



Despite economy, Super Rich still spending

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80 percent of high-net-worth consumers to increase spending in 2008

New York—Despite news of a looming recession, 80.3 percent of the "Super Rich," or consumers with a net worth of at least \$30 million, will increase their spending on luxury goods and services in 2008.

This is according to the *Elite Traveler*/Prince and Associates 2008 Affluent Consumer Spending Survey, which polled from Jan. 10-18 a panel of more than 600 affluent consumers with a net worth of at least \$1 million.

"The *Elite Traveler* Affluent Consumer Survey further confirms that the Super Rich remain insulated from the economic woes that have forced even the Mass Affluent consumer-confidence levels to an all-time low," Douglas Gollan, president and editor in chief of *Elite Traveler* and co-author of *The Sky's the Limit, Marketing to the New Jet Set*, said in a media release.

The survey also revealed that 58.2 percent of "Rich" consumers, or those with a net worth between \$10 million and \$30 million, will increase their spending on luxury goods and services in 2008.

Twenty-one percent of consumers with a net worth of less than \$10 million, however, plan to decrease their spending on luxury goods and services in 2008.

The survey also showed that only 7.4 percent of the Super Rich reported an increase in the cost of luxury products as playing a role in their purchasing decisions.

In addition, less than 10 percent said they would take more time to purchase a luxury product this year, but would otherwise make speedy impulse purchases.

Meanwhile, almost half of the Mass Affluent consumers surveyed said cost is a deciding factor when purchasing luxury products in this period of economic uncertainty, and 34 percent would spend more time making a luxury purchase this year as they balance higher costs for everyday expenses.

Overall, the wealthy expect the economy to worsen in 2008. However, 84 percent of the Super Rich said the current economic environment represents an investment opportunity, and they will continue to spend more on luxury products and services, and increase donations to charitable organizations.

According to the survey, nearly 70 percent of the Super Rich and 47.6 percent of the Rich said they will increase their charitable giving this year.

Only 13.9 percent of the Mass Affluent, however, will give more in 2008.

"With the Super Rich increasing their charitable giving, the good news for luxury providers is that the Super Rich believe it is OK to reward themselves by continuing and, in fact, increasing their spending on watches, jewelry, luxury autos, fashion and the like," Gollan said.

The survey also found that the Super Rich were critical this past holiday season in offsetting cutbacks in buying by less wealthy consumers. Some 92.6 percent of the Super Rich surveyed purchased jewelry for the holidays, spending \$236,200 per household, compared with \$4,600 for the Mass Affluent, while 88.9 percent of the Super Rich bought watches, spending \$121,700, compared with 16 percent of the Mass Affluent, who spent \$2,300.

The survey also revealed that affluent consumers have little faith in the government's ability to "fix" the present economic situation.