

Rich & Richer: The Wealth Explosion

By **CNBC.com Staff** | 02 May 2007 | 04:33 PM ET

The rich are getting richer -- in a big way. So if rich is good, then richer is better. There's an explosion of wealth creation in the U.S. these days. But it's not about trickle-down economics. It's more a matter of gusher-up capitalism.

The stock market and --at least until recently -- the real estate market have created billions in new wealth. Forget about CEO pay. What's a \$200-plus million severance package for the head of a Dow 30 component, when hedge fund managers are routinely making that kind of money in a year. Three made a billion dollars or more last year. The high-flying world of private equity is also creating billions in income.

Counting The Ways

As Scott Cohn reports, there are now 946 billionaires in the world, according to Forbes Magazine, about 19% more than a year ago. In the U.S., the top 1% of the population now holds 22% of the nation's income.

And all that money has to go somewhere. After you've given away millions -- indeed, in rare cases, billions -- to charity, there's still cash to spend. And there's plenty of companies looking to help. In our special report, we take a look at some of those companies as well as other ways to spend a fortune -- whether it is autos, jewelry, dining, housing or vacations.

Lexus Goes For Six Figures

Lexus is the top-selling luxury auto brand, thanks to the IS, ES and LS models being popular among buyers willing to spend \$30,000 and \$75,000 on a vehicle. Overall, luxury sales have more than doubled since 1999 to 1.9 million units.

Now Lexus wants a piece of the growing upper end of the luxury market, where Mercedes and BMW sell vehicles for more than \$100,000.

As Phil LeBeau reports, Lexus is taking a calculated approach to its quest by studying what car lovers want.

It turns out that the super rich who can afford \$100,000 cars usually have several of them. But any car in that class has to be distinctive.

So, Lexus is trying to stand out by emphasizing technology. Its new LS 600 is an eight-cylinder hybrid that delivers 12-cylinder performance.

Jewels Of The Crown

It's easy to spend a fortune on jewelry -- one piece at a time.

These days, items costing \$20,000 and up are the fastest growing category of jewelry for Cartier, Tiffany and Bulgari. And suddenly the hottest market in the luxury business is the U.S.

As Margaret Brennan reports, Italy's Bulgari has targeted the U.S. for aggressive expansion. The U.S. already accounts for 30% of the company's sales, but the Rome-based company just

refurbished its flagship New York City store and plans additional ones. The company is also considering expanding into malls and high-end department stores.

Richemont's Cartier and Tiffany are also expanding. Tiffany, for instance, plans five to seven stores in the Midwest -- all 5,000 square feet.

Sachs is looking to create branded jewelry, working with the likes of Chanel and Gucci to compete in the lucrative market.

Building Couture Mansions

A mansion (or two) with all the trappings comes with the territory when you're rich, never mind super rich. But building your own castle takes time -- 48 months, by one estimate -- and who has the time or interest in dealing with architects, builders, designers and local authorities.

Enter Antares Investment Partners, which will do it all for you. In fact, it's building several homes on spec.

It's called couture-ready real estate. And what better place to launch the concept than Greenwich, Conn., the hedge fund capital of America and home to many a multi-million dollar home.

The company will build you a masterpiece. The firm's largest property is a \$25 million, 41,000 square-foot complex.

Diana Olick met with Antares founder Joseph Beninati and checked out the mansion.

Let's Do Luch (Fror \$100,000)

In a world of exclusive restaurants of the moment and lavish expense-account meals, those looking for a taste of something particularly luxurious and expensive have a new choice on the menu.

As Jane Wells reports, corporate entertaining veteran Billy Harris, master mixologist Tony Abou-Ganim and celebrity chef Mario Batali will throw you the ultimate lunch or dinner for \$100,000, plus expenses. Among other things, you'll get a cocktail named after you and a customized multi-course meal, but you'll have to book well in advance.

IBM, for one, has, taken the plunge.