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A woman in a dark jacket and pants stands on the edge of a dark, eroding cliff overlooking the ocean. The sky is overcast and grey. The ocean has white-capped waves crashing against the base of the cliff. The cliff edge is covered in green and brown coastal vegetation.

2017 Affluent Outlook



#AffluentOutlook @AffluentSurvey

IPSOS AFFLUENT SURVEY
AFFLUENT USA



Media and Consumer Insights Survey

Today's Agenda: Looking Forward and Looking Back

Key
Take-Aways
from 2016



Our
Perspective
on 2017

Janus: Two-headed Roman God of doorways
and beginnings; namesake of January

The Longest-Running, Most Widely-Used Study of Affluents



N=24,424

Affluents (\$100K+ HHI)
Reflecting population of 75.5M

Reliable base sizes for more elite groups such as...

- \$250K+ HHI (N=3,076)
- \$5M+ net worth (N=1,115)

Transitioning with \$125K in Fall 2017 Release

Heritage

40 years tracking lifestyles, media & spending

Platform

Online survey with extensive recontact capabilities

Timely

Continuous fielding; two releases annually; quarterly Barometers

Global

Complementary study in 50 additional countries

Ipsos Affluent Survey Content: Media, Money & Mindsets

Extensive survey content includes:

Media {     }

- 8 radio networks
- 11 streaming services
- 12 social networks
- 38 advertising touchpoints

- 102 television networks
- 105 independent websites
- 156 printed publications

290+ media brands measured cross-platform

Lifestyle {    }

- 12 public activities done
- 16 major sports followed
- 47 planned life events
- 50 types of video content watched

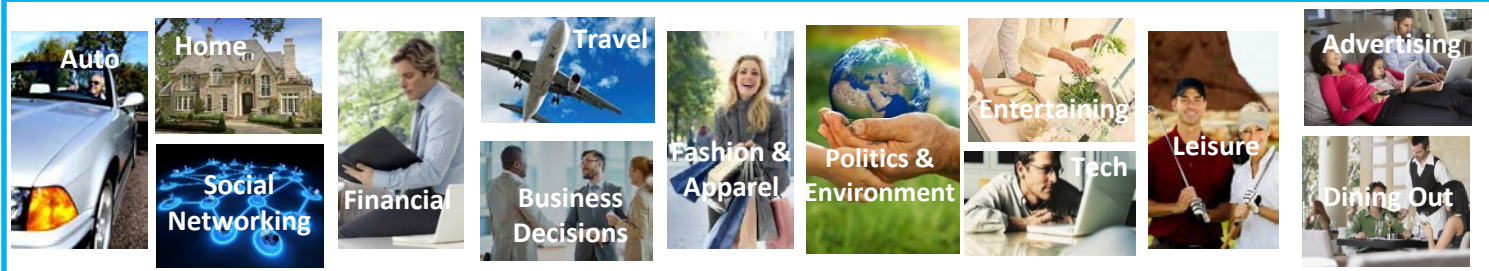
- 81 sports and leisure activities
- 134 psychographic statements
- 1,400+ brands measured

Marketplace {     }

- 150+ categories of expenditures
- Household & personal incomes
- Net worth and liquid assets
- Occupation, title, industry

- Age, gender, education
- Ethnicity & culture
- Household composition
- Marital status

Category deep dives include:



Q1 Ipsos Affluent Barometer: Leveraging Our Recontact Capability



Q1 2017 topics include:

- Affluent optimism
- 2017 plans & perspectives
- Finances & investing
- Mobile wallet apps

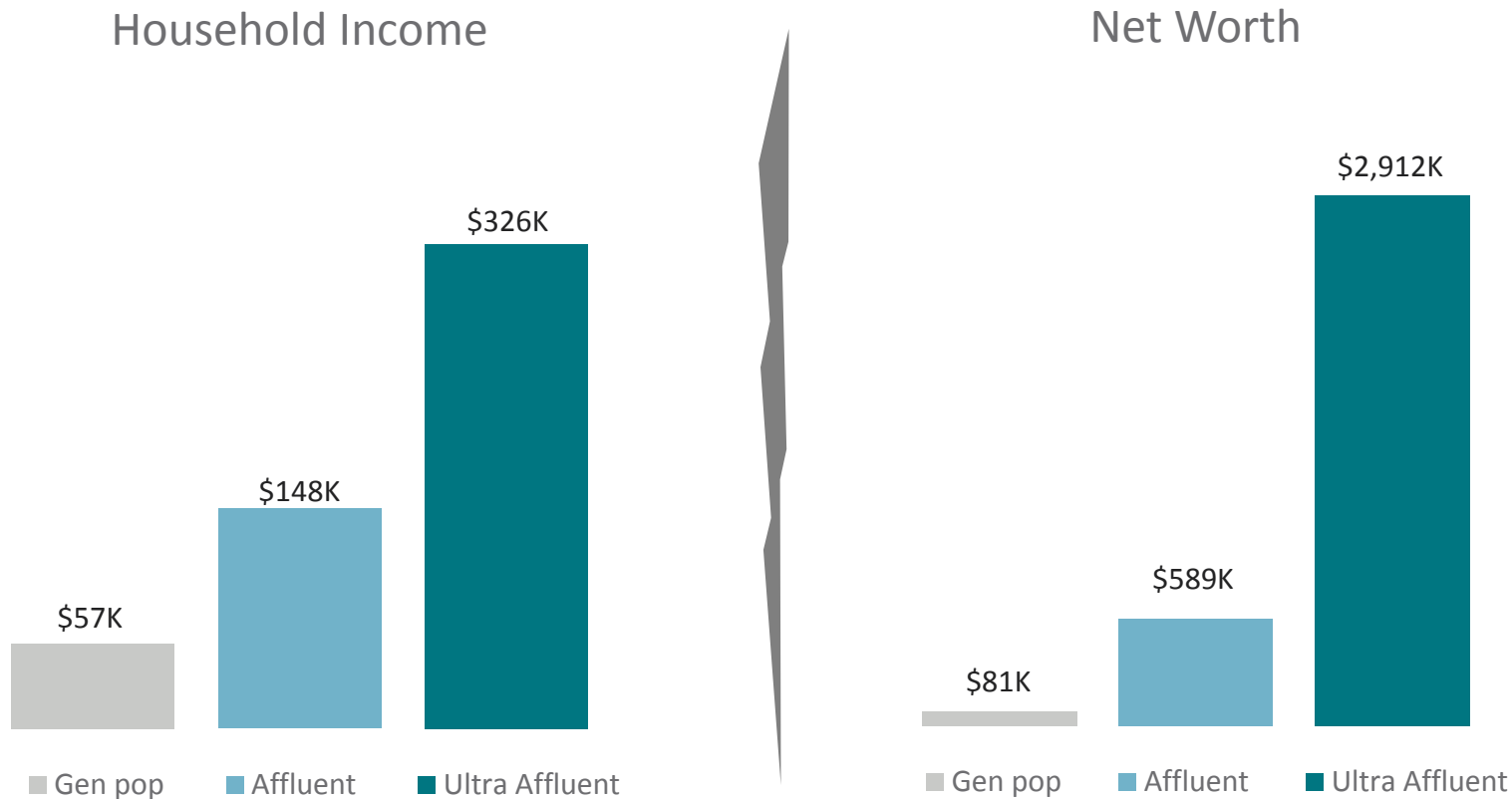
Quarterly online tracker, est. 2011

Re-contact of Ipsos Affluent Survey respondents

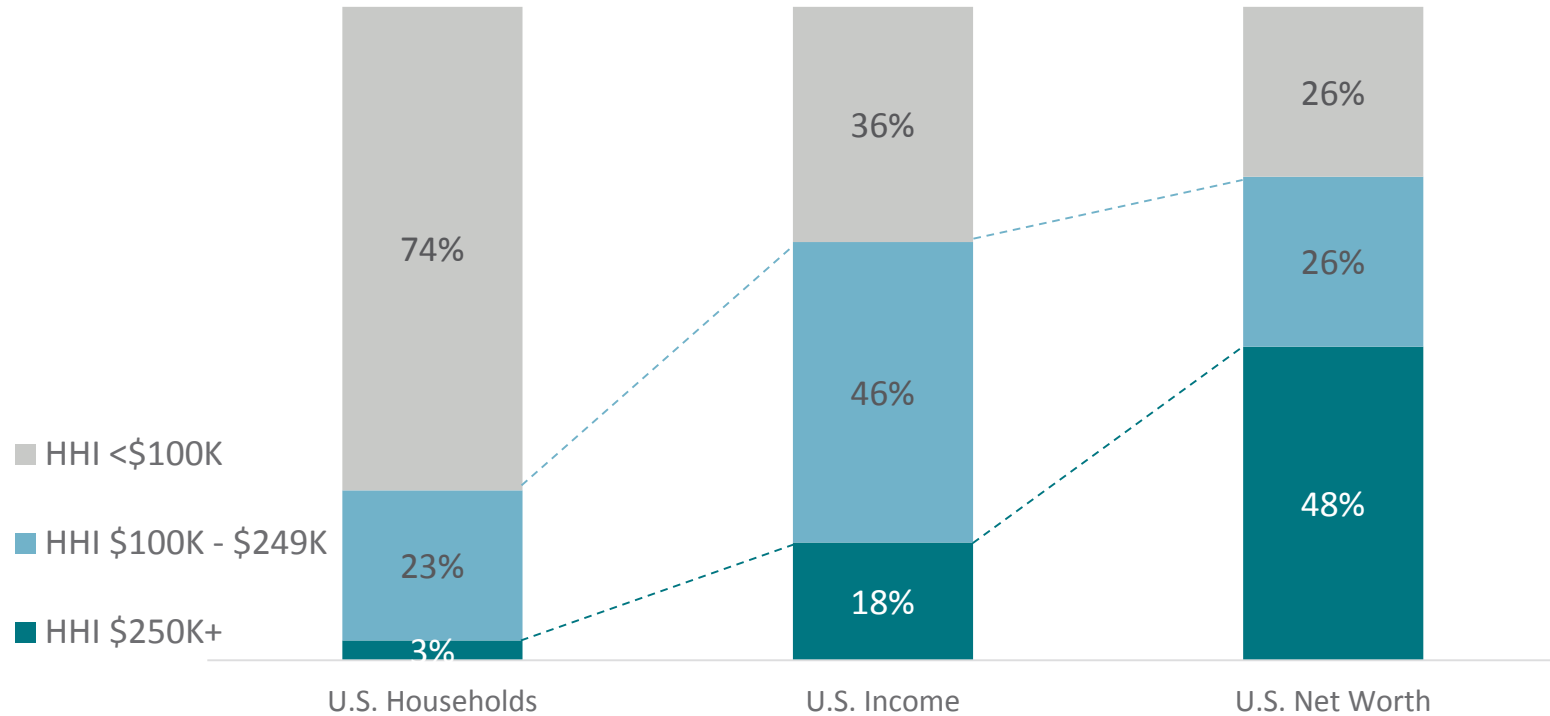
N = 856 \$100K+ HHI adults; fielded Jan 3-13

Our recontact methodology is widely-used for expanding profiles of proprietary segments, targeted concept testing, and more

Affluents & Ultra Affluents Dominate U.S. Financial Resources



In a Bifurcating Economy, Affluents Are Crucial in Every Category



Looking Back: Our 2016 Year in Review



2015
2016

Retrospective: The Evolution of the Affluent Mindset

<h2>2013</h2> <p>Restarting the engine</p>	<h2>2014</h2> <p>Expansion without dilution</p>	<h2>2015</h2> <p>Maintaining momentum</p>
<ul style="list-style-type: none"> ↑ +6% population growth ↑ HHI & net worth ↑ Discretionary spending ↑ Charitable giving ↑ Boldness & influence ↑ Pre-purchase research 	<ul style="list-style-type: none"> • +8% population growth • Income, spending and influence remained stable or rose 	<ul style="list-style-type: none"> • Q1: Aggressive investment attitude • Q2: Engagement with leisure up • Q3: Auto purchase intent 2-3X vs. 2013 • Q4: Optimism re: economy hits recent high

The Evolution of Luxury

understated
experiential

accessible
value

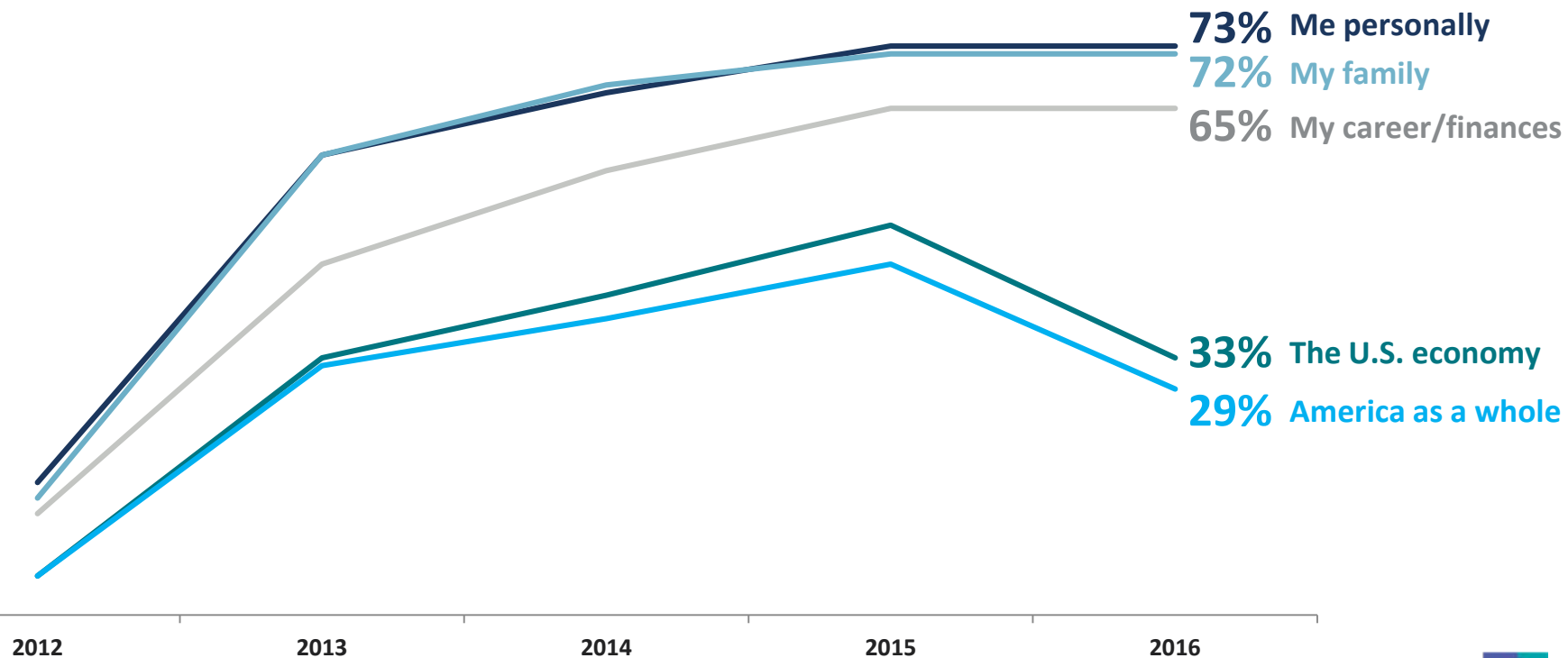
non-pretentious
transparent

sharing
quality

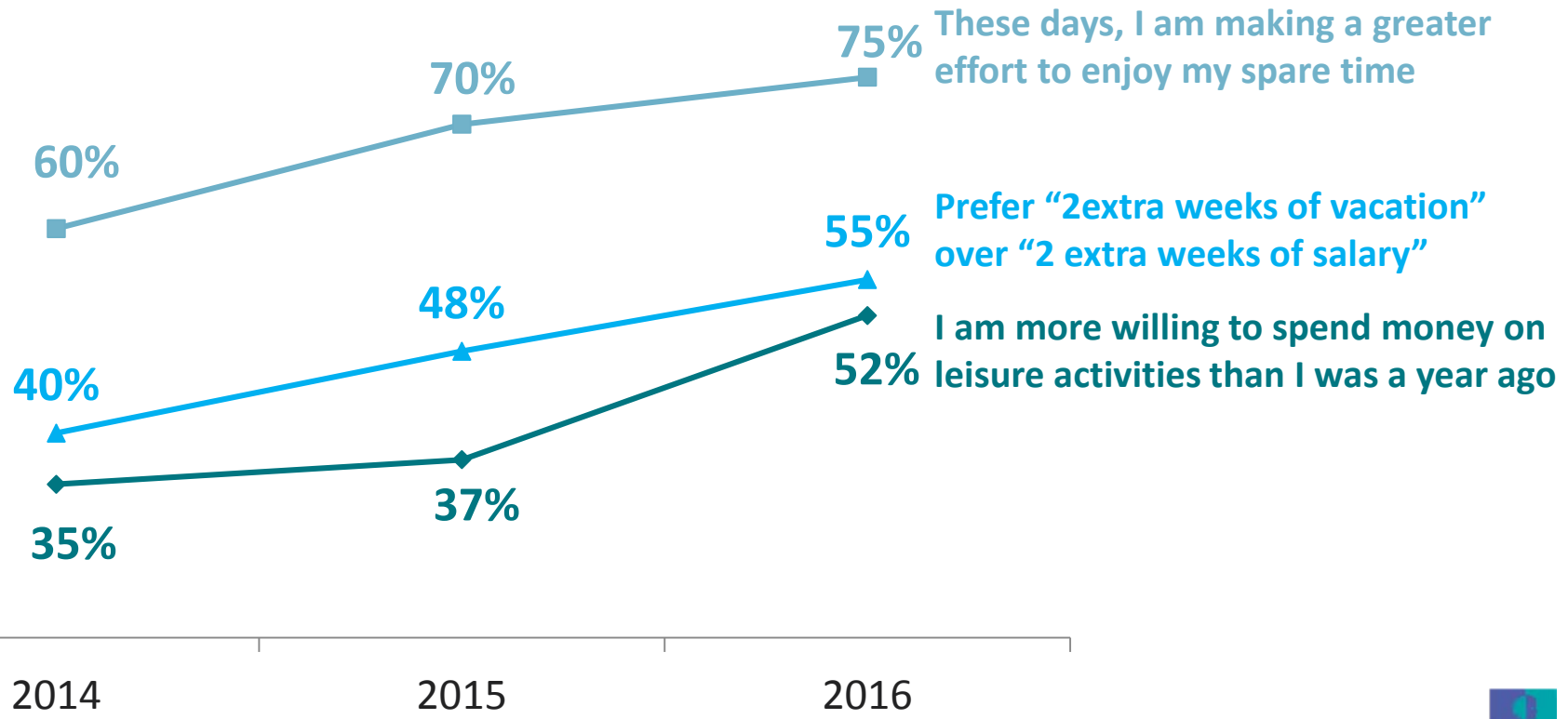
But heritage still resonates

Q1 2016: Divergent Optimism: Micro-Hope & Macro-Unease

I believe this upcoming year will be good for...



Q2 2016: Continued Investment of Time, Money & Emotion in Leisure



Q3 2016: Key Trends Highlighted in Our 40th Annual Release

Long-Term: Over the past 40 years...



The “Democratization of Luxury”



The Broadening of Tastes



An Abundance of Options



The Transformation of Technology

Short-Term: Over the past year...



Continued Digital Growth



Interest in Ads Rising for Social/Mobile/Ambient



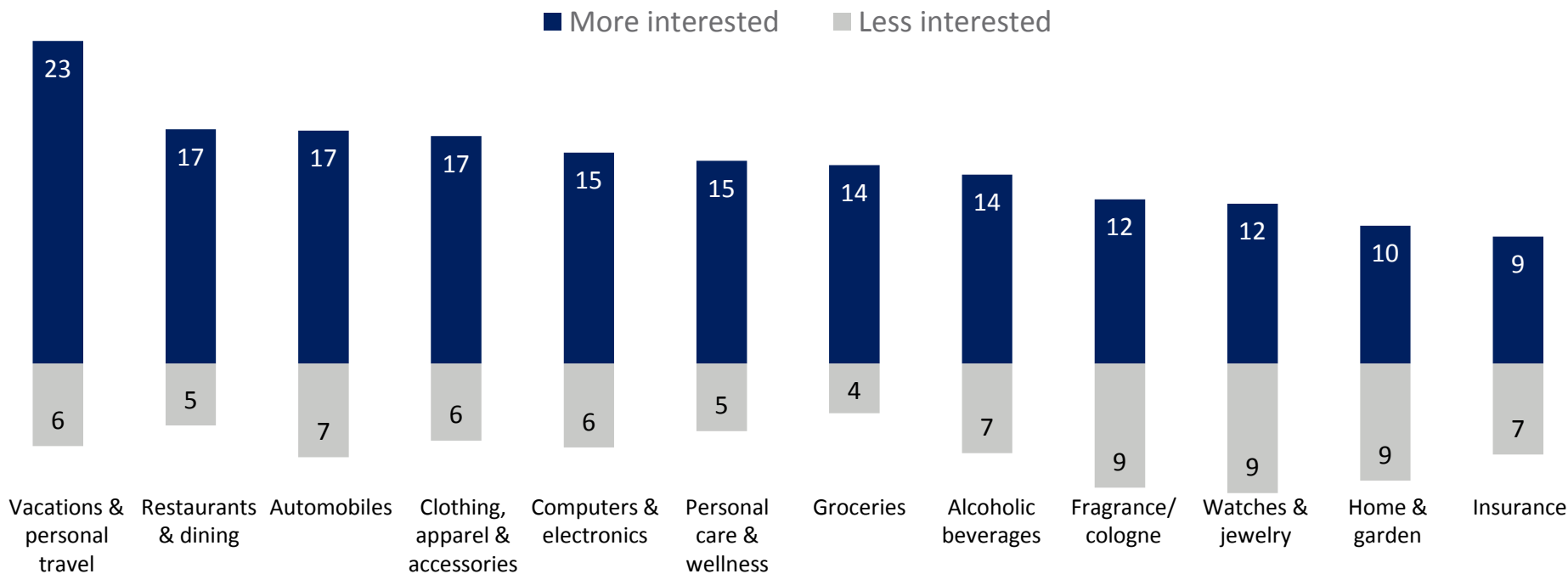
Relative Stability of Traditional Media Use



Generational Changing of the Guard

Q4 2016: Luxury Growth Prospects Strong, Particularly Travel

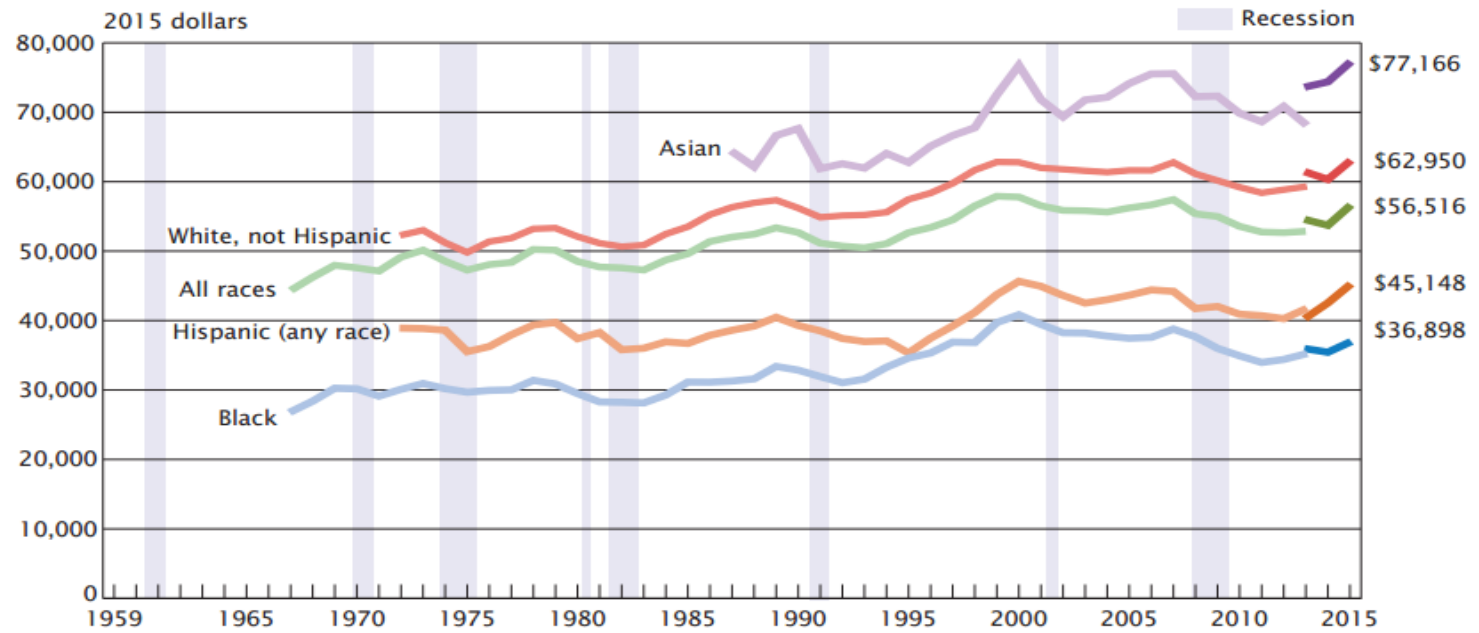
How will your level of interest in premium/high-quality/luxury brands likely change in the next 6 months? (%)



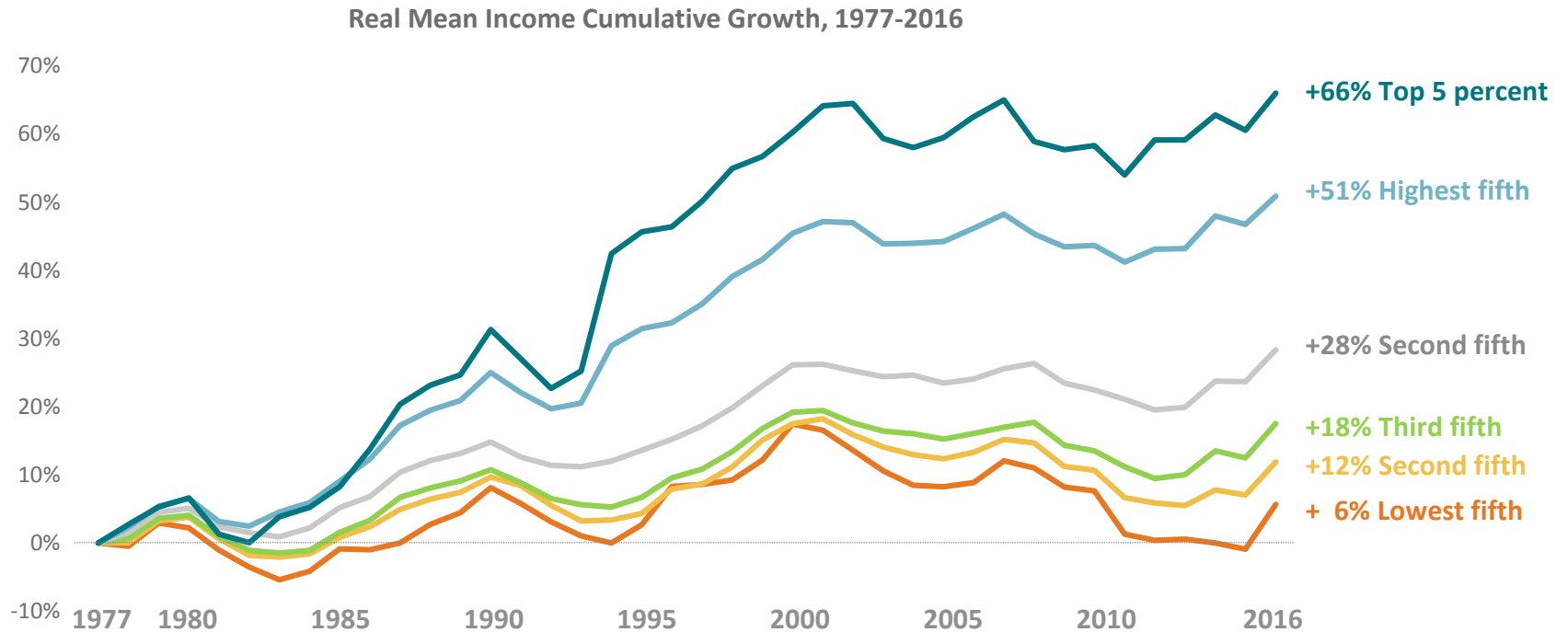
Median Income Rose for the First Time in the Post-Recession Era

“Real median household income increased 5.2% between 2014 and 2015. This is the first annual increase... since 2007” U.S. Census, Sept 2016

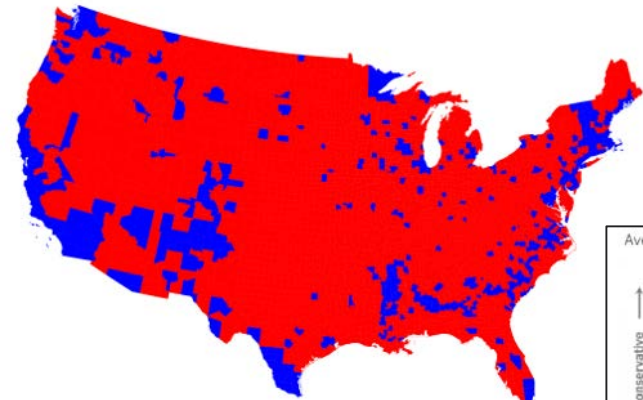
Figure 1.
Real Median Household Income by Race and Hispanic Origin: 1967 to 2015



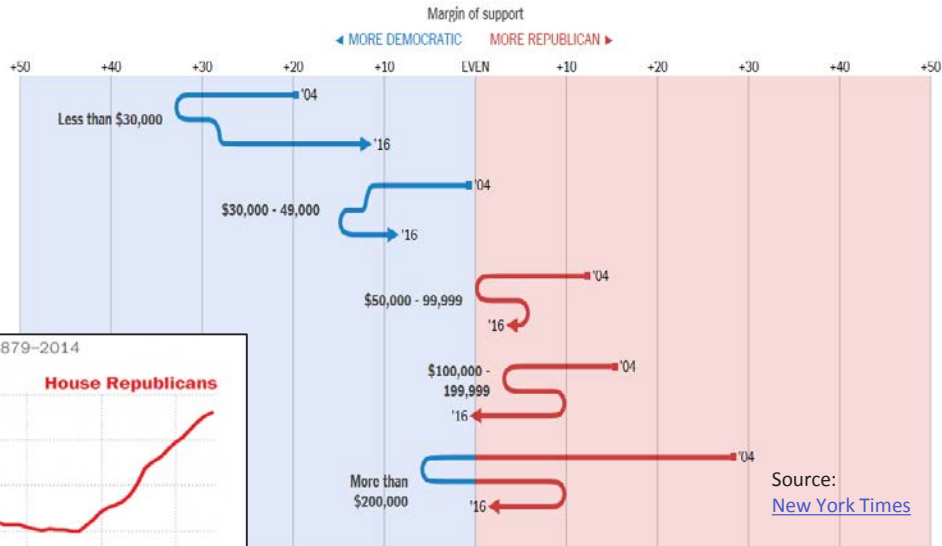
Affluents (& even more elite groups) Lead Income Growth



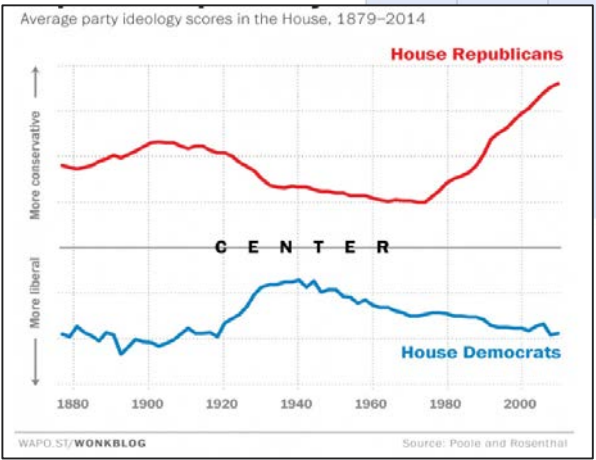
Rethinking “Rich Republicans” & “Working-Class Democrats”



<http://www-personal.umich.edu/~mejn/election/2016/>



Source: [New York Times](#)



“[rural Americans] say their way of life is dying because their way of life is dying. It’s not their imagination. No movie about the future portrays it as being full of traditional families, hunters and coal miners. Well, except for Hunger Games... The cities are less than 4% of land mass, but 62% of the population and easily 99% of the popular culture.” David Wong

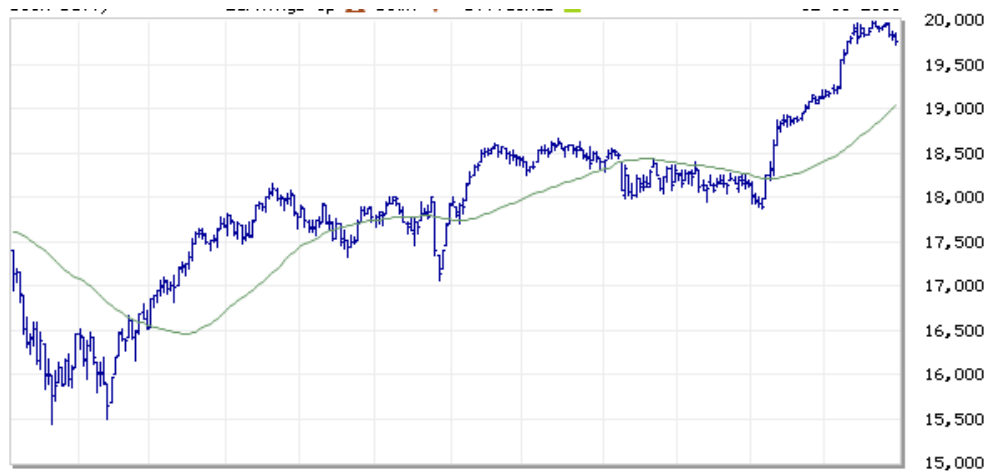
Read our perspectives here: [Rethinking Affluent Voters, As Americans Rethink America](#)
[Why Clinton and Trump Both Avoid Talking About the Most Defining Issue of the Election](#)

Additional Key Headlines from 2016

Top 10 Google Searches in 2016 (US)

- 1 Powerball
- 2 Prince
- 3 Hurricane Matthew
- 4 Pokémon Go
- 5 Slither.io
- 6 Olympics
- 7 David Bowie
- 8 Trump
- 9 Election
- 10 Hillary Clinton

- Warmest year ever (3rd year in a row)
- Department stores & malls struggled
- Antibacterial soaps nixed by FDA (hand sanitizers next?)
- Largest vehicle maker by volume globally: VW
- Income concentration fun facts: Rex Tillerson, Oxfam
- Fake news, post-truth, BS, and alternative facts
- Historic bull market continued



2016 Continued Trend Toward Prominent Deaths

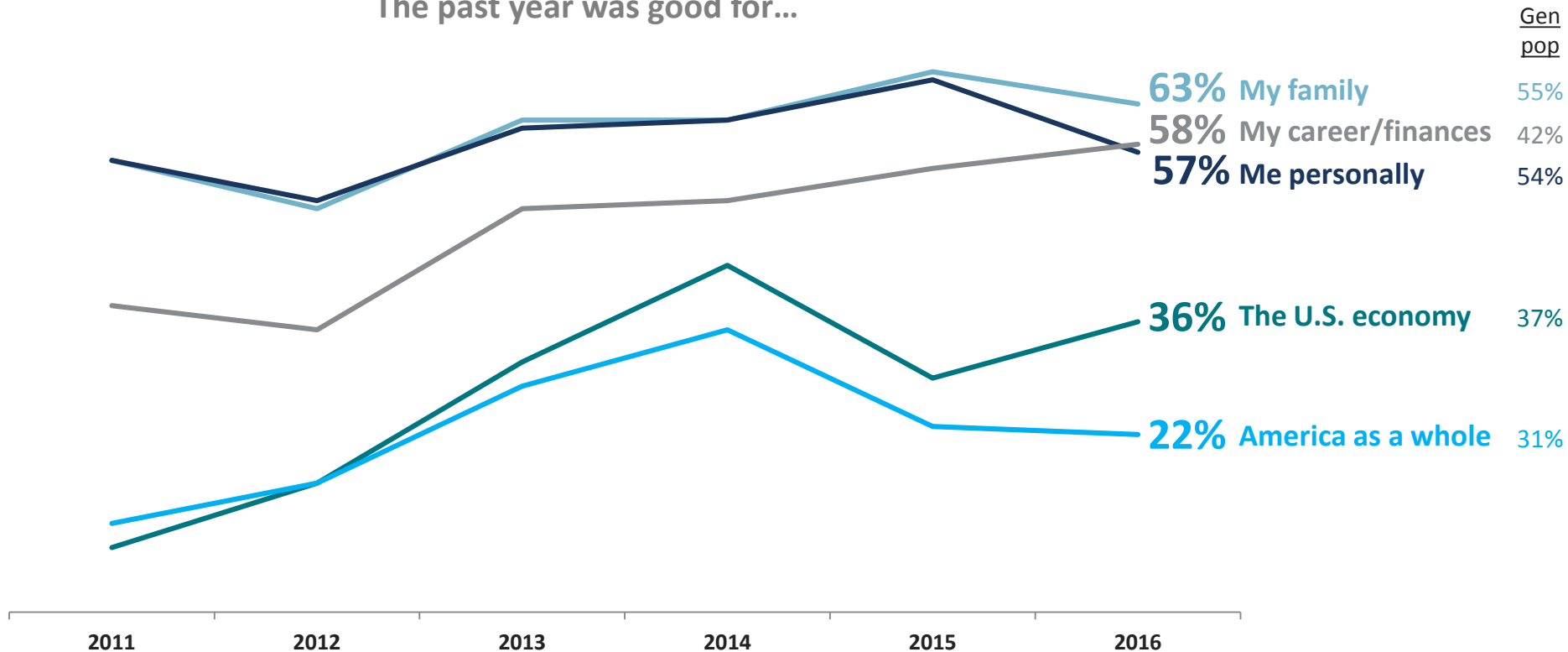
(e.g., # of newspaper obituaries up)

- More people achieve fame today
- Aging of the Baby Boom
- Social media amplifies reactions
- Globalization & awareness of int'l celebrities



In Retrospect, 2016 Saw Economic Recovery Amid Personal Uncertainty

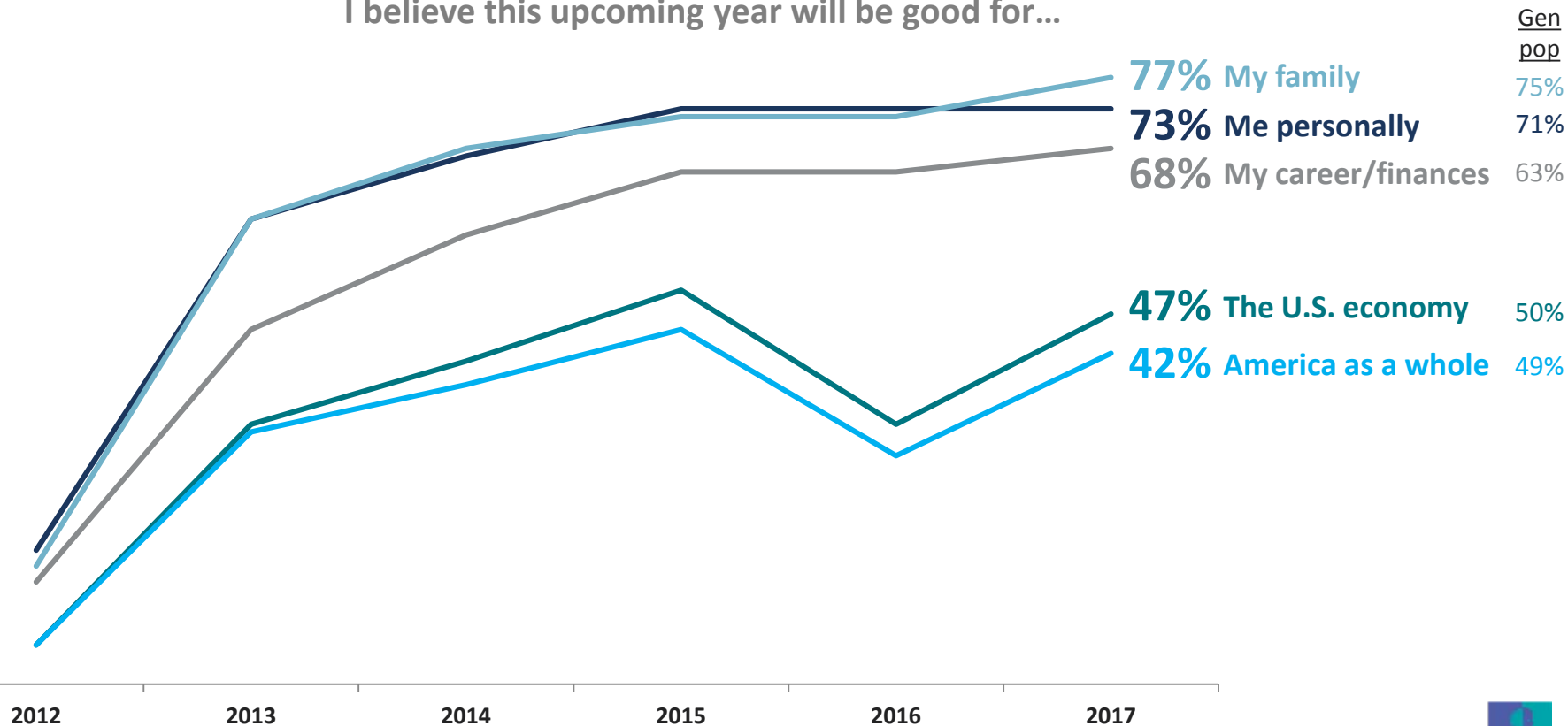
The past year was good for...



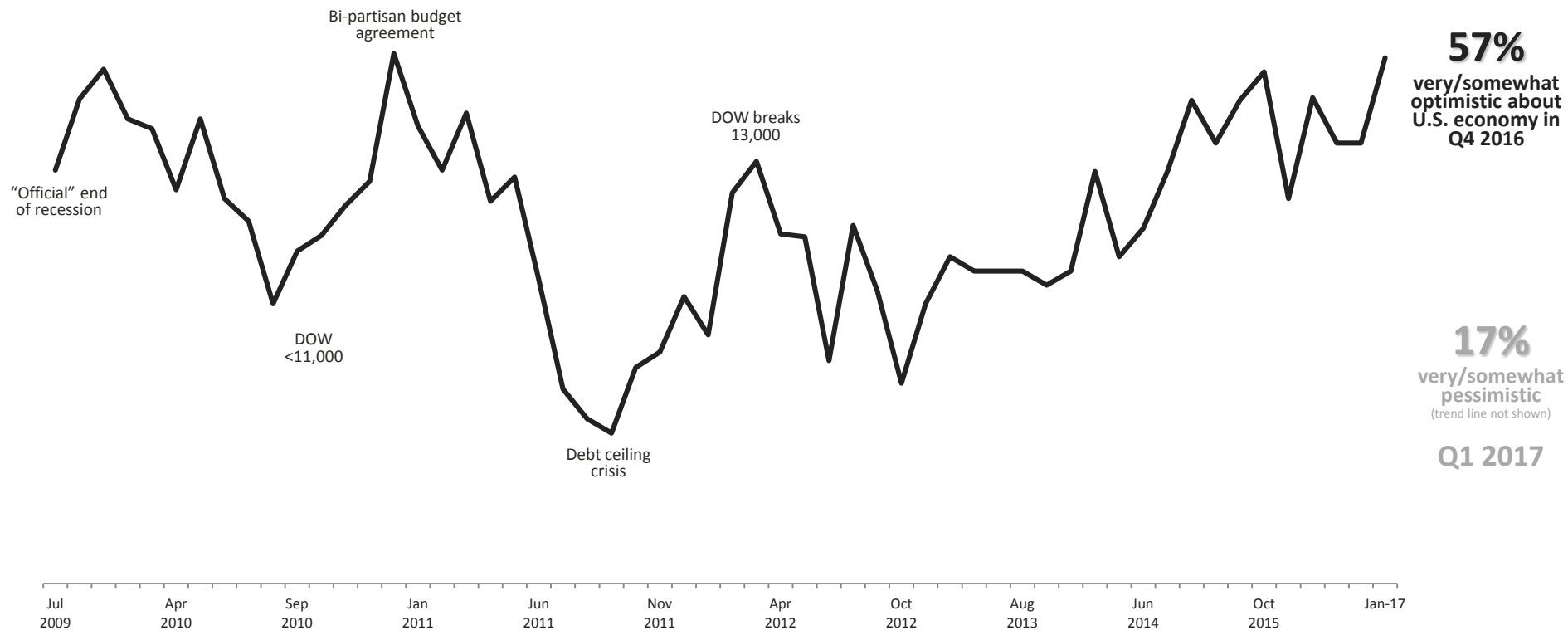
2017
2016

Looking Ahead: Expectations Higher for 2017 Than for 2016

I believe this upcoming year will be good for...



Affluent Optimism About the Economy at Post-Recession Highs



57%
very/somewhat
optimistic about
U.S. economy in
Q4 2016

17%
very/somewhat
pessimistic
(trend line not shown)

Q1 2017

Uncertainty Pervasive: “Trying to Stay Hopeful”

How will 2017
be different
from 2016?

- *TBD*
- *Scary*
- *Rockier*
- *Mass chaos*
- *More upheaval*
- *More turbulent*
- *Too soon to tell*
- *Trying to stay hopeful*
- *I am holding my breath*
- *No idea...I expect turmoil*
- *More anxiety, uncertainty*
- *Could be a great year or a horrible year*
- *Don't know, that's what makes it exciting*
- *New president, many unknowns - hope for the best*

“I think 2017 will be more unstable because of the new president. I think that my life is fairly insulated from that instability due to my job/income, but I definitely worry about civil rights and the ability of my clients to make a living.”

Personal Optimism + Lifestage Transitions + Political Anxiety

How will 2017 be different from 2016?

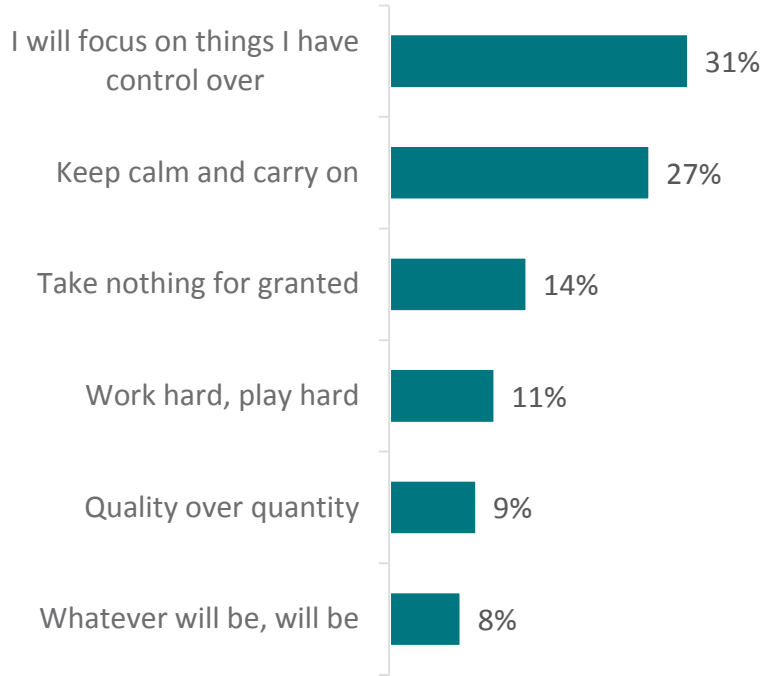
In April, I will be an empty nester. Life will change. Because my husband is able to provide for our family financially, I am free to spend a great deal of time volunteering in our church and... at a local school. I feel better about my community, but worse about the country and the world at large. I don't see the prospect of improvement in the country/world, since it seems like an avalanche of insurmountable problems exist.

There's a good chance that I'll be promoted at work... My daughter will start sleeping better (she's a toddler now) and this really impacts my every day sanity. My husband will make more than he ever has (he started his own tech consultancy in 2016). We'll start to feel more at home and build our lives in our new city.

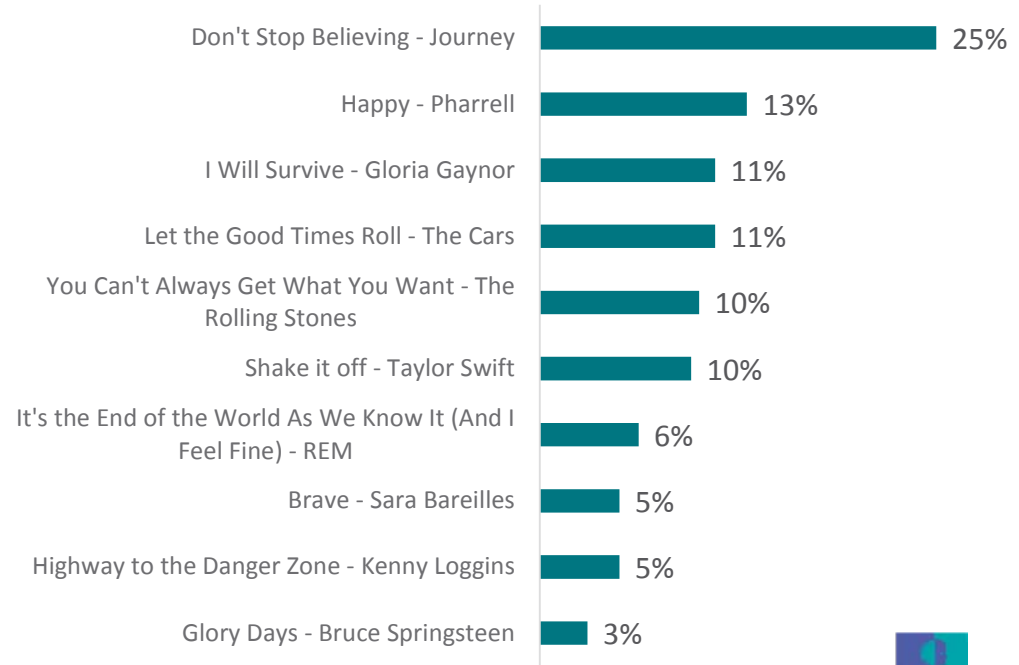
I'm concerned that our country will become more divided and we'll hear more bad news than good. I'm concerned our president-elect will make some big decisions that will adversely affect the rights of women and minorities. I'm hopeful that in some ways we'll start putting America first instead of other countries.

Maintaining Hope, Enhancing Self-Efficacy, Moving Forward

When you think about all that has happened in 2016, what is going to be your mantra for 2017?

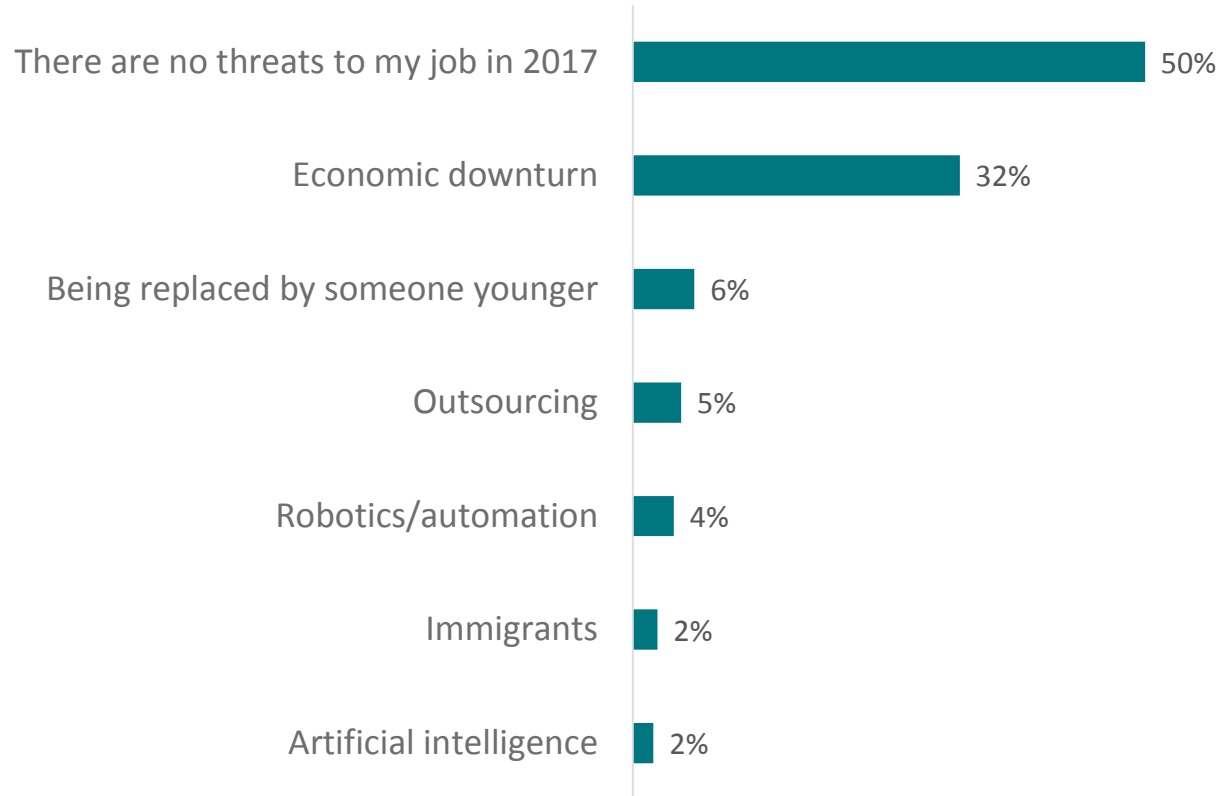


Which song best sums up your attitude about 2017?



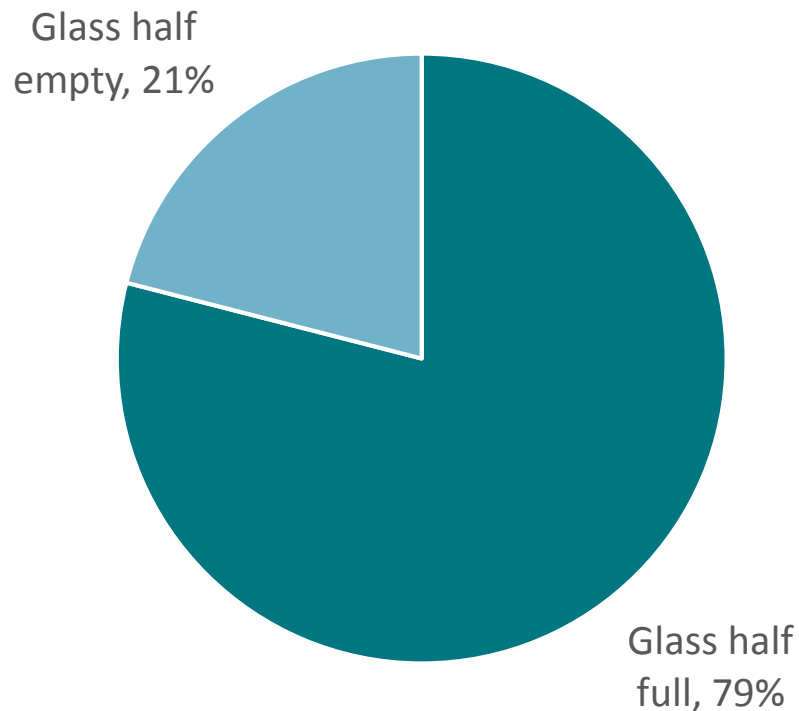
Half Confident About their Job Status; Economy Biggest Threat

What would you say is the biggest threat to your job in 2017?



Most Bring a “Glass Half Full Mindset”

Which phrase best describes your outlook for the coming year?

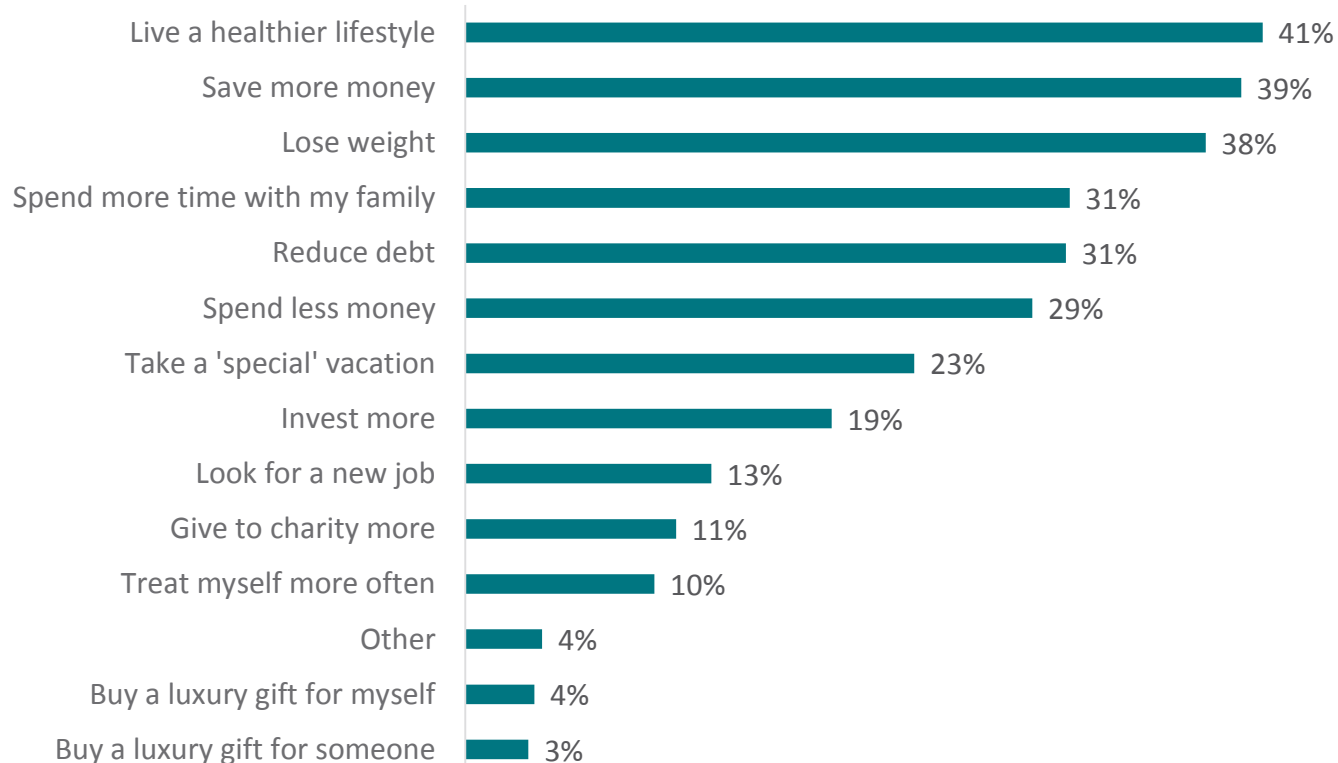


Most Set Goals for the Coming Year; Health & Wealth Top List

81%

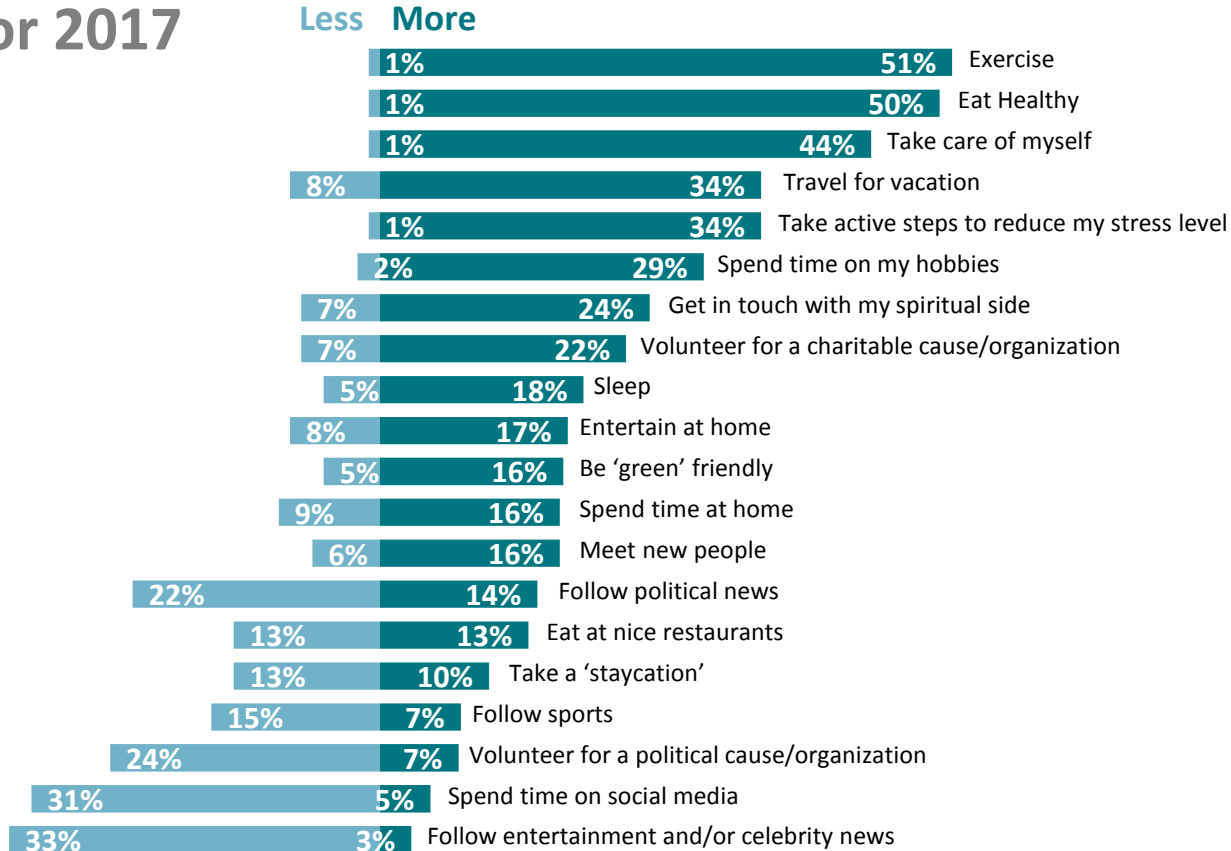
Setting goals for the New Year

Which of the following are among your goals or resolutions for 2017?



Planning for More “Me” Time; Less Social & News Media

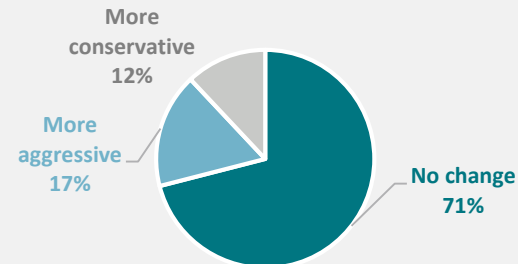
Plans for 2017



A Slightly More Aggressive Investment Approach

Investment approach

(coming year vs. past year)



Consider an excellent/good investment at this time



52% Stocks
51% Real estate

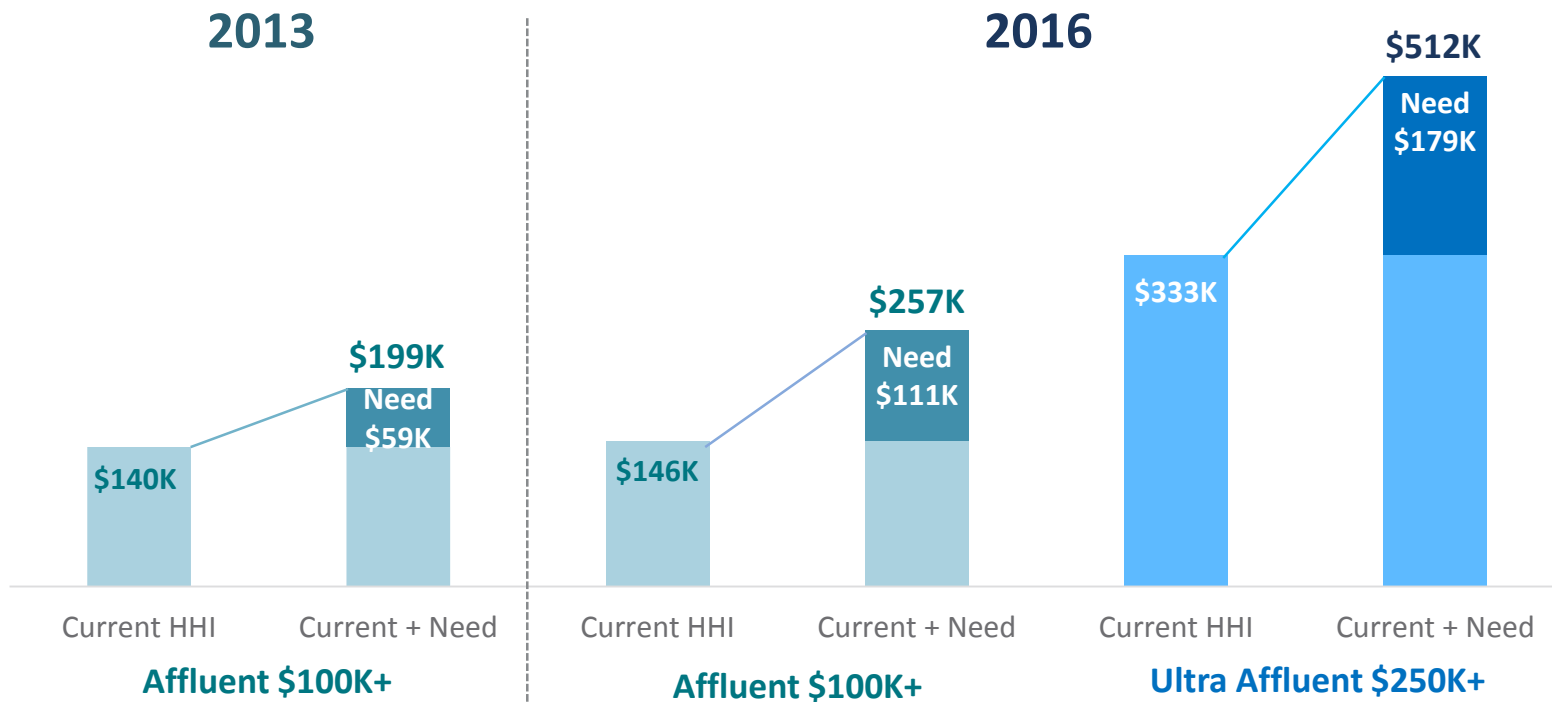
40% Gold

24% Bonds

Source: Ipsos Affluent Barometer. Among \$100K+ HHI

For a “Luxury Lifestyle” Affluents Need a 76% Raise (\$111K more HHI)

How much more income would you need to buy luxury on a regular basis?
(Medians in \$000s, excluding 0 and not interested in luxury)

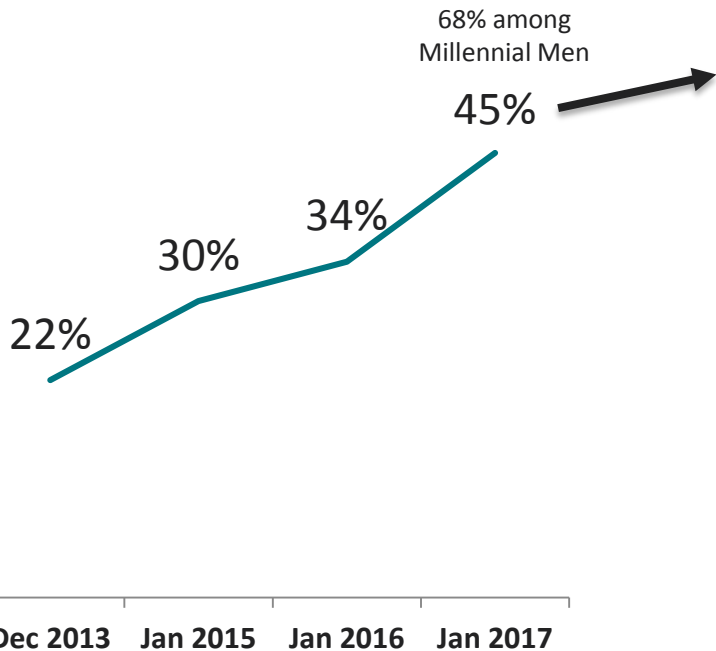


A New Transaction Ecosystem



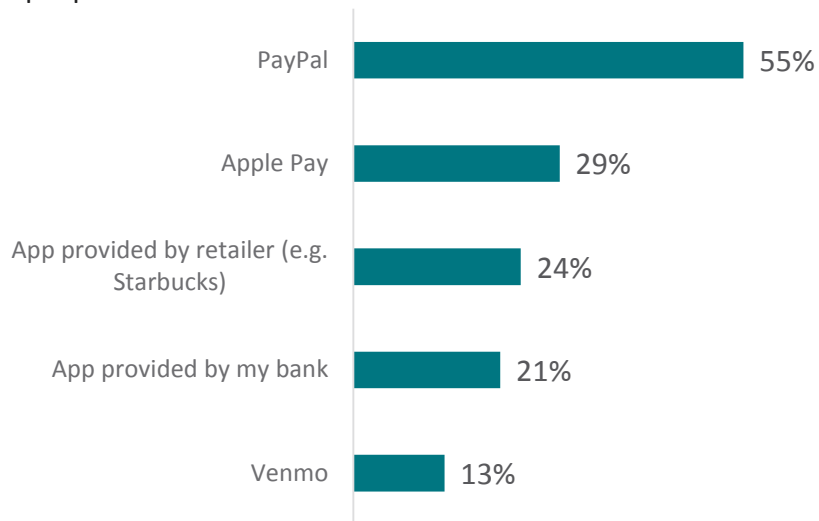
Nearly Half Have a Mobile Wallet App

Have a mobile wallet app



Among those with mobile wallet apps...

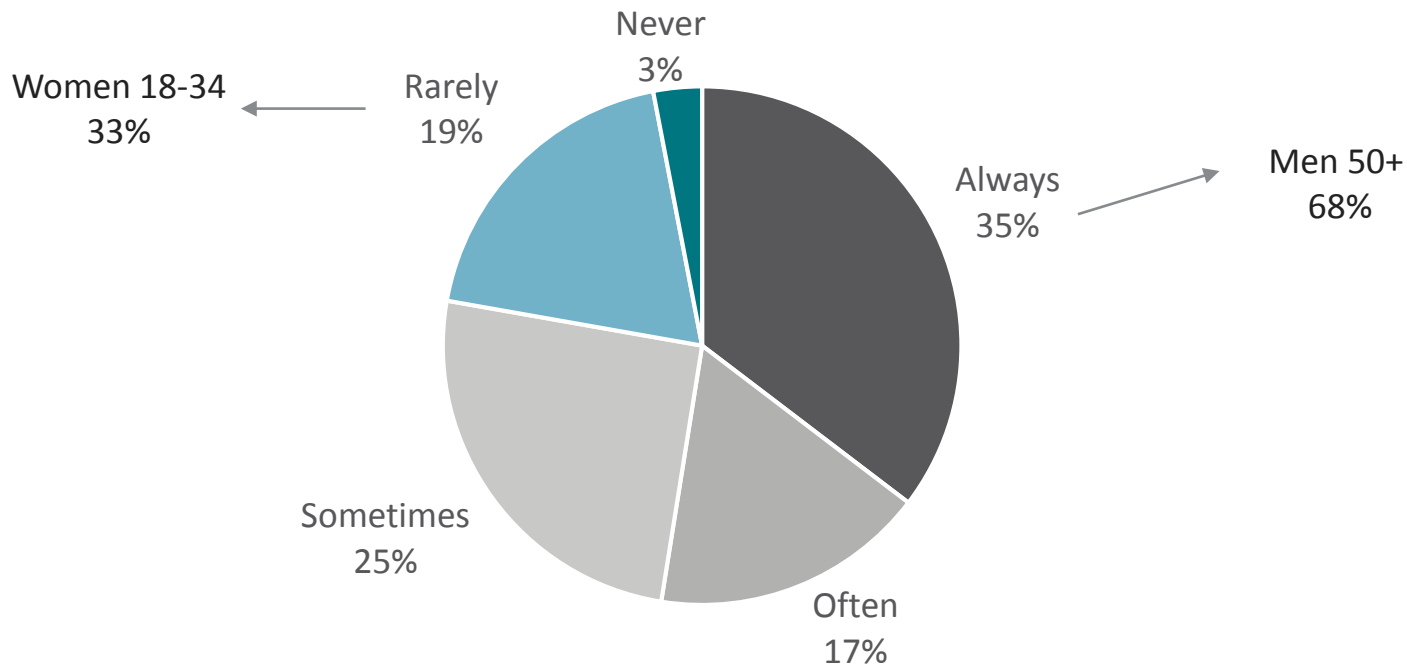
- 34% use at least weekly (trending directionally down)
- \$376 mean spend* in past six months – down 6% from Jan 2016
- Top 5 providers:



* among the 86% who used

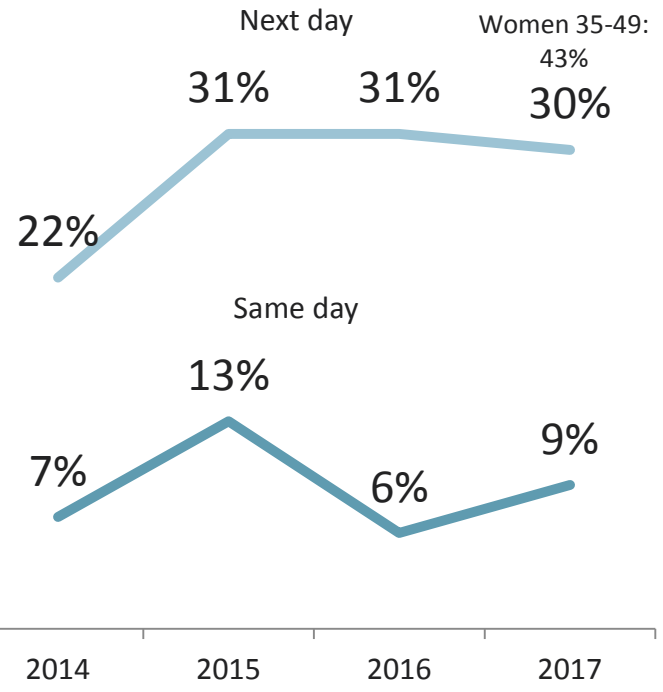
Nearly One-Fourth Rarely or Never Carry Cash

How often, if at all, do you carry cash with you?

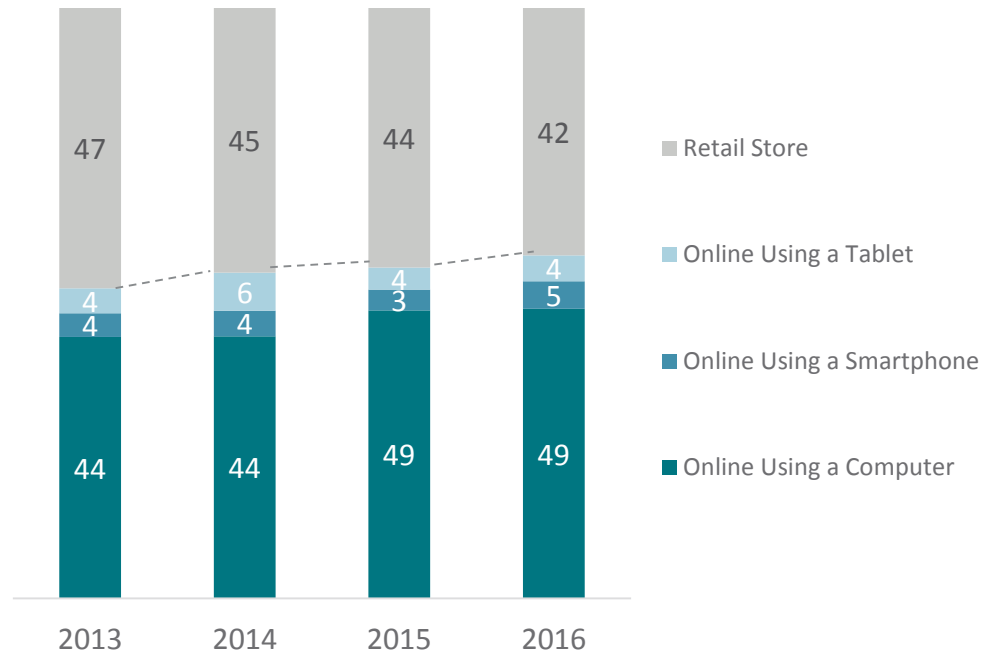


Volume of E-Purchases Rises, Although # of Purchasers Stable

Internet delivery options used in the past 12 months



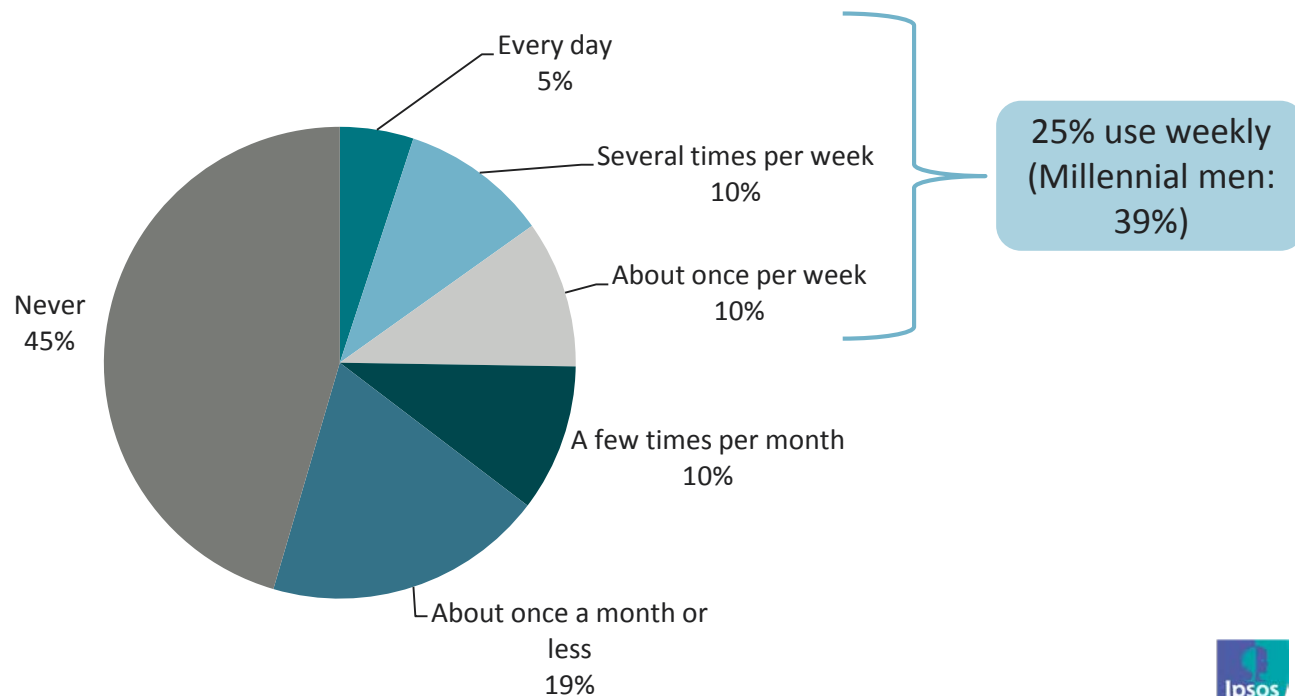
How will you make your holiday shopping purchases this year? (% of purchases)



© 2017 Ipsos
Source: Ipsos Affluent Barometer. Among \$100K+ HHI

One-in-Four Use Virtual Assistants At Least Weekly

How often, if at all, do you use “virtual assistants” on your phone?



Final Thoughts



THE IPSOS AFFLUENT SURVEY

YOU WIN OR YOU DIE

From Our 2016 Outlook: Key Trends and Evolving Consumer Needs

Key Trends

DIVERGENT OPTIMISM

New transaction ecosystem

Trust in ambient intelligence

Continued income concentration (1% is “further away”)

Media-Philia

Interest in experiences

Instant economy

Access economy

Quantified self

Sentiments & Opportunities

Control

Predictability

Novelty

Information

Being “in the know”

“One less thing I have to worry about”

“I’ll focus on what I can control”

Flip side positioning: World as exciting; full of opportunity & experiences

YOLO/FOMO

Self & health

Friends & family

The new nesting

Looking Ahead: The 2017 Affluent Outlook in an Uncertain World

- **What lies ahead is unknowable. Economic growth? Continued bifurcation?**
- **Examine opportunities via scenario planning and trend analysis**
 - Newton's Third Law: For every action, there is an equal and opposite reaction
 - The 2017 Kraus Corollary: For every trend the creates opportunity, there is opportunity in the counter-trend

- **The Great Unknown: under uncertainty, some hedge & nest, but some invest & revel**
- **Digitally-Infused Lifestyles: most embrace, but “blackout nights” and some design trends run counter**
- **Luxury's Evolution: most prefer subtle & experiential, but could Trump success bring back bling?**
- **America First: growth for American brands and domestic travel, but others embrace a globalist future**

Thank You!



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Steve brings more than two decades of experience in understanding human behavior, and his insights on media use and consumer behavior are regularly cited in the media. Author of three books on affluence, Steve holds a Ph.D. in social psychology from Harvard University.



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With over 10 years of applied research experience, Maria's background is in quantitative analysis, including segmentation, predictive modeling, and other statistical methods. An ARF award winner, Maria holds an M.A. in psychometrics from Fordham University and a B.A. in economics & psychology from the University of Pennsylvania.



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