

Survey: Affluents less worried about economy

September 15, 2009

By Teresa Novellino

Affluent Americans are still feeling nervous about the economy, but as a group, they are not quite as worried as they were back in January, finds a new survey released on Tuesday.

The survey, the "Mendelsohn Affluent Survey 2009 Annual Report," released by Ipsos Mendelsohn of New York, focused on the top portion of U.S. households, those with annual incomes of \$100,000 or more, representing an estimated 20 percent of U.S. households (or 23.9 million households) and 19 percent of U.S. adults (or 43.1 million heads of households). The affluent represent more than half of all U.S. household income, or approximately \$4.6 trillion, the survey said.

One of the main questions the survey sought to answer was whether or not the affluent would help lead the country out of the recession, a press release on the survey said.

Back in January, the economy was the No. 1 worry among 60 percent of affluent Americans, according to the survey, but now the economy is top of mind for 43 percent. On a related note, 54 percent of affluent Americans report they are now optimistic about the economy going forward, a slight improvement from the 50 percent that said the same back in April, the release noted.

The survey, which devoted some of its questions to fine jewelry and watch spending, found that 31 percent of all affluent American consumers had purchased fine jewelry within the past year, and that 46 percent of those in the upper-income brackets of \$250,000 or more had done so. In terms of jewelry-buying plans for the next 12 months, the survey noted that 500,000 affluent Americans planned to get engaged within the next year, level with the number of respondents who said the same in 2008.

All told, 15.1 million affluent American consumers spent a total of \$21 billion on fine watches or jewelry, and almost \$16 billion of this total was spent on fine jewelry alone in the past 12 months, the survey found.

The largest proportion of jewelry buyers were what the survey described as "Affluent Style Setters." These style-focused consumers number about 11.8 million and represent a slight majority of the survey takers. They are the type of consumers who, by their own accounts, enjoy keeping up with fashion trends, prefer designer or luxury brands, and "have an excellent sense of style," the survey said.

Compared with other affluent consumers, they are most likely to buy designer or luxury brands and have friends ask them for fashion advice. Other prime concerns are "keeping young looking" and "being well dressed."

In regards to shopping, the most common sentiment cited in the survey was, "When I discover a brand I really like, I keep buying it," which the researchers, by extrapolation, estimated could be attributed to 37.5 million members of the affluent American population. Another big sentiment-- "When it comes to quality, I believe you get what you pay for"--was attributed to 34.5 million. "Good value for the money is more important than price" was ascribed to 32.8 million, the survey said.

The survey was based on 13,275 completed questionnaires from male and female heads of households with annual incomes of \$100,000 or more.