

## **Super Rich Plan to Increase Spending According to New Elite Traveler/Prince & Associates Summer Spending Survey**

Friday May 18, 11:24 am ET

Summer spending by Households with Net Worth \$10 million and Over to Increase More than 50% compared to 2005

NEW YORK, May 18 -- While the mortgage meltdown and rising gas prices are causing many Americans to tighten their belts this summer, those in the ultra-affluent (Net Worth \$10 million +) segment are expected to escalate their expenditures on everything from vacations and entertaining to apparel, jewelry, watches and electronics. According to the 2007 Elite Traveler/Prince & Associates Summer Spending Survey, the Elite Affluent -- those "super rich" consumers whose household net worth tops \$10 million -- will be increasing their summer spending by 55% this year over summer 2005. Beneficiaries of their dollars include luxury cruise lines and resorts, high-end watchmakers and manufacturers of designer apparel, accessories and electronics.

According to the survey of 198 High Net Worth families conducted at the beginning of May, spending across 17 luxury categories will increase to \$622,202 per household, from \$399,187 during the summer period.

"This survey underscores the spending power of the Super Rich and also reflects that this segment is not impacted by the ups and downs of the overall economy. In fact they are enjoying a very robust period," says Douglas Gollan, president and editor-in-chief of Elite Traveler. He adds "Unlike Mass Affluent consumers who may splurge and charge up credit cards to buy jewelry or watches for the holidays, it is interesting to see that the Super Rich spend money on virtually every type of luxury good and service on an continuous basis."

"Digital" and "Designer" are the Elite Affluent Buzz Words

The three largest growth areas for increased spending are audio-visual products, up more than 121%; designer apparel and accessories, up more than 112% and luxury resort stays, up more than 78%. In these categories, the "average" Elite Affluent customer will spend \$31,000 on electronics: \$34,000 on apparel and accessories and \$41,000 on luxury resort stays.

The Elite Affluent also have their eye on watches and jewelry this summer. According to the report, 73% of those surveyed will buy luxury watches or fine jewelry, spending an average of \$94,000; an increase of nearly 50% over summer 2005.

Projected expenditures on summer entertaining also registered big gains. More than 93% of the Elite Affluent will spend an average of \$56,000 on entertaining. Sales of wines and spirits will also increase, reaching \$17,000 (for personal consumption) and \$24,000 (for social entertaining).

Vacations and big ticket purchases aren't the only thing driving the Elite Affluent customer. Nearly 100% of those surveyed said they will be increasing their charitable giving in the coming months. Survey respondents will average \$82,000 in contributions to their favorite charities this summer, a \$30,000 increase over summer 2005.

Elite Traveler/ Prince & Associates 2007 Summer Spending Survey  
 Comparison to 2005 Summer Spending  
 Survey of Households with Net Worth \$10 Million +  
 Dollars Spent Category - 2007 Spending per Affluent Elite Household

Category	Category Spending	2007 Spending	Category	2005 Spending	Change	2007/2005
Activity	%	\$Spent	%	\$Spent	\$Change	%Change
Yacht Rentals	10.60%	\$384,000	9.50%	\$317,000	\$67,000	21.14%
Redecorating	44.90%	\$129,000	30.90%	137,000	(\$8,000)	-5.84%
Villa Rentals	15.70%	\$106,000	13.80%	\$79,000	\$27,000	34.18%
Experiential						
Excursions	25.80%	\$103,000	22.70%	\$79,000	\$24,000	30.38%
Jewelry/watches	73.70%	\$94,000	63.20%	\$63,000	\$31,000	49.21%
Luxury Cruises	47.50%	\$92,000	43.10%	\$71,000	\$21,000	29.58%
Charitable Giving	97.50%	\$82,000	98.40%	\$52,000	\$30,000	57.69%
Vacation Home Rentals	12.10%	\$82,000	11.80%	\$64,000	\$18,000	28.13%
Out-of-Home Spa Services	67.70%	\$61,000	48.70%	\$49,000	\$12,000	24.49%
Summer						
Entertaining	93.90%	\$56,000	92.40%	\$39,000	\$17,000	43.59%
Luxury Hotels	95.50%	\$48,000	93.40%	\$36,000	\$12,000	33.33%
Luxury Resorts	84.80%	\$41,000	82.60%	\$23,000	\$18,000	78.26%
At-Home Spa Services	53.50%	\$38,000	47.40%	\$26,000	\$12,000	46.15%
Apparel/accessories	92.40%	\$34,000	86.80%	\$16,000	\$18,000	112.50%
Audio/visual	51.50%	\$31,000	50.70%	\$14,000	\$17,000	121.43%
Wines and Spirits for Social Entertaining	86.90%	\$24,000	77.00%	\$19,000	\$5,000	26.32%
Wines and Spirits for Personal Consumption	84.80%	\$17,000	74.30%	\$11,000	\$6,000	54.55%
		2007		2005	\$Change	%Change
Total Luxury Summer Spending/Household		\$622,202.02		\$399,187.50	\$223,015	55.87%

\*Percentage of those surveyed spending in this category