

MARKETING

## Millennial millionaires earn money differently than prior generations

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*Affluent millennials*

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Affluent millennials are paving the way for a new way of earning, with less than half of the demographic completing post-graduate degrees compared to wealthy baby boomers.

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While millionaires are much more likely to have higher level education degrees compared to the average American, millionaire boomers and gen-xers are much more likely to obtain higher degrees than affluent millennials. The younger generation sees greater opportunity to create their own businesses and working full-time, with about 90 percent of millennial millionaires working full-time in their own business.

"Most surprising to me is the proportion of millennial millionaires (about one in three 29 percent) who report they own their own businesses and also work in them full time (90 percent) compared to 63 percent of gen-xers and 38 percent of boomers," said Bob Shullman, founder/CEO of [The Shullman Research Center](#).

"We all hear millennials are different, but this report highlights that young millionaires millennials are clearly different, as a good number of them are taking another route to becoming wealthy and working in their own businesses."

Difference in income

The gap between the average United States household and millionaires is vast, with those with liquid assets of more than one million seeing an average household income of more than double the average household.

Males still make up the largest percentage of millionaire individuals, with 67 percent of all millionaires being men and only 33 percent women. When looking at millennials the percentage only shifts slightly, with 66 percent men and 34 percent women.

	All Adults	Personal Liquid Assets \$1 Million or More			
		All Generations	Millennials	Gen-Xers	Boomers
	%	%	%	%	%
Under \$50,000	40	8	11	0	5
\$50,000 to \$99,999	30	38	52	42	19
\$100,000 to \$249,999	26	38	29	30	57
<b>\$250,000 or more (total)</b>	<b>3</b>	<b>16</b>	<b>7</b>	<b>28</b>	<b>19</b>
\$250,000 to \$499,999	3	11	5	17	14
\$500,000 or more	1	5	3	10	5
Average in \$000s	88	188	135	245	212

Chart courtesy of Shullman Research

A Hurun India Rich List similarly determined India's most affluent individuals have a combined wealth of \$482 billion, a number equal to 20 percent of the country's GDP last year.

The fifth annual list found 339 individuals with net worth of 1.6 billion rupee, or about \$24 million at current exchange, 43 greater than last year's population and double the number from 2014. Despite growing numbers of ultra-affluent individuals, difficult performance in technology, jewelry and trading industries saw the average wealth of ranked individuals decline (see more).

While Shullman Research found that all U.S. consumers, including average and affluent care about daily living expenses most, healthcare is the biggest concern of China's growing high-net-worth population, according to a report from Hurun and insurance firm Taikang.

Social insurance does not provide the value that China's affluent seek, driving 95 percent of them purchase commercial life insurance to supplement the universal policy. With economic growth feeling like a certainty and family fortunes becoming more secure, basic quality of life issues are overtaking monetary concerns in the minds of the affluent (see more).

The research also showed that there is a significant difference between individuals with high income versus millionaires, with only 46 percent of millionaires qualifying as high income. Luxury marketers are treating these two groups as the same, but findings show this is not true, leaving room for growth.

	All Adults	Personal Liquid Assets \$1 Million or More			
		All Generations	Millennials	Gen-Xers	Boomers
	%	%	%	%	%
Under \$1 million (total)	92	0	0	0	0
None	16	0	0	0	0
Less than \$25,000	33	0	0	0	0
\$25,000 to \$99,999	19	0	0	0	0
\$100,000 to \$999,999	24	0	0	0	0
<b>\$1 million or more (total)</b>	<b>8</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
\$1,000,000 to \$2,499,999	4	54	67	48	39
\$2,500,000 to \$4,999,999	2	22	6	15	50
\$5,000,000 to \$9,999,999	1	14	12	32	3
\$10,000,000 or more	1	10	15	6	7
Average in \$000s	386	3,758	3,906	4,427	3,206

Chart courtesy of Shullman Research

While the two demographics do overlap, they are not completely the same, especially when judging it by an income of 250,000 or more, which only 16 percent of millionaires qualify for.

"Luxury marketers many times use the descriptors millionaires' and high-income consumers' interchangeably when we discuss who they believe are the buyers of their products or services," Mr. Shullman said. "Based on the insights we generate, though, millionaires and high-income consumers are, in most respects, two different target groups.

"Why," he said. "When we look at the overlap of high income/affluent consumers' as defined by two commonly used income and targeting metrics (\$100K+ HHI or \$250K+) as compared with millionaires, only about half, 46 percent, of all millionaires defined by their financial liquidity also qualify as high income or affluent' consumers using the \$100K+ HHI target level.

"Notably only about one in six millionaires, 16 percent, qualify at the \$250K+ HHI level," he said. "Big picture: HHI and wealth as being defined by millionaire status are somewhat correlated but they are not synonymous."

**1 thought on "Millennial millionaires earn money differently than prior generations"**

1. Grant @MillennialMoney says:

October 10, 2016 at 3:24 pm

In my opinion this study is spot on – Millionaire Millennials and high earners are two distinct groups. A lot of the wealthy Millennials I know fall into two camps – either earned the money very quickly through a start-up or have inherited the money. We haven't had enough time to really accumulate that wealth. I have written about my experience becoming a Millennial Millionaire in a recent post on my blog: <http://millennialmoney.com/the-millennial-millionaire-strategy/>

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