



Rich unfazed by economic doom, gloom

By TOM FERAN

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Enough with the bad news already.

A week ago, a report showed that American consumer confidence had fallen to its lowest level in almost a year. People are gloomy about the economy and their personal finances. Even worse, the survey from ABC News and Money Magazine found expectations about the future also deteriorated. Fewer than a quarter of Americans believe the economy is getting better.

A news story this week said 61 percent of Americans are worried about their jobs going overseas.

This is part of the "jobless recovery," which is something like a foodless dinner. If that weren't enough, the average price of gas has hit an all-time record.

Doesn't anyone have anything good to say?

You bet they do. Some people are optimistic about the economy and their personal financial outlook. You just to have to know where to look.

I have in front of me something called the Luxury Spending Survey. It's billed as the "first ever" Luxury Spending Survey, and it was conducted for **Elite Traveler magazine** to help "luxury marketers" target the big users of luxury goods and services.

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Elite Traveler is not something you're likely to find at the corner barbershop. It's found on private jets and yachts and in country clubs and around professional sports teams. It markets itself to people with a median household income of \$1.1 million.

People like that are rich, but the rich are not all the same. One of the goals of the survey was to measure the difference, if any, between spending habits of the "super rich" and the "merely rich."

I didn't think it was possi-

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ble to be "merely" rich, but it is. The "super rich" in the survey, the Elite Affluent, have a net worth of more than \$10 million each. Two-thirds have an annual household income over a million dollars.

The next group, Upper Affluent Plus, are "merely" rich, with a net worth between \$5 million and \$10 million each. The non-plus Upper Affluent, hardly worth mentioning, are worth \$1 million to \$5 million.

And it turns out the stereotypes about lifestyles of the rich are true.

The super-rich are not "penny pinchers who look for the best deal," according to the survey, and they spend a lot on cars, travel and fashion. Two-thirds get "the newest luxury automobiles and SUVs when they come out," and more than 90 percent fly first-class and stay in five-star hotel suites.

More than 80 percent spend more than \$20,000 a year on clothes. Two-thirds spend more

than \$5,000 on booze for the holidays. They typically belong to two or more golf clubs – an entirely different category from owning two or more golf clubs.

Fewer than a quarter open their own mail. Only 12 percent pay their own bills.

And guess what? They "have a more optimistic outlook on the overall economy." Almost half expect it will become better.

Forget doom and gloom. Only 2 percent of the super-rich thought their own financial situation might become "somewhat

worse." A quarter expect it will stay the same, and more than 72 percent expect it will become somewhat better.

Of course, it helps that people with incomes above \$1 million – about 1 percent of the population – get about 17 percent of this year's federal tax cut, of more than the total going to the bottom 70 percent of American families. Or that they're projected to get 27 percent of the tax cut over the next decade, about the share going to the bottom 90 percent of the population.

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