classes are not officially recognized, individuals often refrain from explicitly identifying with a specific economic class. Instead, middle-class status can primarily be determined through markers such as education, urban residency, spending habits and lifestyle.

A key characteristic of Vietnam's middle class is employment in white-collar/skilled trades and services/blue-collar professions which provide financial stability and access to social protections like health insurance. Additionally, middle-class individuals tend to reside in urban areas, where they benefit from superior healthcare, education, and infrastructure compared to their rural counterparts.

This urban-rural divide further reinforces socio-economic distinctions, as wealthier families increasingly invest in urban real estate and private education to secure upward mobility. Consumption plays a central role in middle-class identity, with expenditures on fashion, cosmetics, dining out, and domestic or international travel serving as indicators of socio-economic standing. Given the political and social environment, individuals often prefer to display middle-class status through consumption rather than openly acknowledging higher income levels, thereby avoiding potential scrutiny or criticism. The middle class in Vietnam is highly dependent on the market for employment and economic stability, yet it remains distinct from the Western bourgeoisie, as its emergence is largely a product of market liberalization rather than deep-rooted capitalist traditions.

than deep-rooted capitalist traditions. While there is no universal income classification for the middle class in Vietnam, certain benchmarks provide an estimate. According to Vietnam Briefing and the World Data Lab, individuals spending more than US\$12 per day can be considered middle class. When looking at the share of upper middle class, a study by Cimigo (2024) indicates 6% of Vietnamese households earn over US\$1,288 per month, highlighting the relatively small proportion of high-income earners within the country. Vietnam's middle class has experienced rapid growth due to strong economic expansion, industrialization, and job creation. Fueled by rising wages, urbanization, and government policies promoting economic development, future forecast for for upper middle class growth are good and predict this number to rise to up to 30% of the population by 2030.



"Due to the political history, the middle class in Vietnam is not politically rooted in the social or cultural structure of the bourgeoisie or capitalists, as seen in the West. Instead, their growth is driven by the state's shift to a market economy, which has provided opportunities for entrepreneurship and higher income generation, allowing them to accumulate wealth."

Dr. Binh Trinh



The Rise of Vietnam's Middle Class: Values, Aspirations, and Economic Realities

The Vietnamese middle class has expanded rapidly, shaped by market opportunities and connections to the state. Many individuals have accumulated wealth quickly but remain cautious about openly declaring their financial success due to political sensitivities. Instead, they express status through consumption, making luxury goods and lifestyle choices key markers of social standing.

Morality and community responsibility are central to middle-class values. Unlike the Western focus on individualism, Vietnamese morality is often demonstrated through collective contributions such as philanthropy and public service. Acts of generosity not only support those in need but also help maintain social legitimacy and gain recognition from both society and the state. Education remains a vital pathway to upward mobility. Historically, exams allowed individuals from poor backgrounds to achieve prestigious positions, and this belief persists today. As state welfare shifts toward self-reliance, families prioritize education to secure well-paying jobs, access better healthcare, and ensure financial stability for future generations.

Despite financial success, the middle class faces significant uncertainty. Their wealth is market-driven, and economic fluctuations pose ongoing risks. Without deep-rooted power structures, they must continuously adapt, fueling a strong work ethic and a willingness to innovate.

Vietnam's socialist legacy continues to shape economic policies. While the state promotes market liberalization, it does not fully recognize a capitalist class, maintaining the ideal of equal market access. However, success often depends on personal connections and entrepreneurial initiative. As self-reliance becomes increasingly necessary, social status is now closely linked to economic performance, with financial struggles carrying social stigma. Politically, the middle class values stability and economic expansion. While Vietnam is not a liberal democracy, there is strong support for policies that foster entrepreneurship and innovation. Many in this class embrace risk-taking and market experimentation as paths to success, prioritizing economic growth over political reform.

Religion plays a minimal role in shaping economic behaviour. Many Vietnamese take pride in their diligence and entrepreneurial spirit, believing that fewer religious constraints allow them to focus on economic activities. This perception reinforces a culture that values efficiency, adaptability, and ambition—traits increasingly recognized and encouraged by the state.



“Vietnamese people are proud about their diligence, creativity, hardworking nature and not being restricted by religious factors.”

Dr. Binh Trinh



Deep Dive Middle Class BRAZIL

“In Brazil, the feeling of belonging to the middle class is defined to a large extent by consumption, by access to the credit system, which in turn enables constant consumption. But this is not actually a middle class, but a consumer class.”

Tjerk Brühwiller

Correspondent and political editor, living in Brazil since 2009 with a constant eye on politics, economy and society in South- and Latin-America

Definition and size of middle class

“In Brazil, belonging to the middle class is defined purely by disposable income and according to the latest statistics by the Instituto Brasileiro de Geografia e Estatística, if you have a net household income of the equivalent of 520 euros a month, you belong to the lower middle class. That then goes up to the equivalent of 1,240 euros, that is the lower middle class and the upper middle class then goes from 1,240 to 3,820 euros.

The problem is that people don't automatically feel like they're part of the middle class if they fall into a certain income range. Not all middle classes are the same.”

Tjerk Brühwiller





The Economic Future of the Brazilian Middle Class: Who is most benefiting from the current growth?

Brazil is the world's fifth largest country. With an estimated population above 217 million, it is one of the world's most populous countries, after China, India, the United States, Indonesia, and Pakistan. With a nominal GDP that ranks as the largest in South America and the eighth-largest in the world, Brazil holds considerable economic weight. Brazil's economic prominence is largely attributed to its diverse economic structure, encompassing a wide range of industries. In agriculture, Brazil is a leading global exporter of soybeans and coffee, contributing significantly to the global food supply. The country also possesses substantial natural resources, excelling in the production of iron ore and oil, which are vital to its industrial sector.

“15% of Brazil's population was in the middle class in the 1980s – today nearly a third of the population has achieved middle class status”

Alexandre Guiao, HSBC Brazil

Family is important in Brazilian society, and both immediate and extended family ties are strong, with families often living in close proximity to one another. On the one hand, this relieves the burden on the state, which has to create fewer social security systems; on the other hand, however, it means “low-income mobility”, as a recent study by scientists at the Federal University of Pelotas, Brazil shows. Children and grandchildren are comparatively rarely able to achieve a higher socioeconomic status than their older family members. The strong family ties prevent parents from actively working towards a better education for their children. And at the same time prevent children from believing in their own advancement.

“While Brazil is highly diverse, racial and gender discrimination persist as systemic barriers that limit the opportunities of many individuals and families to break the inter-generational cycle of poverty”.

World Bank, 2024

The country's overall Human Capital Index (HCI) shows that Brazilian children born today will have, as adults, only 55 percent of the productivity they would have had with full access to quality health and education opportunities. Factoring in adult unemployment, their productivity falls to 33 percent, implying that 67 percent of Brazil's talent is lost to society. Afro-Brazilians and Indigenous peoples have less access to good-quality schools and health services than whites, and women face job discrimination that limits their earning potential far more than men.

Booming Brazilian labour market

A particularly significant development in Brazil's labour market is the record-low unemployment rate. As of the August-October quarter in 2024, Brazil's unemployment rate dropped to 6.2%, marking the lowest level ever recorded in the IBGE (Brazilian Institute of Geography and Statistics) data series, which dates back to 2012. This achievement signals a major improvement in the job market, with more Brazilians finding employment opportunities as the economy recovers – analysis of the statistics shows that white men are the ones who benefit most from this trend. (Reuters 2024 | World Bank 2024).



Change in Values: Building a more equal and fair country

Despite lifting millions of people out of poverty over the last decades, Brazil still faces a huge gap between the country's richest and the rest of the population. Worse still, inequality threatens to reverse the progress the country has made in ending poverty. Current World Bank projections show up to 3.6 million people are expected to fall back into poverty this year in Brazil. That is why it is urgent to address some of the structural causes of inequality in Brazil, such as an unfair tax system or insufficient investments in social policies. And the first steps on this path are now being taken: Brazilian Finance Minister Fernando Haddad has announced a reform of the income tax system for the end of November 2024 that will increase tax allowances for the middle class and raise the top tax rate for the rich from 4.2 to 10 percent.

A deeply divided country with lots of discrimination

Brazil's six richest men have the same wealth as the poorest 50 percent of the population; around 100 million people. The country's richest 5 percent have the same income as the remaining 95 percent. In addition, Brazil has the highest incidence of transgender and queer murders globally.

(Oxfam International 2025, University of Oxford, 2024)

“Above all, the currently growing influence of the evangelical churches is helping to cement existing social inequalities. They have taken local social welfare as their main asset – a counter-trend to the idea of upward mobility of the global individual.”

Tjerk Brühwiller



The great influence of religion in the country helps to reinforce existing inequalities: Rio de Janeiro's skyline is dominated by the iconic Christ the Redeemer statue and, as this suggests, religion plays a large role in Brazilian society. Roughly 80% of the country's population identifies with a religion, with about 50% of the population affiliated with the Roman Catholic Church. Only a few years ago, this proportion was much higher, but now the evangelical Pentecostal churches are gaining massive popularity and will have the most members by 2030. Their spiritual and lively services provide social support, but they are criticized for often contributing little to fundamental change in social inequality and for not questioning existing power structures.

“Extreme inequality breeds conflict, violence, and instability. All Brazilians, regardless of social class or race, are affected by the inequality crisis. This is what unites us.”

Katia Maia, Oxfam Brazil's executive director



Transforming society through the support of families: Brazil's female funding concept as a starting point

Over the past fifteen years, Brazil has managed to lift 28 million people out of extreme poverty, reducing the poverty rate to less than 10 percent of the population. An important step in this process was transfer payments that were specifically paid to Brazilian mothers. Since the introduction of Bolsa Família, it has been clear that if you empower women, you will strengthen the Brazilian middle class. Under this program, eligible families receive a small monthly cash transfer, which is paid directly to the female head of the household. In return, they send their children to school and take them for regular health check-ups.

“The Bolsa Família program shows that it is possible to tackle poverty and inequality in a sustained way, integrating millions of poor people into the economy and society, while contributing to economic development”.

Johannes Zutt, World Bank Country Director for Brazil



“The Latin-American giant is still listed as one of the most unequal countries on the planet”

Oxfam Brazil, 2025

Gender Pay Gap in Brazil: A study by Ipsos across 30 countries found that 41% of Brazilians believe men are likelier to earn a high income, while only 5% say the same for women.

(Ipsos March 2025)

The program was stopped under the Bolsonaro regime but reinstated after the re-election of President Luiz Inácio Lula da Silva and is now again supported by the World Bank with hundreds of millions of dollars per year. In addition, the government of President da Silva has taken steps to promote gender equality, including a new committee headed by Women's Minister Aparecida Gonçalves to oversee the implementation of gender policies in all cabinet ministries. But the road to a gender-equal Brazilian (working) world is still long: For example, according to the World Economic Forum's Global Gender Gap Report 2024, Brazil ranks 70th out of 146 countries with an overall gender parity score of 71.6% – one point less than in 2023 and a drop of 13 places in the global ranking.



Shift of Consumer Behaviour

Consumer materialism as a middle-class insignia

OECD researchers are certain: Robust household consumption, boosted by rising incomes and growing employment rates, will continue to drive domestic demand in Brazil. Behind this lies the country's residents' irrepressible desire for consumption: If you have money, you spend it, preferably in advance, so you buy something that you can't afford yet and pay it off over three years, even overdrawing your credit card without a second thought. However, experts emphasize that income situation and thus access to consumption opportunities cannot be the only criterion for deciding whether someone is part of the middle class.

In the self-assessment it becomes clear, even if majority of favela residents have all the basic household items, they by no means share a feeling of belonging to the middle class. Rather, moving to a different living situation is seen as a sign of real advancement, as it is often accompanied by a change of perspective: the achieved standard of living should be sustainably secured and increased.

“I want to transform this country into a middle-class country where people can eat well, dress well, live well, relax well, take care of their family”.

Luiz Inácio Lula da Silva, Financial Times, 2024

But living space in cities is scarce. The government is now trying to address the problem of around seven million missing houses with its program “Minha Casa, Minha Vida”.

Everyday life in Brazil is completely digital and this digitalization is also an opportunity for people to climb the social ladder. A smartphone can trigger real feelings of happiness. In addition, the offerings of the platform economy help to raise one's own standard of living: Uber makes people mobile, Netflix is omnipresent, and food delivery services even reach the outskirts of the favelas. Additionally, the nation's tech startup ecosystem is rapidly expanding, particularly in FinTech and eCommerce, establishing Brazil as a hub for innovation in Latin America.

Beauty Ideals and Role Models

Appearance is also highly important in Brazilian culture and Brazilians put a lot of effort into the way they look, believing it is a reflection on their job, education and family. Brazilian plastic surgery has earned global renown, thanks in part to the legacy of pioneering surgeon Ivo Pitanguy.

The country ranks second in the statistics of most operations worldwide and is also closely associated with specific procedures – most notably the world-famous „Brazilian butt lift“. Role models in consumption clearly come from Europe, and recently also from China. This is different from the neighboring countries, which are much more closely connected and clearly oriented towards America – due to linguistic proximity.

“Body styling is very important overall and there is something on offer for all income levels. Fitness centers are an absolute middle-class thing”

Tjerk Brühwiller



Deep Dive Middle Class MEXICO

“Education is the key to social advancement, because the population is young, people are creative, have ideas, want to get ahead, everyone speaks English.”

Tjerk Brühwiller

Correspondent and political editor, living in Brazil since 2009 with a constant eye on politics, economy and society in South- and Latin-America

Definition and size of middle class

“I would say that it's mainly about the mindset in Mexico. The population is young, hungry for education, full of energy. People, especially in the cities, want to achieve something, to get ahead. That is the main characteristic of the middle class in Mexico.

The Mexican statistics agency INEGI classifies households with a monthly income between 18,000 and 70,000 Mexican pesos (approx. 880 to 3,430 US dollars) as belonging to the middle class.”

Tjerk Brühwiller





The Economic Future of the Mexican Middle Class: The spirit of optimism is there, but the road is still long

Since Claudia Sheinbaum was elected president, there has been a spirit of optimism in the country: while her predecessor López Obrador came into office with the motto "The poor first", Sheinbaum's motto is now "We can all do it". People, especially in the cities, want to achieve something, to get ahead. The Mexican statistics agency INEGI classifies households with a monthly income between 15,000 and 45,000 Mexican pesos (approximately 750 to 2,250 US dollars) as belonging to the middle class. This income range can vary by region and urban or rural context. It is important to note that income distribution in Mexico is highly unequal. While a significant proportion of the population is considered (lower) middle class, a large proportion still lives in poverty, especially in rural areas. This inequality influences the definition and understanding of the middle class in the country.

“The absolute will to advance is the main characteristic of the middle class in Mexico.”

Tjerk Brühwiller, 2025

Inflation and economic fluctuations are a huge issue, especially for people in the lower middle class. Those who are last to rise are also the first to fall. Women are particularly affected: Female labour force participation has increased recently but remains significantly lower than in regional peers and other OECD countries. Domestic and caregiving responsibilities disproportionately fall on Mexican women, limiting their opportunities to complete education or fully participate in the labour market.

This principle is all the more true as future economic developments have become difficult to predict since Donald Trump's administration took office. Mexico is more economically dependent on the USA than almost any other country: 80 percent of exports go to its northern neighbour. And a full 3.5 to 4.0 percent of the annual gross domestic product consists of "remesas" – remittances from Mexicans living abroad.

“Above all, Mexico is one of the most vulnerable countries to the US economic policy change. The expected custom tariffs would have severe consequences for the Mexican economy in terms of growth and inflation”.

BNP Paribas, February 2025

Mexican migrants in the US support their families at home

In total, 65.2 billion US dollars were transferred home by Mexican exiles in 2024. If just a fifth of this is lost because people have to leave the USA, this would have immediate consequences, researchers at the University of Guadalajara are currently warning. The poorest 30 percent of households, who receive more than 65 percent of remittances, would be particularly affected. This makes their rise into the middle class in the next few years more unlikely. (Deloitte 2025).



Change in Values

Mexico is a deeply divided country

The values of the Mexican middle class are diverse and reflect both traditional and modern influences. A central feature is the emphasis on education and professional success, as these are seen as the key to social advancement and economic stability. In addition, family and religion continue to play an important role; family ties and responsibilities are deeply rooted and influence many areas of life. At the same time, the middle class is showing an increasing openness to new consumption trends and technologies, which is reflected in a growing interest in e-commerce and digital services.

“Mexico is not a country of middle classes right now. It is a country in which to be middle class is the exception, a level of lifestyle to which very few people have access.”

Viridiana Ríos, Harvard Review Latin America 2024



The fact that the middle class in Mexico is not growing more dynamically is not only due to the economic uncertainties in the Trump 2.0 era, but also to the strong social divide in the country. Outside the cities and especially in the south of the country, the proportion of people with low levels of formal education and income is immensely high. Indigenous peoples make up 30 percent of the total population. According to estimates, there are 56 indigenous ethnic groups and at least as many ancient Mexican languages. Almost half of the indigenous population cannot read and write, while the nationwide percentage is 10 percent. Despite compulsory education, only 70 percent of children complete the first six years of primary school.

Poor vs Rich in Postmodern Film Classics :

Never before have social conflicts been portrayed as openly as in films such as “Amar te duele” or “Amores Perros”. This has raised awareness of this social divide. As a result, numerous new advocacy groups for indigenous peoples have been working to end the oppression – but this has not yet led to people from indigenous peoples having more access to the middle class.



Shift of Consumer Behaviour: Growth sectors are automotive, health and tech

With a population of over 130 million people and a relatively young demographic, Mexico offers enormous growth potential. The working-age population is growing, and urbanization is progressing rapidly. By 2050, half of the population is expected to live in urban centers, which will lead to increased demand for healthcare, mobility solutions and consumer goods.

The mobility market in Mexico is facing a revolution. Urbanization and increasing environmental awareness are driving demand for sustainable mobility solutions. Electric vehicles, car sharing services and the expansion of public transport are changing the face of Mexican cities. The dynamism of new car brands in Mexico is particularly striking. Chinese brands such as BYD, GAC, GWM and Omoda in particular are expanding aggressively and offering a wide range of innovative electric and hybrid vehicles. One in five new cars in the country is now a Chinese make. China has increased its direct investment by 50% since 2018, and Mexico's industrial parks have become hubs for Chinese firms. Over the past three years the number of Chinese firms in these parks has doubled – which has also contributed to the country incurring the wrath of the Trump administration.

“The strength in trade between China and Mexico is probably the fastest-growing on planet Earth right now.”

Peter Sand, chief analyst at Xeneta

Mexican consumers are becoming more brand conscious and value quality, but price sensitivity is still high. Consumer spending is increasing, especially in urban areas, driven by the slowly but steadily growing middle class. By 2029, experts predict that the retail market could reach a volume of US\$123 billion (94 billion today). Another trend is the increasing digitalization of consumer behaviour. Mexico has a rapidly evolving digital landscape, e-commerce has grown significantly in recent years, with over 40% of internet users shopping online, especially in categories such as electronics, fashion and food. Platforms such as Amazon Mexico, Mercado Libre and Linio lead the market. In the area of social media, the major platforms such as Facebook, Instagram and WhatsApp are the most widely used in Mexico.

Primero la Salud

The Mexican healthcare market is facing significant changes. The aging population and increasing life expectancy are increasing the need for medical services and products. Telemedicine is still in its infancy, but experts expect it to grow dynamically in the coming years. In addition, the COVID-19 pandemic has increased awareness of health and prevention, leading to a higher demand for innovative healthcare solutions. The self-payer market is particularly relevant here, as the public healthcare system suffers from barriers to entry and underfunding. People from the upper middle class (and upper class) are responsible for this growth in the private healthcare sector.



Deep Dive Middle Class POLAND

“I think that it is inevitable that we would have in the coming years more liberal laws. As a result, the proportion of people who belong to the upper middle class is growing.”

Henryk Domański

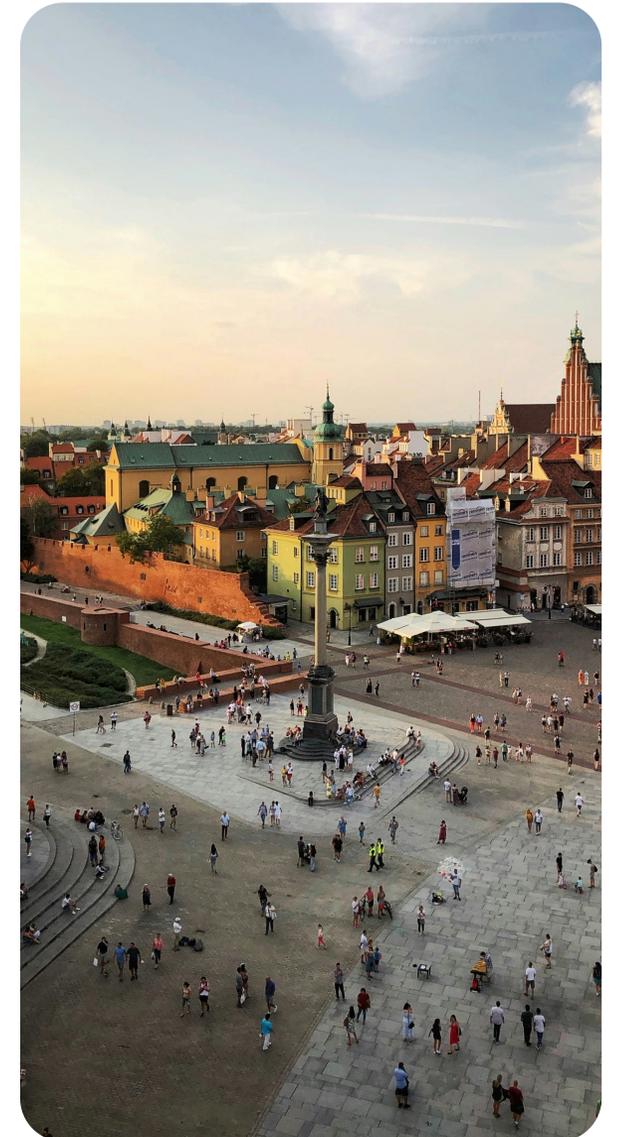
Sociologist, Professor at the Institute of Philosophy and Sociology of the Polish Academy of Sciences in Warsaw

Definition and size of middle class

“For me, the middle class is a social category with given occupational roles, occupational positions – less a question of mere income.

The middle class is very heterogeneous. In Poland, according to data of statistics Poland (Główny Urząd Statystyczny/GUS) a household with a net income of between PLN 3,500-7,500 per month per person is generally considered middle class. With an income between PLN 4,300 and 11,400 you belong to the upper middle class.”

Henryk Domański





The Economic Future of the Polish Middle Class: High level of commitment

The stable GDP growth of the last three decades has transformed Poland from a poor country that was neglected by decades of economic mistakes under real socialism into a country with a GDP of 80 percent of the EU average (Piotr Koryś, bpb, 2024). The further development of the Polish middle class is now directly linked to this economic development – not the other way around, as in many other countries. The reason for this is the impermeability of the Polish system: educational and career paths once chosen are rarely corrected over the course of one's life.

“Given occupational roles are the primary link that determines attitudes and lifestyle values”

Prof. Henryk Domański

This is the place where everything happens, right now at this moment

Katarzyna Byczkowska, 2024

Moreover, for a long time there was no narrative of upward mobility in Poland, in the style of the American dream. „People from the lower Middle Class and Lower Class accepted that they are at the lowest bottom of social choreography. They did not believe in their upward mobility in this system, and this was reflected in their more modest consumer desires” (Prof. Henryk Domański).

In its country report on Poland in autumn 2024, the OECD postulates the need to invest massively in adult education. This, as well as raising the retirement age and implementing a targeted migration strategy, could alleviate the massive shortage of skilled workers that is hindering the expansion of GDP growth in the country. But it seems just as important to take advantage of the spirit of optimism that has been spreading in recent times: The Poles are highly motivated, hardworking people with a strong ability to innovate things – with these words Katarzyna Byczkowska, Managing Director of BASF Poland, opened the European Conference of the Polish Chamber of Foreign Trade in October 2024. And of course, in doing so, she is primarily conjuring up the narrative of rising from the lower to the middle class.

Germany as winner of the Polish upswing

Poland's growing middle class has a particularly positive impact on its neighbouring country Germany: German companies are now investing more in Poland, expanding production areas, benefiting from the still lower wage costs and the good reputation they enjoy as employers in the neighbouring country. “Large companies like Bosch can also invest to train and specialize their people and seek close cooperation with universities and science” (SZ, October 2024).



Change in Values: The “New Middle-Class” Dominates the Development

Although the country has the lowest birth rate in Europe, the Polish middle class has grown over the past two decades and will continue to do so in the coming decades. Experts attribute this to the rise of the upper middle class, which in Poland is called the “New Middle Class.” “The people from the New Middle Class differ from those from the old middle class in terms of their values. They are very ambitious, have an entrepreneurial mindset, they believe in advancement and want to achieve something in life. The prerequisite for this is a good education” (Prof. Henryk Domański).

“The New Middle Class is made up of the country’s intelligentsia”

Prof. Henryk Domański



According to calculations by the Polish Economic Institute, 54 percent of Poles aged 25 to 54 already belong to the middle class*, but if people are allowed to assess for themselves whether they are part of this class, the number is even higher: “If the size of the middle class were based on the subjective assessment of one’s own income, it would include 16.5 million people aged 24 to 64, instead of 11 to 12 million who meet the objective criteria”, explains Paula Kukulowicz from “Polski Instytut Ekonomiczny”.

* Figures differ from the Fact Book-Part due to the different calculation basis in income and age split: household income between 645 and 1,451 US dollars/month

Ranking of Middle-Class Values:

“Improvement. First improvement of material conditions. Second security of work. Third increase in dignity. Dignity for what they are, their work, what they stand for”.

(Prof. Henryk Domański)



Shift of Consumer Behaviour

Growing hunger for high-quality products

Neighbour Germany is also the first to benefit from the changing consumer desires of the Polish middle class: German companies delivered more goods to Poland than to China in 2024, according to the OECD country report. The German car industry has benefited from this, as company cars are becoming increasingly important as a bonus in addition to salary. And German car brands enjoy an excellent reputation in the country, as do sanitary facilities (heating, bathroom fittings, ceramics) or measuring and control instruments for scientific purposes, such as microscopes or laser devices (F.A.Z, February 2025).

The most important consumer desires include home ownership, the opportunity to travel and eat out. And for the upper middle class, it's a weekend house in the countryside. Even if climate change does not yet play a major role in people's consciousness, the desire to be able to create a balance to life in the cities and, if possible, to live in a property for one's own use is growing and is a symbol of the stability of economic development.

“Having your own house or your own home, it is important for Poland. It is the sum of symbols of a higher societal position”

Prof. Henryk Domański

Especially people in the new upper middle class are showing a growing tendency to high quality consumption, especially consumption of luxury goods or famous brands. 20 percent of Polish imports alone come from neighboring Germany, and a German seal of quality is often used in advertising. And the fact that Poland took over the EU Council Presidency from Europe's troublemaker Hungary on January 1, 2025, is seen by the Polish Prime Minister as a symbol of change and the great hope of the entire EU for a democratic and secure: “Our country is fully ready to unite the entire community in the face of contemporary challenges and lead it in the direction expected by the citizens of the Member States” (Donald Tusk, commonspace.eu, 2025).

The Green Polish Cities of the Future

In addition, Poland has become a leading country in Europe in the installation of photovoltaic systems – especially due to installations in private households (Piotr Koryś, bpb, 2024). “The role of the middle class in urban development is becoming increasingly important,” explains Robert Kozielski from “Think Lodz”. “Cities that understand this and respond to the needs of this important social group will not only achieve stability and competitiveness, but also continuous development and guaranteed success in the future” (Forbes, October 2024).



Deep Dive Middle Class NIGERIA

“The most important factor affecting these people is the high volatility, the low reliability of their own lifestyle. Everything can change again in an instant, which is why people live now; nothing can be planned for the future. And that is why the middle class is not expected to grow much in the next five to ten years; at best it will stabilize at this level.”

Dr. Tom Simmert

Research associate in the BMBF-funded joint research project CEDITRAA - Cultural Entrepreneurship and Digital Transformation in Africa and Asia, regular research stays in Lagos, Nigeria for 10 years

Definition and size of middle class

“The middle class in Nigeria begins where people are able to lead a self-determined life. For me, a good example of this is the self-employed Uber small business owner.

However, people do not feel part of the middle class themselves; the economic and political situation is too fragile. In the medium term, therefore, an expansion of the middle class in the country is not to be expected.

According to Nigeria Paylab.com, the median salary in Nigeria was NGN 302,000 (about USD 178.12) per month in 2024.

Based on these figures – assuming a range between 80% and 200% of that – the middle class in Nigeria would include households with a monthly income between NGN 226,500 (about USD 133.59) and NGN 605,000 (about USD 356.24).”

Dr. Tom Simmert





The Economic Future of the Nigerian Middle Class: Inflation has now become the biggest problem

Since 2014, Nigeria has been Africa's largest economy, ahead of South Africa. The World Bank classifies the country as an emerging market. The metropolis of Lagos has long been the leading financial center in West and Central Africa. A key economic pillar has long been the export of crude oil, and Nigeria has recently also started to rely on large refineries for its processing. The country's film industry produces as many films as only Hollywood and Bollywood in the world. Nigerian music, Afrobeats, is a permanent feature in international charts and regularly wins awards.

With around 230 million inhabitants (2024), Nigeria is by far the most populous country in Africa and the sixth most populous country in the world. Between 1989 and 2019, the country's population doubled and continues to grow rapidly.

No fewer than 133 million Nigerians live in multidimensional poverty, meaning two out of every three people are poor and just over a quarter suffer deprivations in health, living standards and employment, according to a recent report by the National Bureau of Statistics. The statistics agency also reports that inflation reached 33.8 percent in October 2024, accelerating at its fastest pace in years.

“This is a mode in which many exist, in which one’s own position in the middle of society is not yet consolidated and people live in a rather hassle mentality.”

Dr. Tom Simmert

“With accelerated inflation, the real value of wages will continue to decline and this will affect how far salaries reach in the daily lives of workers.”

Femi Egbesola, 2024

Millions of middle-class earners across the country are feeling the effects of rising inflation in Nigeria, which is taking a toll on salaries and purchasing power. With prices of everything from food to stationery going through the roof, a section of Nigeria's middle class is said to have been wiped out as their purchasing power has plummeted.

Currently Shrinking Middle Class

Subsidy reductions, devaluation of the local currency, the naira, and the worsening impacts of climate change and insecurity are leading to continuous spikes in the price of goods and exacerbating Nigeria's worst cost-of-living crisis in decades. The combination of all these problems has ensured that the country's inflation has remained in double digits, wiping out a large part of the middle class, according to experts. (The State of the Employed Nigerian, 2024).



The Multicultural Startup Scene of Nigeria: Cool Nigeria

A silver lining on the horizon is the vibrant startup culture in the country: Nigeria's founder scene has grown quickly, making the country an important player in Africa's tech growth. Overall, almost a third of all African technology startups come from Nigeria. In recent years, the country has become a hot spot for investors, with several startups reaching a billion-dollar valuation, known as "unicorn" status. This rise in their market value shows the potential of Nigeria's creative businesses and their ability to expand across Africa and the world.

"This new self-confidence is the basis for a form of coolness; it offers the opportunity to identify with one's own country in a completely new way and to adopt a new perspective on what makes Nigeria what it is."

Dr. Tom Simmert



Nigeria's population is one of the most migrated in the world. This is due to the country's difficult conditions, especially in terms of infrastructure. Climbing the middle class is further hampered by the fact that even people with a high level of education struggle to find decent jobs and a high level of unemployment in general. Artists are not exempt from this exodus, although success can give them the means to return home. As a result, there are Nigerian populations in many parts of the world, especially in the UK, the USA and Canada. The Canadian government has launched extensive job recruitment programs for people from Nigeria. Contemporary Nigerian culture – Afrobeats included – is a culture very much on the move, although very few people want to live abroad forever – the difference between the warm social structure in their own country and the "social coldness" in the global north is perceived to be too great.

Nigerian Identities:

"Only in recent times have middle-class Nigerians developed a positive self-image – for their language, their music, their culture."
(Dr. Tom Simmert)



Change in Values: Dissonance between diligence and self-realization

The most important value for people is ambition, a Protestant work ethic that is also conveyed through religion. The Pentecostal churches, the Pentecostal Fellowship of Nigeria, are partly responsible for this and are gaining influence, especially in southern Nigeria. The north is still dominated by Islam, and here the Boko Haram fighters are preventing the development of the country and its inhabitants. "There is a very strong value system that is influenced by religion, which actually says that it is right that men and women have separate roles. Women in particular who are successful in their jobs experience a certain cognitive dissonance between this expectation and the simultaneous expectation of being treated absolutely equally in the workplace", explains Tom Simmert.

"Especially in the middle class we see this desire for self-realization and financial equality."

Dr. Tom Simmert



But especially in the south, the combination of this idea of ambition and individual fulfillment has also given rise to a great need for justice and fairness – coupled with a willingness to perform. People today feel very disadvantaged and treated unfairly due to their geographical location. There is a growing awareness that the country itself is strong in producing innovations, for example in the area of app development. "Our fintech start-ups could be just as good as American ones and we would actually like to show that this is possible, especially to the West" (Tom Simmert).

A fairer policy for social and economic transformations

"Everything depends on the government. Only by putting the needs of the people first and actively involving them in political discussions can it restore the trust it has lost in recent months – and work towards a fairer future for all Nigerians."

Anietie Ewang



Shift of Consumer Behaviour

Convenience in everyday life as the greatest consumer desire

“The biggest sign of having made it and becoming part of the middle class is that I have a small house or an apartment in an estate, a gated community. These come in a wide range of sizes, but offer enough space for me and, if necessary, a family,” explains Tom Simmert. In addition, communications and entertainment electronics products are strong symbols of having made it. Anyone who has satisfied their basic need for a safe home with a small apartment and a refrigerator quickly invests in the latest iPhone or the equivalent Samsung model and other technology and accessories.

Access to healthcare and education is also improving for members of the middle class. There are both schools and private clinics at a wide range of price levels, and they are frequented accordingly – even if it means helping out in a given situation and asking friends and relatives for money, which is then paid back as soon as money is available again.

“Over 2025, we forecast real household spending to mark the first year of growth since the Covid-19 pandemic.”

Nigeria 2025 Consumer Outlook

The areas of gastronomy and nightlife are also suitable for showing one's own status. Those who can treat themselves to a holiday trip, technical devices or regular new fashion items, with the local industry in particular benefiting from this awakening enthusiasm for consumption. “People in Nigeria are very proud of their cuisine, have little interest in other countries' cuisines, but at least want international service.” Other consumer desires include furnishings, but also cosmetic products, especially those with a lightening effect, which are then exported to the global north with new functions (lightening age spots, etc.). Fitness studios for working on physical appearance are also becoming increasingly popular, as is the topic of cryptocurrency among young men.

A story from a middle-class Nigerian

“I have money for private transport, i.e. for Uber or the various competitors that exist, or I have my own car. The Toyota Corolla is very popular, it's the same as the Golf, it's good value for money and I can have it repaired cheaply, and the necessary parts are available. It's a kind of SUV, which is important given the poor road conditions here. I have one or more jobs, one that corresponds to the higher education qualification that I have, because a lot of people have high education qualifications but still work in extremely precarious conditions; or I run small businesses and have the necessary resources to work as an Uber driver myself, for example. The middle of the lower half of the middle class is an Uber driver, for example. That way I can somehow sustain my family, who probably don't live in the city, but where I still somehow make a decent living. The family then has a small house or an apartment outside the city and then I commute back and forth. Or things are going very well and I can afford to live in the city with my family.” Dr. Tom Simmert

Middle Class Market selection

Reference and Emerging Markets

India



Indonesia



Malaysia



Vietnam



Brazil



Mexico



Poland



Nigeria



Emerging

Reference

China



USA



Germany



Middle Class China, USA, Germany

Values, Consumption and Societal Trends

The following chapter shows the results of a milieu analysis of the middle class in the reference markets of the USA, China and Germany.

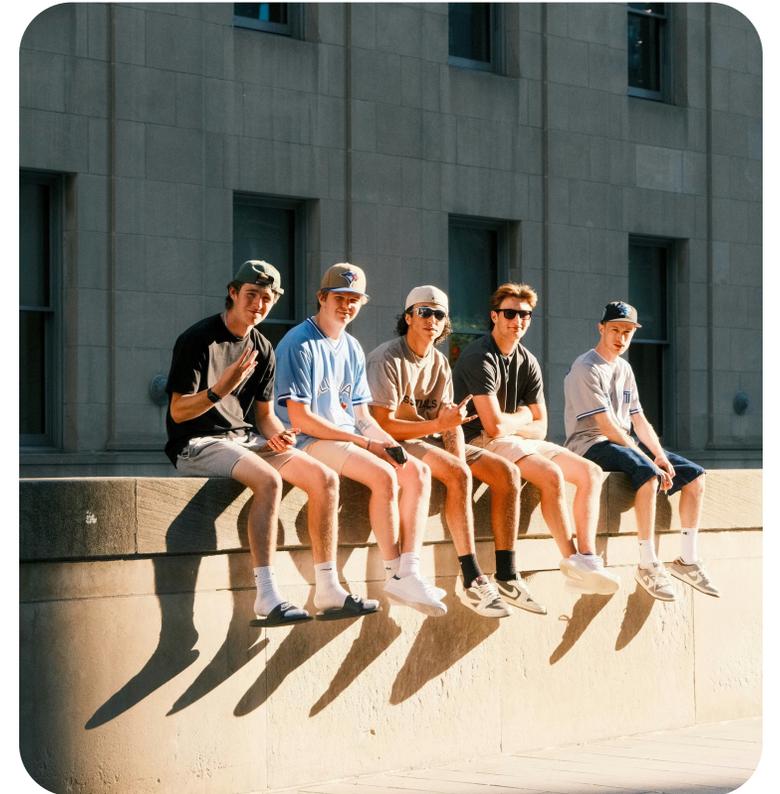
For each market, examples of middle-class micromilieus with conservative, modern and progressive values were analysed.

The categories analysed cover attitudes to the most important future private and social issues, economic outlook, consumer preferences, brands, media interests, values and social trends.

Why Milieus?

Middle class is not just middle class. In addition to income, a person's value orientation has a decisive influence on their lifestyle and consumer behaviour.

With the help of micromilieu research, we can divide societies into value dimensions and thus gain a more precise overview of corresponding life choices, desires and attitudes.



Middle Class Values

Methodology of Value-Based Social Research

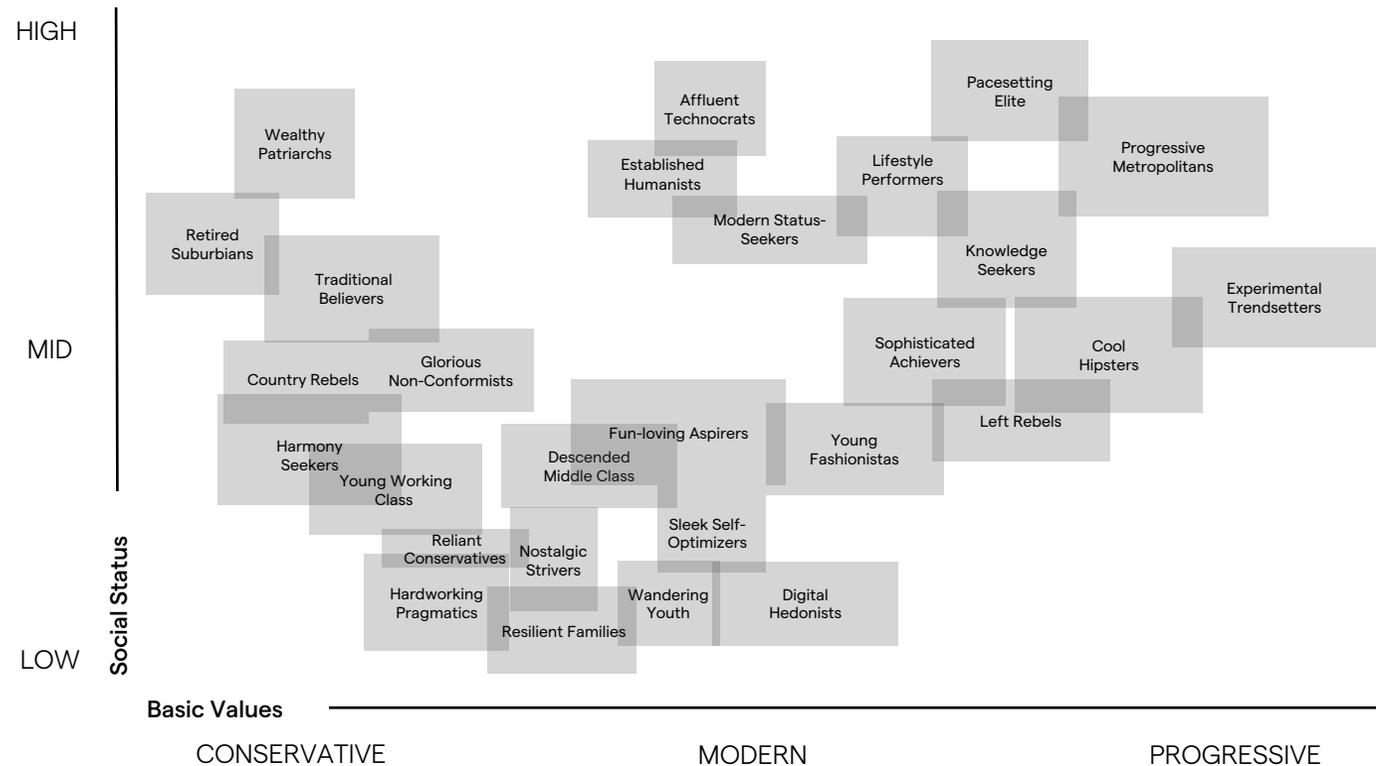
Value-based social research segments people according to their social status and value orientation.

Social Status / Y-Axis

The social status axis provides information on the level of education, income and occupational prestige. The higher these two attributes are among the persons in a segment, the higher the position within the model.

Value-Orientation / X-Axis

The value orientation axis describes the attitude and mindset of a segment based on its market and culture specific values. The further a segment is positioned to the right of the model, the more progressive it is.





Middle Class CHINA





Middle Class CHINA

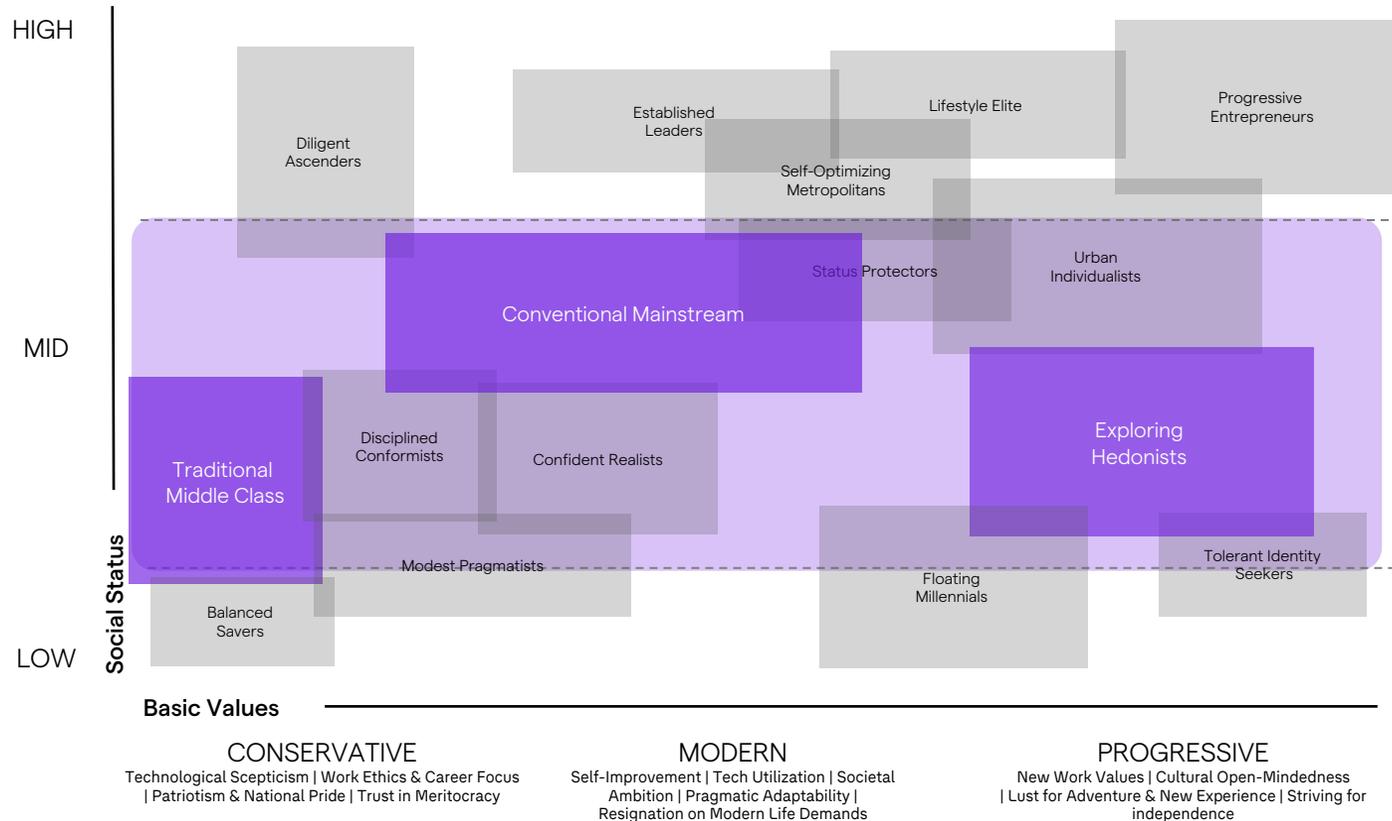
Income Based Milieu Selection

Middle Class CHINA

Income < 500,000 RMB yearly per HH

Income >100,000 RMB yearly per HH

Middle Class definition of China's National Bureau of Statistics (NBS) for a typical three-person household that earns between RMB 100,000 to RMB 500,000 (US\$14,800 to US\$74,200 in 2022) per year.





Progressive Middle Class

Exploring Hedonists

Self-confident Adventurers

The Exploring Hedonists are confident and convinced individualists. They seek to escape the stress in life imposed by the obligation to perform while disapproving the lifestyle of their fellow human beings, who work relentlessly without thoughtful consideration.

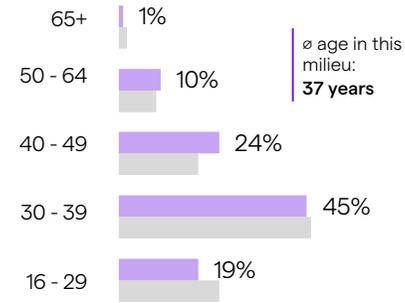
They view globalization skeptical, fearing loss of the foundation of their trade and culture identity.

Paradoxically, they have a sensitive status awareness and like to showcasing symbols of new adventures, thrills, and life experiences. They are selective in choosing friends and long for a job that matches their talents and interests. family – and to stay healthy and fit.

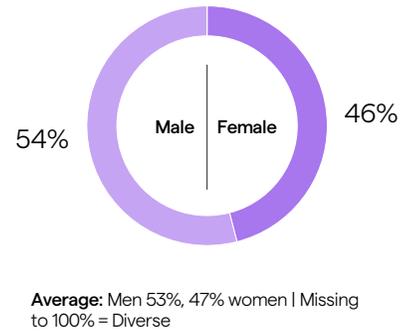
Mindset

- Status awareness & show off
- Thrill & adventure lust
- Individualistic
- Indie lifestyle & culture

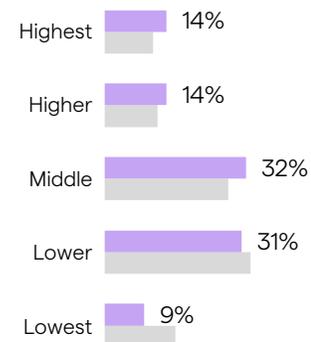
Age



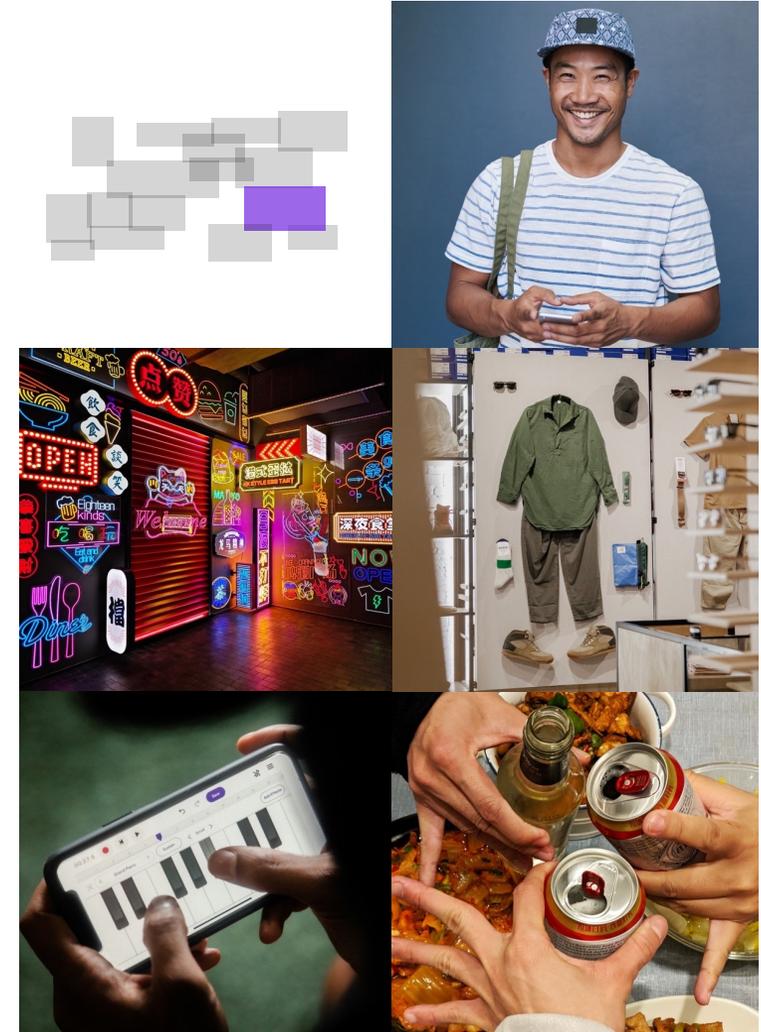
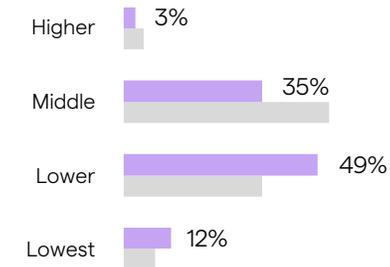
Gender



Income Household¹



Education²



*: ¹Income household (monthly gross): Highest: 500.000 RMB or more - 199.999 RMB | Higher: 119.999 RMB - 40.000 RMB | Middle: 39.999 RMB - 20.000 RMB | Lower: 19.999 RMB - 10.000 RMB | Lowest: 9.999 RMB - Less than 4.000 RMB | ²Education: Highest: Postgraduate study (PhD and above) | Higher: University, secondary degree (MA, MBA etc. .University, first degree (e.g., BA, BSc)| Middle: Training college, High school, Still in university | Low: Middle school, Primary school, Still at school, No formal education



Modern Middle Class

Conventional Mainstream

Hardworking and sincere people

The largest milieu in the model represents the Chinese adapted mainstream and middle class. Individuals in this segment contribute significantly to China's economic recovery through their hard work and adaptability.

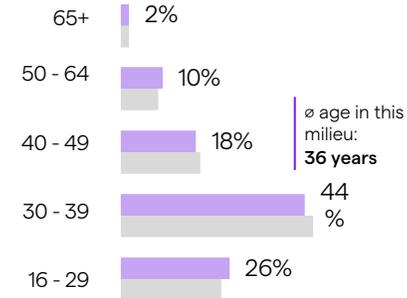
They are reacting to the growing pressure that everyone in society is exposed to and understand that some people are trying to escape it.

Members of this segment are open to learn from other cultures. However, they still cling to the traditional understanding of gender relationships and gender roles. Regarding consumption, they prefer domestic products and reject luxury purchases as status symbols.

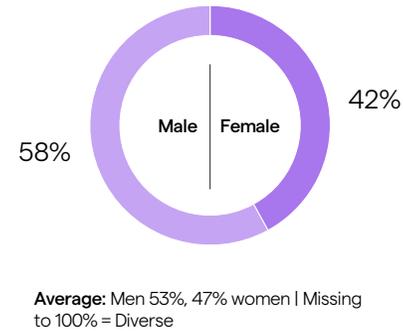
Mindset

- Harmonious & conforming
- Low-key mindset
- Calm & peaceful lifestyle
- Modern life adapting

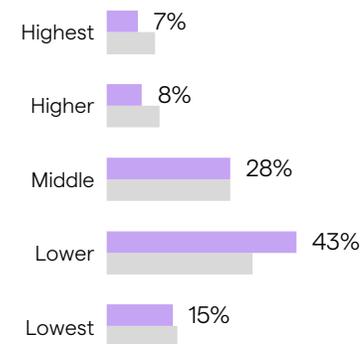
Age



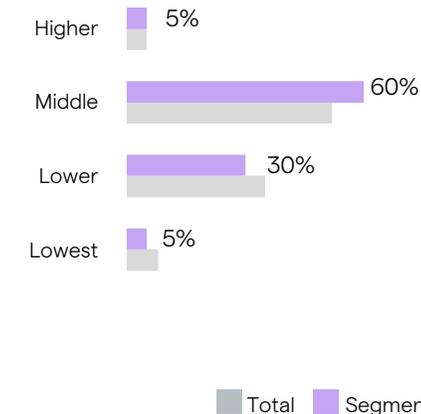
Gender



Income Household¹



Education²



*: ¹Income household (monthly gross): Highest: 500.000 RMB or more - 199.999 RMB | Higher: 119.999 RMB - 40.000 RMB | Middle: 39.999 RMB - 20.000 RMB | Lower: 19.999 RMB - 10.000 RMB | Lowest: 9.999 RMB - Less than 4.000 RMB | ²Education: Highest: Postgraduate study (PhD and above) | Higher: University, secondary degree (MA, MBA etc. .University, first degree (e.g., BA, BSc)| Middle: Training college, High school, Still in university | Low: Middle school, Primary school, Still at school, No formal education



Conservative Middle Class

Traditional Middle Class

People proud about their Chinese culture

The Traditional Middle Class embodies a conservative community that takes pride in national identity and domestic goods.

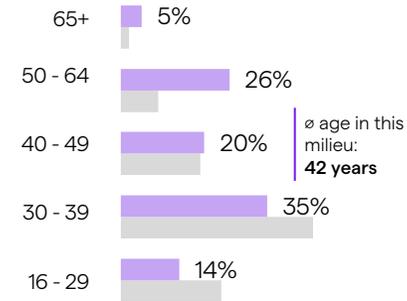
They believe in the classic concept of gender roles, contributing to their conservative values and find blissful joy in the time spent with their families.

Diligent and reliable, they firmly believe in the virtues of assuming duties and hard work that led to eventual rewards. Content with the trajectory of their lives, individuals in this milieu approach technological innovations with an open mind and little fear of their life-changing implications.

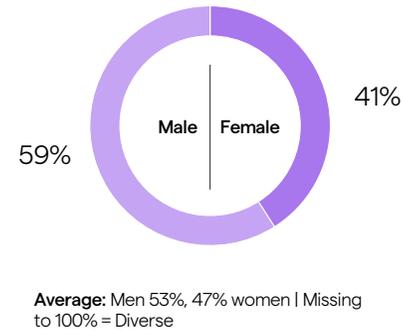
Mindset

- Traditional work ethics
- National & cultural pride
- Classical concept of gender roles
- Openness towards tech & innovation

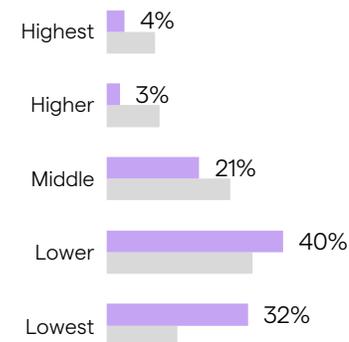
Age



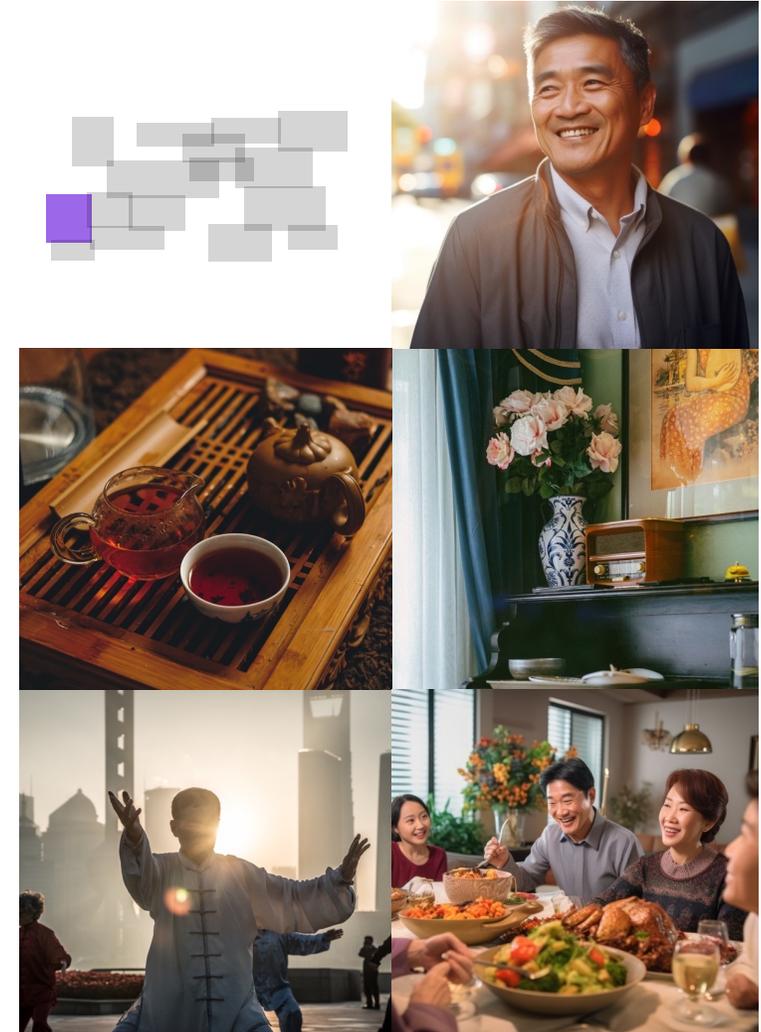
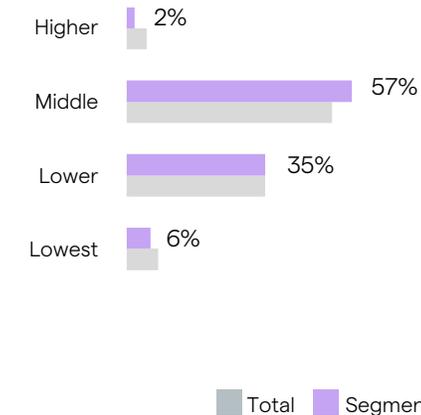
Gender



Income Household¹



Education²



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Outlook Societal / Private Topics and Personal Economic Situation

	 Conservative Middle Class Traditional Middle Class	 Modern Middle Class Conventional Mainstream	 Progressive Middle Class Exploring Hedonists
Society – Most important topics for politics and society in the next few years (Top 3 selection).	<ul style="list-style-type: none"> Demographic change (ageing population) 57% Improvements in health care system 55% Climate change 45% 	<ul style="list-style-type: none"> Improvements in health care system 44% Demographic change (ageing population) 42% Climate change 35% 	<ul style="list-style-type: none"> Improvements in health care system 32% Air quality 29% Demographic change (ageing population) 29%
Private – Biggest personal challenges in the next 12 months (Top 3 selection).	<ul style="list-style-type: none"> Improving work-life balance 41% More time for the family 36% Securing wealth / assets 35% 	<ul style="list-style-type: none"> Improving work-life balance 47% More time for the family 26% Securing wealth / assets 25% 	<ul style="list-style-type: none"> Improving work-life balance 27% More time for the family 22% More time for hobbies 21%
Personal Economic Situation – Expected personal economic development in the future.	<ul style="list-style-type: none"> My financial situation will improve 64% My financial situation will be stable 29% My financial situation will get worse 6% 	<ul style="list-style-type: none"> My financial situation will improve 60% My financial situation will be stable 35% My financial situation will get worse 5% 	<ul style="list-style-type: none"> My financial situation will improve 58% My financial situation will be stable 40% My financial situation will get worse 2%

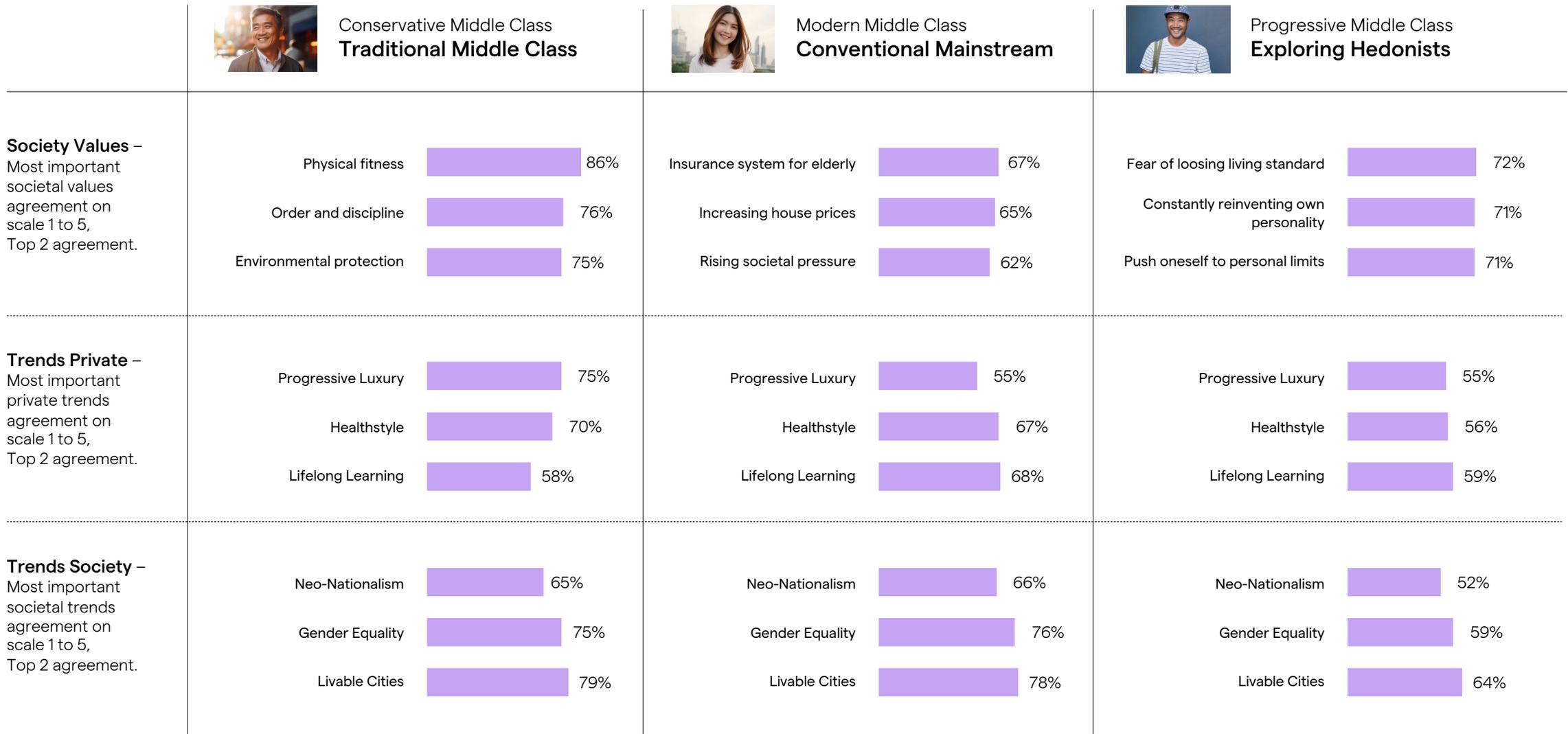


Top 3 Insights on Personality Expression, Brand Importance & Media Interests

	 Conservative Middle Class Traditional Middle Class	 Modern Middle Class Conventional Mainstream	 Progressive Middle Class Exploring Hedonists
Personality Expression in Consumption – Areas of live reflecting personality the best (Top 3 selection).	<ul style="list-style-type: none"> My Profession, My Work 32% Places I like to go, to see and be seen 30% Traveling 29% 	<ul style="list-style-type: none"> Smartphone, Wearables 32% Clothing, Fashion 30% Sports & Fitness 29% 	<ul style="list-style-type: none"> Car 18% Places I like to go, to see and be seen 18% The neighbourhood where I live 16%
Personality Expression in Brands – Areas in which brands are important (Top 3 selection).	<ul style="list-style-type: none"> My Profession, My Work 21% Smartphone, Wearables 19% Apartment, Home Furnishings 18% 	<ul style="list-style-type: none"> Smartphone, Wearables 21% Car 20% Sports & Fitness 19% 	<ul style="list-style-type: none"> Sustainable lifestyle 9% Car 8% Sports & Fitness 8%
Media Usage Topics – Most interesting topics in media consumption (TV, Radio, Internet, Newspaper, Social Media, etc.) (Top 3 selection).	<ul style="list-style-type: none"> Health 54% National News 51% Nutrition 48% 	<ul style="list-style-type: none"> Cars 47% Nutrition 44% Technology 42% 	<ul style="list-style-type: none"> Cars 37% Health 28% Technology 27%

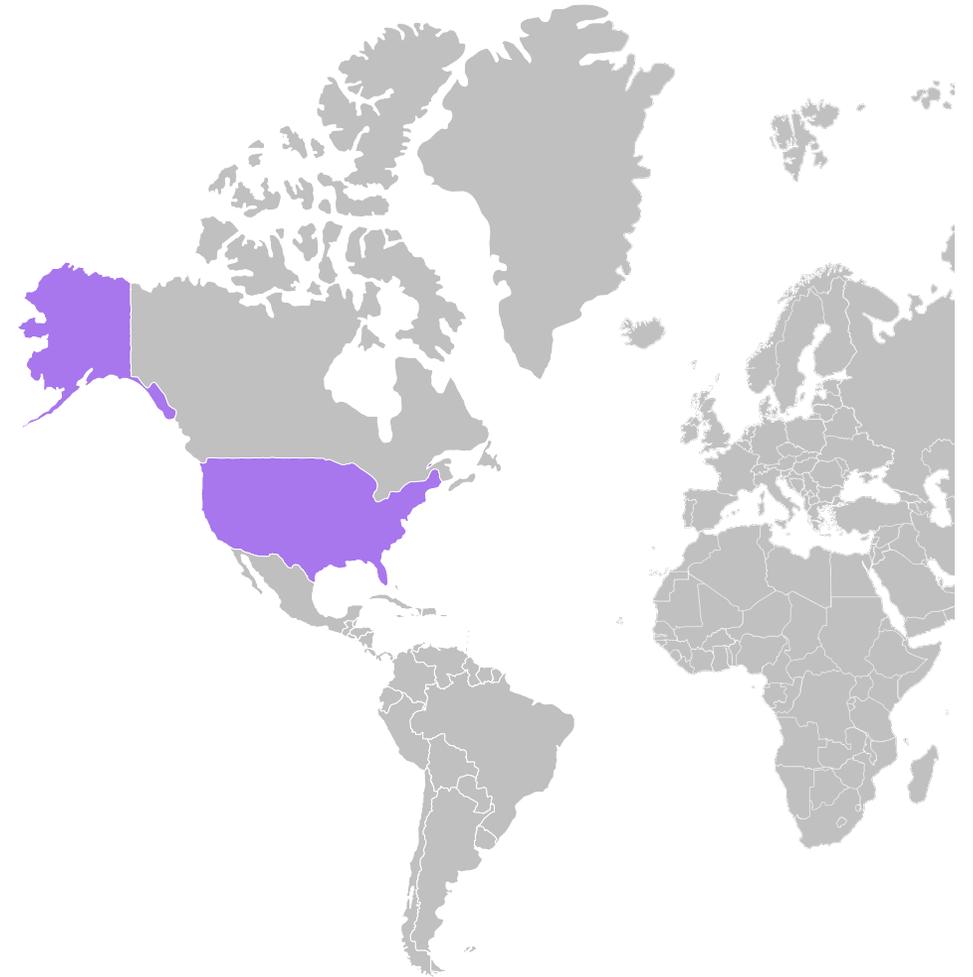


Middle Class Milieu Priorities in Societal / Private Values & Trends





Middle Class USA

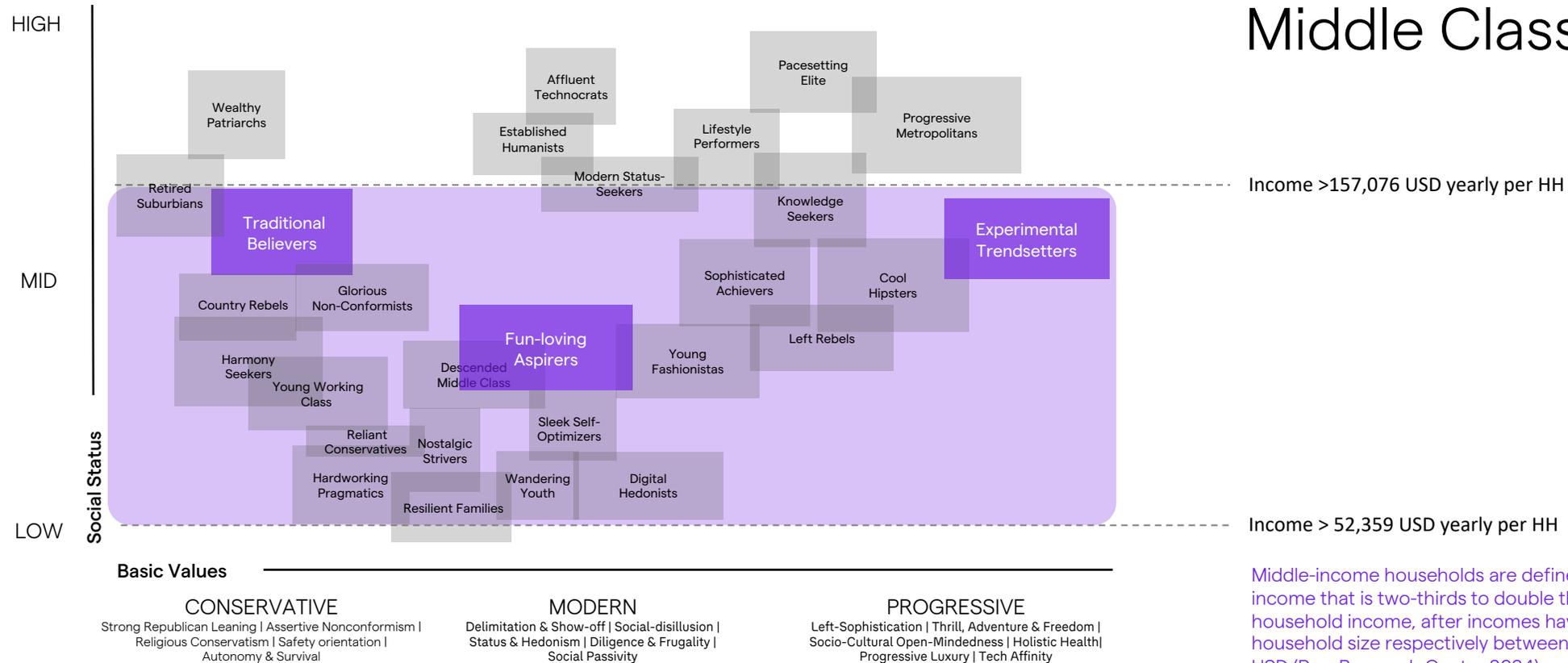




Middle Class USA

Income Based Milieu Selection

Middle Class USA



Middle-income households are defined as those with an income that is two-thirds to double that of the U.S. median household income, after incomes have been adjusted for household size respectively between 157,076 USD and 52,359 USD (Pew Research Center 2024).



Progressive Middle Class Experimental Trendsetters

Postmodern Thought Leaders

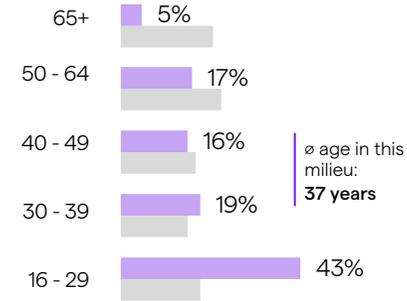
What unites these people is the radical rejection of all traditional structures. They try to completely free themselves from a mental or regulatory corset of church, state, family and try new paths in life. This includes an irrepressible curiosity about influences from art, culture, fashion, music, media, science and technology.

There is no area that the Experimental Trendsetters are not enthusiastic about, and they also accept that they do not always know how they can earn their living today and in the future. And even if these people no longer believe in the American Dream, they still try to get the most out of the opportunities they have.

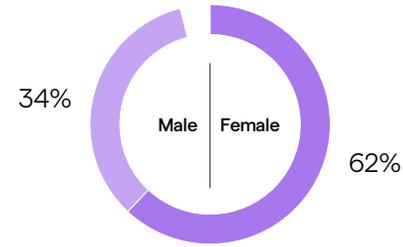
Mindset

- Individualistic
- Multiculturally enthusiastic
- Environmentally conscious
- Progressive social attitude

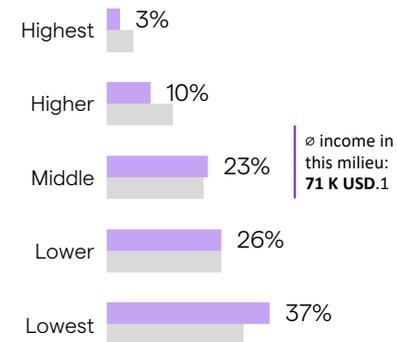
Age



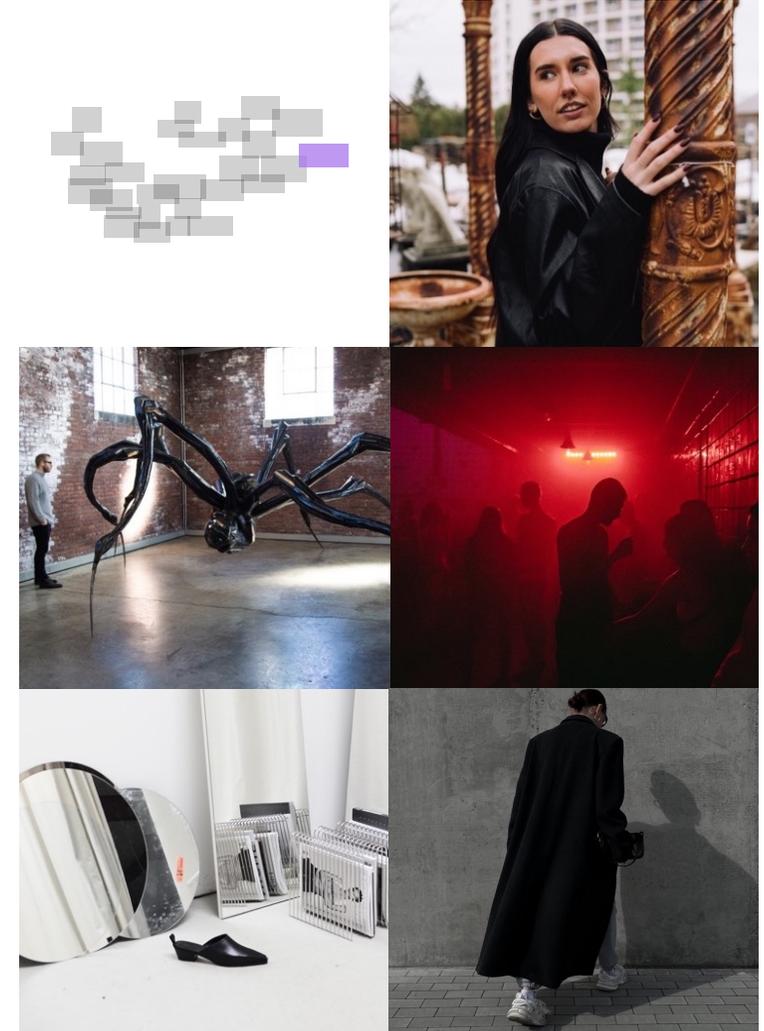
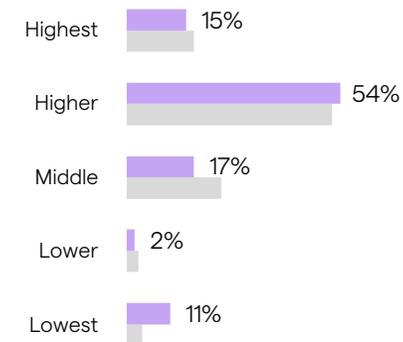
Gender



Income Household¹



Education²



*: ¹Income household (annual gross): Highest: Over \$500,000 - \$300,000 | Higher: \$300,000 - \$150,000 | Middle: \$150,000 - \$85,000 | Lower: \$85,000 - \$50,000 | Lowest: \$50,000 - \$20,000 or less | ²Education: Highest: Postgraduate study | Higher: College graduate | Middle: Vocational / trade/ technical school | High school graduate | Lower: Some high school | 8th grade or less | Lowest: Still at school | Still in college / university



Modern Middle Class

Fun-loving Aspirers

Nice Guys and Girls

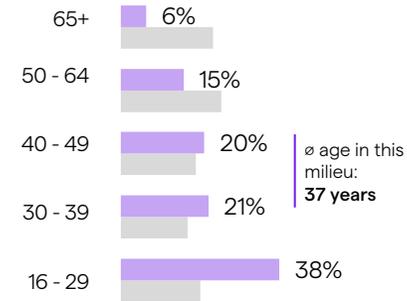
This milieu, found at the center of the model, is made up of people who can be described as reliable pillars of American society who consciously maintain a modern, adapted and happy lifestyle. The Fun-loving Aspirers like to work a lot because the recognition of society means a lot to them and because it is a matter of course for them.

Many of the Fun-loving Aspirers are family people who find support in the structures of their everyday lives but also in their belief in God. Brands and status also play an identity-forming role. Apart from that, the main claim is to have a good time – also together with friends and family – and to stay healthy and fit.

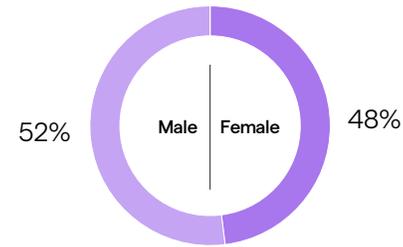
Mindset

- Modern mainstream
- Hardworking and brand-affine
- Sporty and adventurous
- Good networker

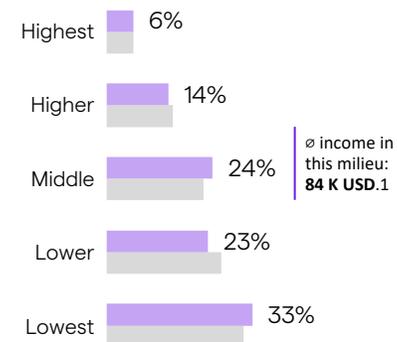
Age



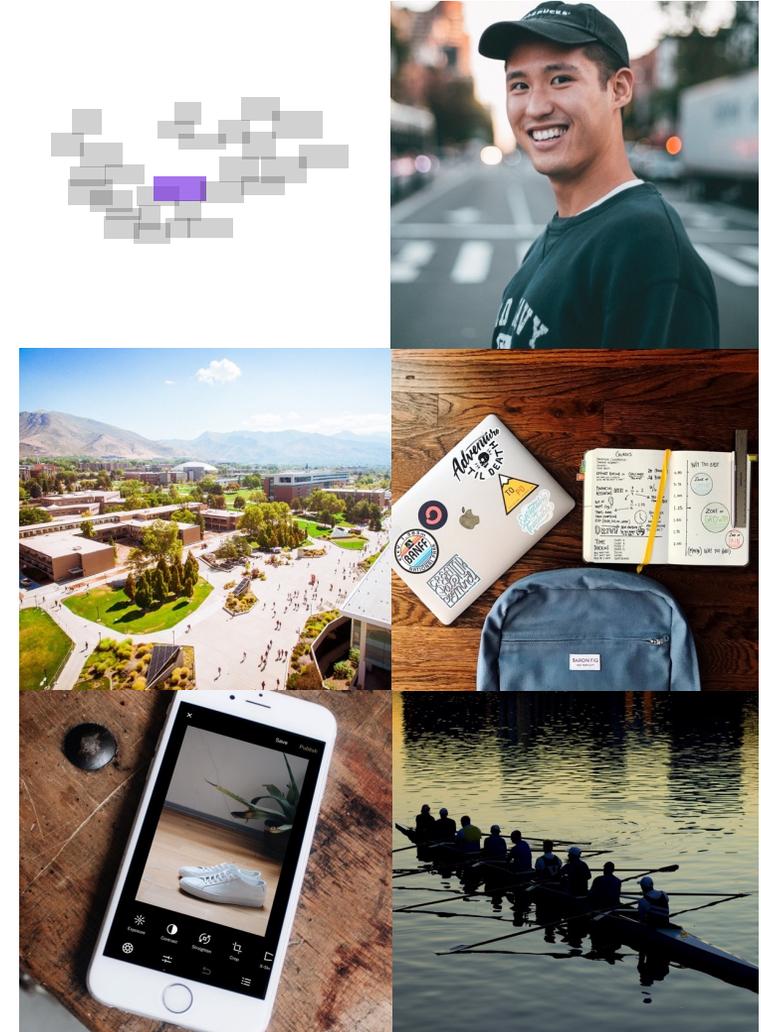
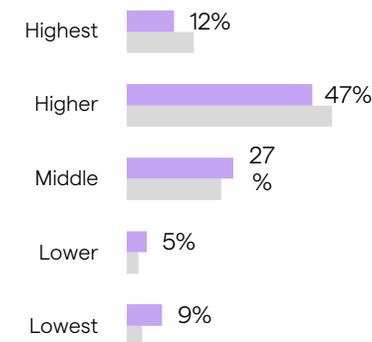
Gender



Income Household¹



Education²



*: ¹Income household (annual gross): Highest: Over \$500,000 - \$300,000 | Higher: \$300,000 - \$150,000 | Middle: \$150,000 - \$85,000 | Lower: \$85,000 - \$50,000 | Lowest: \$50,000 - \$20,000 or less | ²Education: Highest: Postgraduate study | Higher: College graduate | Middle: Some college | Lower: Vocational / trade/ technical school | Lowest: High school graduate | Still at school | Still in college / university



Conservative Middle Class

Traditional Believers

Conservative Rural Population

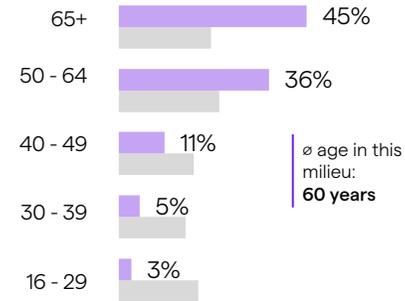
In this milieu there are people who are united by a strong connection to nature, but who nevertheless do not believe in the existence of a global climate crisis. People here are also skeptical about other information provided by the mainstream press.

Faith plays an important role in the lives of these people. According to their traditional worldview, you shouldn't spend too much time styling your appearance or conforming to a socially transmitted ideal. The Traditional Believers, on the other hand, are interested in their health. They observe social change with concern and particularly disagree with American immigration policy.

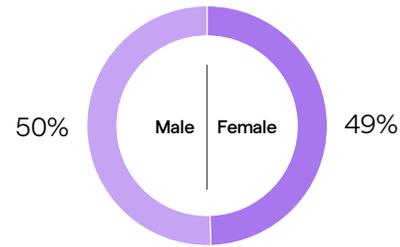
Mindset

- Close to nature
- Nationalist
- Religious
- Anti-technology

Age

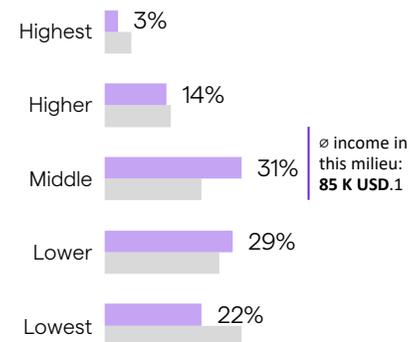


Gender

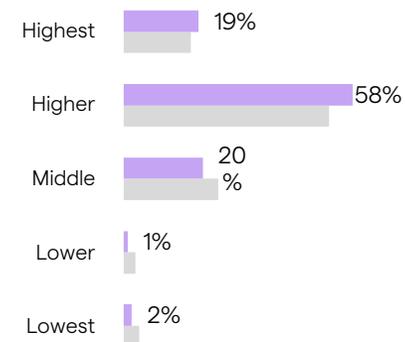


Average: 49% men and 51% women | Missing to 100% = Diverse

Income Household¹



Education²



■ Total ■ Segment



*: ¹Income household (annual gross): Highest: Over \$500,000 - \$300,000 | Higher: \$300,000 - \$150,000 | Middle: \$150,000 - \$85,000 | Lower: \$85,000 - \$50,000 | Lowest: \$50,000 - \$20,000 or less | ²Education: Highest: Postgraduate study | Higher: College graduate Some college | Middle: Vocational / trade/ technical school High school graduate | Lower: Some high school 8th grade or less | Lowest: Still at school Still in college / universit



Outlook Societal / Private Topics and Personal Economic Situation

	 Conservative Middle Class Traditional Believers	 Modern Middle Class Fun-loving Aspirers	 Progressive Middle Class Experimental Trendsetters
Society – Most important topics for politics and society in the next few years (Top 3 selection).	<ul style="list-style-type: none"> Too much migration / immigration: 80% Deepening social division: 31% Improvements in health care system: 30% 	<ul style="list-style-type: none"> Improvements in health care system: 50% Too little affordable housing: 42% Climate change: 40% 	<ul style="list-style-type: none"> Improvements in health care system: 69% Too little affordable housing: 50% Climate change: 44%
Private – Biggest personal challenges in the next 12 months (Top 3 selection).	<ul style="list-style-type: none"> Rising prices: 93% Staying healthy: 67% Securing wealth / assets: 23% 	<ul style="list-style-type: none"> Rising prices: 84% Staying healthy: 48% Securing wealth / assets: 22% 	<ul style="list-style-type: none"> Rising prices: 75% Securing wealth / assets: 36% Improving work-life balance: 30%
Personal Economic Situation – Expected personal economic development in the future.	<ul style="list-style-type: none"> My financial situation will improve: 34% My financial situation will be stable: 44% My financial situation will get worse: 21% 	<ul style="list-style-type: none"> My financial situation will improve: 71% My financial situation will be stable: 25% My financial situation will get worse: 4% 	<ul style="list-style-type: none"> My financial situation will improve: 59% My financial situation will be stable: 30% My financial situation will get worse: 10%



Top 3 Insights on Personality Expression, Brand Importance & Media Interests

	 Conservative Middle Class Traditional Believers	 Modern Middle Class Fun-loving Aspirers	 Progressive Middle Class Experimental Trendsetters
Personality Expression in Consumption – Areas of live reflecting personality the best (Top 3 selection).	<ul style="list-style-type: none"> What I like to eat or cook: 80% Traveling: 31% The neighbourhood where I live: 30% 	<ul style="list-style-type: none"> My Profession, My Work: 38% Traveling: 37% What I like to eat or cook: 32% 	<ul style="list-style-type: none"> Art and Culture: 51% Clothing, Fashion: 48% Places I like to go, to see and be seen: 48%
Personality Expression in Brands – Areas in which brands are important (Top 3 selection).	<ul style="list-style-type: none"> Traveling: 22% Car: 21% Pets: 17% 	<ul style="list-style-type: none"> Traveling: 25% Car: 24% My Profession, My Work: 24% 	<ul style="list-style-type: none"> Pets: 25% Traveling: 24% Clothing, Fashion: 20%
Media Usage Topics – Most interesting topics in media consumption (TV, Radio, Internet, Newspaper, Social Media, etc.) (Top 3 selection).	<ul style="list-style-type: none"> Local News: 77% National News: 69% Politics: 61% 	<ul style="list-style-type: none"> Local News: 71% National News: 63% Music: 50% 	<ul style="list-style-type: none"> Music: 69% National News: 63% Health: 61%

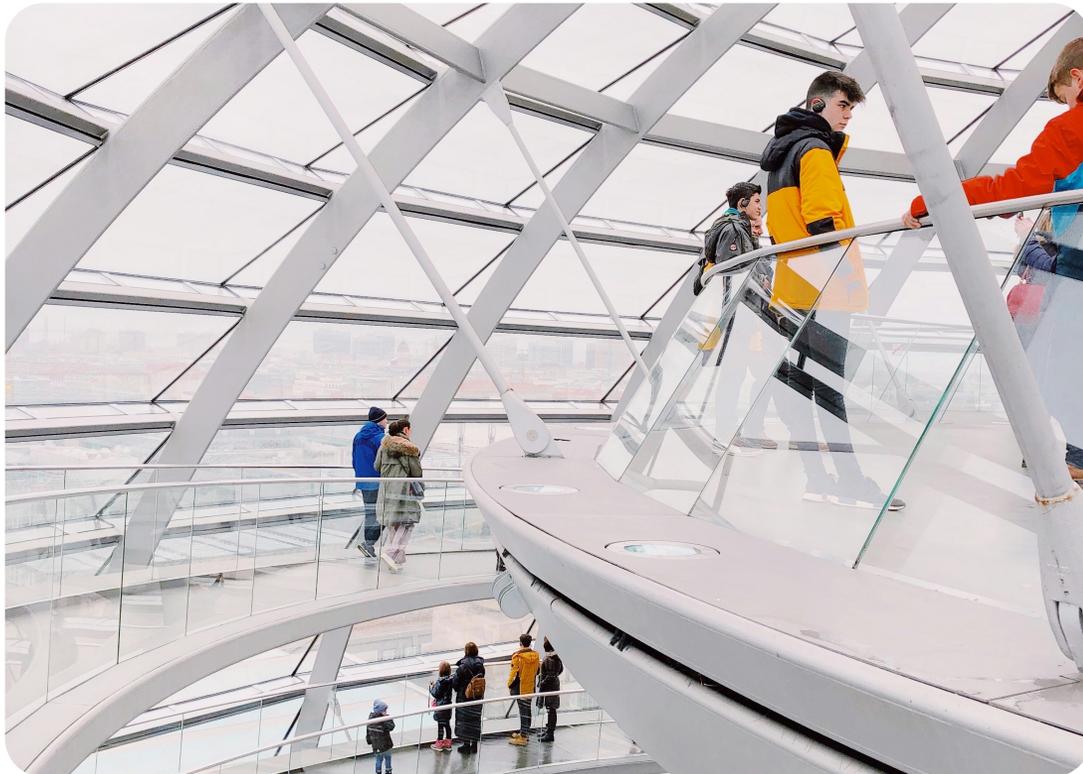


Middle Class Milieu Priorities in Societal / Private Values & Trends

	 Conservative Middle Class Traditional Believers	 Modern Middle Class Fun-loving Aspirers	 Progressive Middle Class Experimental Trendsetters
Society Values – Most important societal values agreement on scale 1 to 5, Top 2 agreement.	<ul style="list-style-type: none"> Protection of my data on the Internet is important to me: 94% I try to save money whenever possible: 79% I feel an increasing social coldness in our society: 61% 	<ul style="list-style-type: none"> Protection of my data on the Internet is important to me: 90% I try to save money whenever possible: 71% I am willing to work a lot to afford more: 65% 	<ul style="list-style-type: none"> Protection of my data on the Internet is important to me: 85% I try to save money whenever possible: 79% Political engagement is important to me: 69%
Trends Private – Most important private trends agreement on scale 1 to 5, Top 2 agreement.	<ul style="list-style-type: none"> Progressive Luxury: 16% Healthstyle: 23% Lifelong Learning: 48% 	<ul style="list-style-type: none"> Progressive Luxury: 25% Healthstyle: 35% Lifelong Learning: 70% 	<ul style="list-style-type: none"> Progressive Luxury: 49% Healthstyle: 38% Lifelong Learning: 77%
Trends Society – Most important societal trends agreement on scale 1 to 5, Top 2 agreement.	<ul style="list-style-type: none"> Neo-Nationalism: 38% Gender Equality: 58% Livable Cities: 39% 	<ul style="list-style-type: none"> Neo-Nationalism: 28% Gender Equality: 72% Livable Cities: 52% 	<ul style="list-style-type: none"> Neo-Nationalism: 10% Gender Equality: 90% Livable Cities: 79%



Middle Class GERMANY

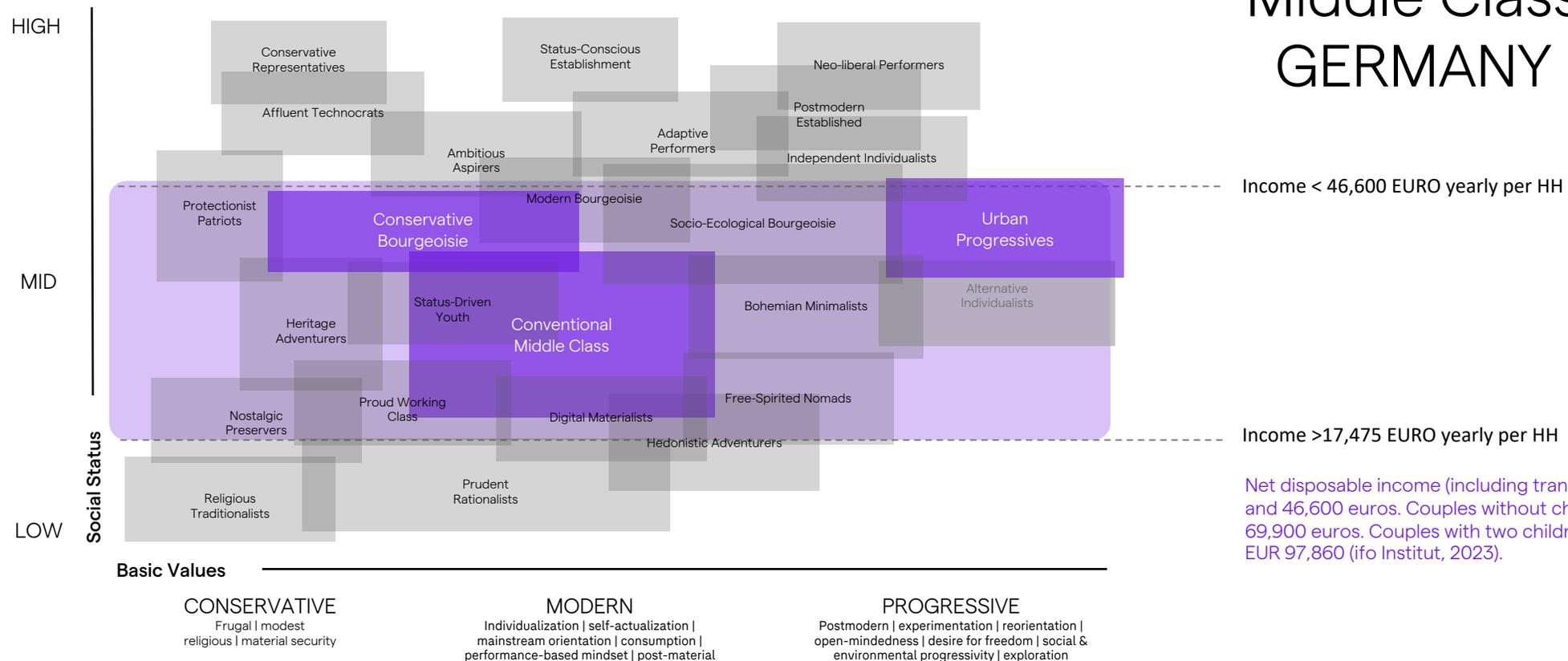




Middle Class GERMANY

Income Based Milieu Selection

Middle Class GERMANY



Net disposable income (including transfers) between 17,475 and 46,600 euros. Couples without children = 26,212 and 69,900 euros. Couples with two children = EUR 36,698 and EUR 97,860 (ifo Institut, 2023).



Progressive Middle Class Urban Progressives

Cosmopolitan Creatives

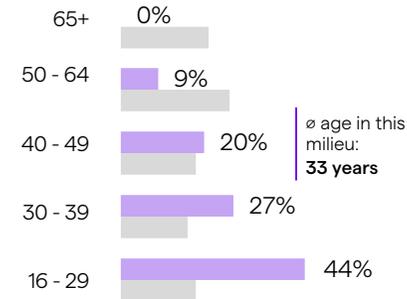
These are cosmopolitans with a sustainable and digital lifestyle. Although they would rather read a book than be online, most of their lives takes place online, where they follow their interests around creativity, arts and culture.

They are not interested in what is going on in the mainstream. Neither do they strive for an accepted position in society through status. What determines them most is their individuality and interest in art and culture. One can find these creatives in the vibrant cosmopolitan cities of Europe.

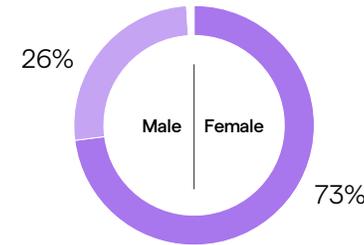
Mindset

- Individual
- Art Enthusiastic
- Cosmopolitan
- Progressive

Age

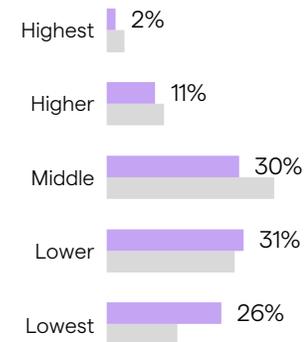


Gender

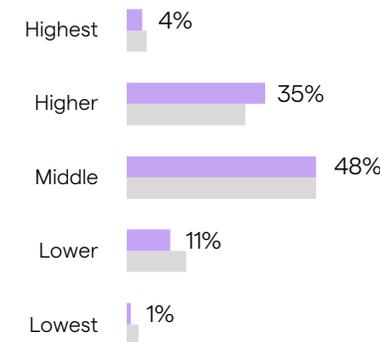


Average: 47% men and 52% women | Missing to 100% = Diverse

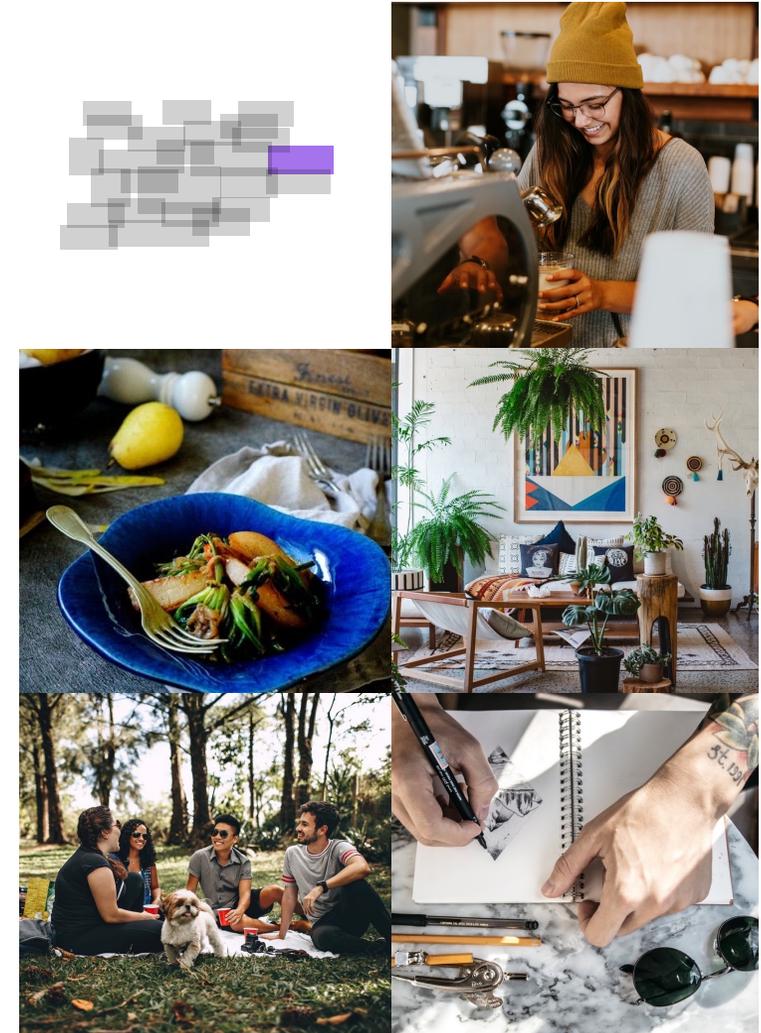
Income Household¹



Education²



■ Total ■ Segment



*: ¹Income household (monthly netto) Highest: Over > 20.000 € - 14.999 € | Higher: 14.999 € - 7.499 € | Middle: 7.499 € - 2.499 € | Lower: 2.499 € - 1.499 € | Lowest: 1.498 € or less | ²Education: Highest: Postgraduate/Dr./Prof. | Higher: Degree (university, college, university of applied sciences, academy, polytechnic) | Middle: Abitur, university entrance qualification without studies, Intermediate school leaving certificate or secondary school without Abitur | Lower: Primary school/elementary school/main school with completed apprenticeship/vocational training. No general school leaving certificate (yet), still a pupil at a general school | Lowest: Elementary school/primary school/main school without completed apprenticeship/vocational training



Modern Middle Class

Conventional Middle Class

Modest Workers

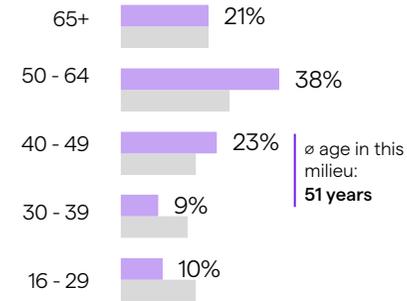
The conventional middle class values moderation and avoids extreme opinions. They rarely embrace strong agreement, but what they firmly reject says a lot about them. Their aversions reveal their priorities, fears, and the unspoken rules that shape their worldview.

They are content with the small things in life. They like things the way they are. Thrills and adventures are not their cup of tea. They seek a normal life. When they're not working, they like to relax and unwind from their daily routine..

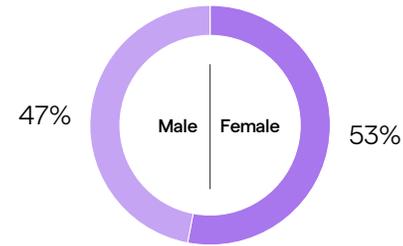
Mindset

- Pragmatic
- Modest
- Classic
- Unpretentious

Age

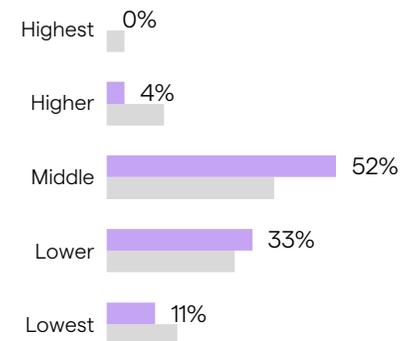


Gender

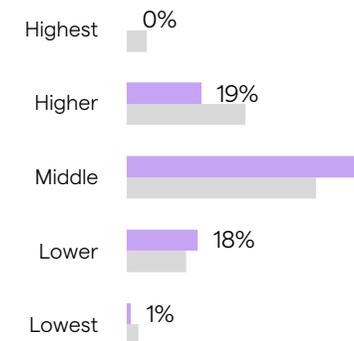


Average: 47% men and 52% women | Missing to 100% = Diverse

Income Household¹



Education²



Legend: Total (Grey), Segment (Purple)



*: ¹Income household (monthly netto) Highest: Over > 20.000 € - 14.999 € | Higher: 14.999 € - 7.499 € | Middle: 7.499 € - 2.499 € | Lower: 2.499 € - 1.499 € | Lowest: 1.498 € or less | ²Education: Highest: Postgraduate/Dr./Prof. | Higher: Degree (university, college, university of applied sciences, academy, polytechnic) | Middle: Abitur, university entrance qualification without studies, Intermediate school leaving certificate or secondary school without Abitur | Lower: Primary school/elementary school/main school with completed apprenticeship/vocational training, No general school leaving certificate (yet), still a pupil at a general school | Lowest: Elementary school/primary school/main school without completed apprenticeship/vocational training



Conservative Middle Class

Conservative Bourgeoisie

Modest Pensioners

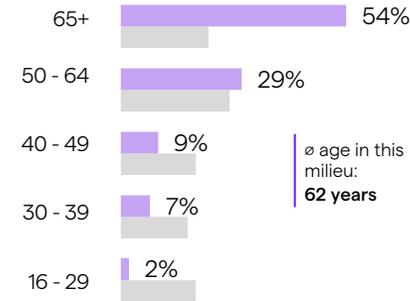
The religious Conservative Bourgeoisie are frugal and careful not to live beyond their means. They are critical of modern trends and often have doubts about whether they have a positive effect on society. Basic income or polygamy does not match their worldview.

In their free time, they are interested in theatre, board games, gardening, hiking and handicrafts.

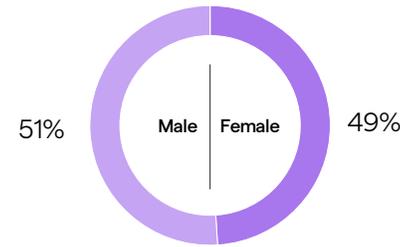
Mindset

- Critical
- Modest
- Common
- Classic

Age

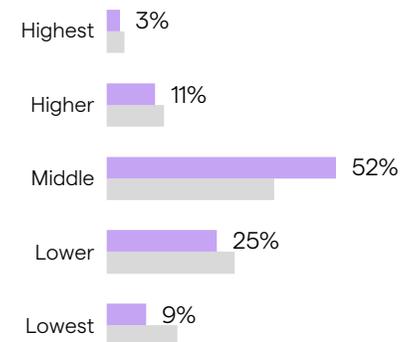


Gender

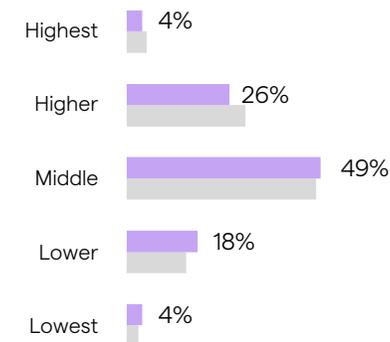


Average: 47% men and 52% women | Missing to 100% = Diverse

Income Household¹



Education²



■ Total ■ Segment



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Outlook Societal / Private Topics and Personal Economic Situation

	 Conservative Middle Class Conservative Bourgeoisie	 Modern Middle Class Conventional Middle Class	 Progressive Middle Class Urban Progressives
Society – Most important topics for politics and society in the next few years (Top 3 selection).	<ul style="list-style-type: none"> Too much migration / immigration: 65% Climate change: 39% Too little affordable housing: 29% 	<ul style="list-style-type: none"> Too much migration / immigration: 63% Too little affordable housing: 41% Climate change: 33% 	<ul style="list-style-type: none"> Climate change: 62% Too little affordable housing: 45% Deepening social division: 26%
Private – Biggest personal challenges in the next 12 months (Top 3 selection).	<ul style="list-style-type: none"> Staying healthy: 89% Rising prices: 54% Securing wealth / assets: 21% 	<ul style="list-style-type: none"> Staying healthy: 69% Rising prices: 62% Securing wealth / assets: 24% 	<ul style="list-style-type: none"> Staying healthy: 66% Rising prices: 42% Improving work-life balance: 26%
Personal Economic Situation – Expected personal economic development in the future.	<ul style="list-style-type: none"> My financial situation will improve: 14% My financial situation will be stable: 74% My financial situation will get worse: 12% 	<ul style="list-style-type: none"> My financial situation will improve: 17% My financial situation will be stable: 68% My financial situation will get worse: 14% 	<ul style="list-style-type: none"> My financial situation will improve: 40% My financial situation will be stable: 42% My financial situation will get worse: 18%



Top 3 Insights on Personality Expression, Brand Importance & Media Interests

	 Conservative Middle Class Conservative Bourgeoisie	 Modern Middle Class Conventional Middle Class	 Progressive Middle Class Urban Progressives
Personality Expression in Consumption – Areas of live reflecting personality the best (Top 3 selection).	<ul style="list-style-type: none"> Traveling 38% Apartment, Home Furnishings 35% Garden, Gardening 32% 	<ul style="list-style-type: none"> Traveling 35% Apartment, Home Furnishings 31% My Profession, My Work 27% 	<ul style="list-style-type: none"> What I like to eat or cook 53% Traveling 47% Sustainable lifestyle 44%
Personality Expression in Brands – Areas in which brands are important (Top 3 selection).	<ul style="list-style-type: none"> Laptop, Tablet, PC 20% Car 19% Traveling 17% 	<ul style="list-style-type: none"> Car 15% Laptop, Tablet, PC 12% Traveling 10% 	<ul style="list-style-type: none"> Sustainable lifestyle 11% Sports & Fitness 11% Clothing, Fashion 9%
Media Usage Topics – Most interesting topics in media consumption (TV, Radio, Internet, Newspaper, Social Media, etc.) (Top 3 selection).	<ul style="list-style-type: none"> Local News 93% National News 91% International news 84% 	<ul style="list-style-type: none"> National News 80% Local News 73% International news 66% 	<ul style="list-style-type: none"> National News 60% Local News 60% Politics 58%



Middle Class Milieu Priorities in Societal / Private Values & Trends

	 Conservative Middle Class Conservative Bourgeoisie	 Modern Middle Class Conventional Middle Class	 Progressive Middle Class Urban Progressives
Society Values – Most important societal values agreement on scale 1 to 5, Top 2 agreement.	<ul style="list-style-type: none"> Protection of my data on the Internet is important to me. 88% Political engagement is important to me 79% I feel an increasing social coldness in our society. 76% 	<ul style="list-style-type: none"> Protection of my data on the Internet is important to me. 69% I feel an increasing social coldness in our society. 66% Political engagement is important to me 65% 	<ul style="list-style-type: none"> I dream of downshifting – living in rural areas. 71% Protection of my data on the Internet is important to me. 71% Political engagement is important to me 69%
Trends Private – Most important private trends agreement on scale 1 to 5, Top 2 agreement.	<ul style="list-style-type: none"> Progressive Luxury 26% Healthstyle 23% Lifelong Learning 63% 	<ul style="list-style-type: none"> Progressive Luxury 27% Healthstyle 24% Lifelong Learning 45% 	<ul style="list-style-type: none"> Progressive Luxury 49% Healthstyle 56% Lifelong Learning 70%
Trends Society – Most important societal trends agreement on scale 1 to 5, Top 2 agreement.	<ul style="list-style-type: none"> Neo-Nationalism 26% Gender Equality 83% Livable Cities 83% 	<ul style="list-style-type: none"> Neo-Nationalism 20% Gender Equality 77% Livable Cities 83% 	<ul style="list-style-type: none"> Neo-Nationalism 7% Gender Equality 87% Livable Cities 96%

Thank You!



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