

The Rich Are Different: *They Buy More And Better Stuff*

by Karl Greenberg, Monday, Sep 8, 2008 5:00 AM ET

If there's a leitmotif in the latest Mendelsohn Affluent Survey, it is intuitive: **There is a direct relationship between how affluent one is and the amount and quality of goods and services one purchases.**

The 32nd annual Ipsos Mendelsohn survey measures spending habits in the top fifth U.S. households--those with incomes of \$100,000 or more. That population, said Ipsos Mendelsohn CEO Bob Shullman during a presentation last week (at the Yale Club, appropriately), accounts for about 20% of the U.S. population--but about half of all U.S. household income, or \$4.6 trillion.

Shullman said the firm's 20-page mail-in survey, fielded in all 50 states and Washington, D.C. between March and July this year, included 13,527 households and garnered a 43% response rate.

During the survey period, affluent consumers, per Shullman, spent nearly \$1 trillion on--in order of descending spend--home-related items; apparel; travel; leisure, entertainment and dining; personal insurance; computers and electronics; personal care; watches and jewelry; alcoholic beverages; fragrances and cosmetics; and weddings.

The differences between the more affluent--those who make \$250,000 or more a year--and the relatively affluent --those who make \$100,000 to \$150,000--are quantitative and qualitative. Very affluent consumers, for instance, are more likely to own more things like cars, and more of them tend to be imports. But they also lease more.

And time spent on air travel increases rapidly with affluence, as does the amount that wealthy people spend on trips. Those who make \$100,000 to \$150,000 made about five round trips by air. Those who make \$250,000 or more made about 12, per the firm. The less affluent spent \$3,323 on business trips during the survey period, while those who make over a quarter of a million dollars per year spent \$9,225 on business trips.

And the wealthier tend to favor different sports, travel destinations, and entertainment than the less well-off. The firm says the favorite U.S. vacation-travel destinations for respondents with \$250,000 or more in household income were Aspen, Colo.; Martha's Vineyard, Mass.; Maui and Oahu, Hawaii; the Hamptons, N.Y.; Palm Beach, Fla., and Palm Springs, Calif., in that order.

Their favorite international destinations were Greece/Turkey; Australia/New Zealand; Scandinavia; Italy; Japan; and Bermuda. And they over-index for sailing.

Other findings: affluent Americans made 172 million visits to sporting events and 55 million visits to live theater. Eighty percent of affluent households also shopped at Home Depot, Target, Wal-Mart,

Macy's and the like.

While the affluent are also digitally oriented--85% of wealthy households reported that they go online for directions, 77% for weather, 72.1% for news, and 71.9% for photos and pictures--**they also favor magazines.**

Those who earn up to \$150,000 per year read 15.8 issues during the period. **Those who earned \$150,000 to \$249,979 read 18.8 issues; and those who made \$250,000 and up read 25.5 issues.**