

RESEARCH

Affluent attitudes toward economy continue to repair: study

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By JOE MCCARTHY

Affluent consumer attitudes toward the economy rose into neutral territory with an index of 93 on a scale of 200, up 22 points from the year-ago period.

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American Affluence Research Center's "The Fall 2013 Affluent Market Tracking Study #24" also found that the index for future business conditions dipped two points and the index for projected change in the stock market remained constant at an index of 106.

"Luxury marketers should focus on the segments of the affluent market that are most inclined to maintain or increase their spending," said Ron Kurtz, president of the [American Affluence Research Center](#), Atlanta.

"This will give the luxury marketers the best return on their marketing programs and expenditures," he said.

The Fall 2013 Affluent Market Tracking Study #24 is based on responses from 327 men and women who met the minimum net worth requirement of \$800,000.

This is the 24th in the series of twice-yearly surveys that focus on the 11.4 million households that represent the wealthiest 10 percent of all United States households, based on net worth as determined by The Federal Reserve Board.

Middle of the ground

Index values shown in this report range from 0 to 200. An index between 90-100 denotes a neutral stance from respondents.

The Consumer Confidence Index for the "present situation" rose 23 points to 73.2 from the year-ago period. "Future outlook" attitudes rose to 84.1 to 83.7 from the year-ago period.



Rolls-Royce Wraith

The average index for changes in spending plans rose 16 points higher for those expecting an increase or no change in income versus those expecting a dip in income. The difference is 28 points based on net worth expectations.

Thirty-seven percent of respondents plan to reduce expenditures during the next 12 months, which accounts for an improvement of 7 percent from the spring survey.

The study concludes that buoyant consumer attitudes may have been hampered by the government deadlock, debt reduction legislation and the predicted instability of the October stock market.

Holiday fervor

Eighty-nine percent of the women surveyed expect to receive a holiday gift this year, versus 72 percent of male respondents.



Dorchester Collection holiday e gift card

The study found that nearly a quarter of respondents will spend less on holiday gifts this year, while 4 percent said they will spend more. Taking into account respondents who said they will spend the same, average holiday spending could fall 2.8 percent to \$2,175 per household.

The study suggests that these numbers may see a boost, considering that the affluent overspent prediction by almost 7 percent in 2012.

The fine details

An upcoming study by the American Affluence Research Center will extrapolate on the views consumers have toward luxury brands.

The study will look at the prevalence of brands in households and what shapes luxury perspectives.

While the future study will take a more magnified approach, the latest study looks at macro trends.

"I think the relatively favorable view of current business conditions is one of the most significant findings, given its implications for possible increases in spending by the affluent and luxury consumers," Mr. Kurtz said.

Final take

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