



IPSOS AFFLUENT INTELLIGENCE

THE AFFLUENT OUTLOOK 2018:

AFFLUENTS IN THE

AGE OF POLARITY



THE IPSOS AFFLUENT INTELLIGENCE 2018 OUTLOOK

For over 40 years, Ipsos Affluent Intelligence has been studying Affluent Americans (currently defined as adults age 18+ with household incomes over \$125,000) and developing insight into their attitudes and behaviors. In January of every year, we reach out to our Survey Respondents with an Outlook questionnaire designed to gauge their optimism in regards to the future. This year the responses were the most polarized, conflicted, and fascinating we've seen.

Michael Baer, SVP Team Lead, IAI, Michael.Baer@ipsos.com

EXECUTIVE SUMMARY

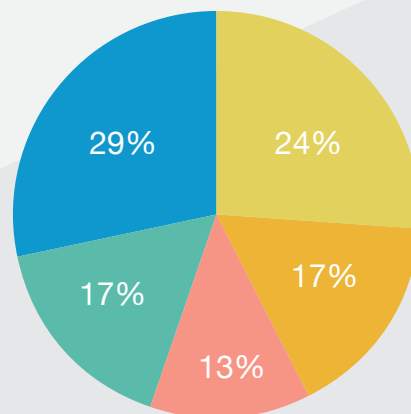
Affluent American Consumers Feel Good About Their Finances—and Conflicted About The Future Of America

2017 was a challenging year for the U.S., with a controversial president taking office and the country increasingly polarized. Despite being less ethnically and socio-economically diverse than the general population, affluent Americans' opinions reflect the deep divisions in our society.

In many ways, 2017 was the best and the worst of times for affluents. While the vast majority say it was a good year for their own finances, fewer than four in ten considered it a good year for the country. In the first months of 2018, the economy is booming and tax cuts are expected to help the well-off. Yet fewer than half of affluent American consumers are optimistic that 2018 will be a good year for America as a whole, with women and young people among the most skeptical.

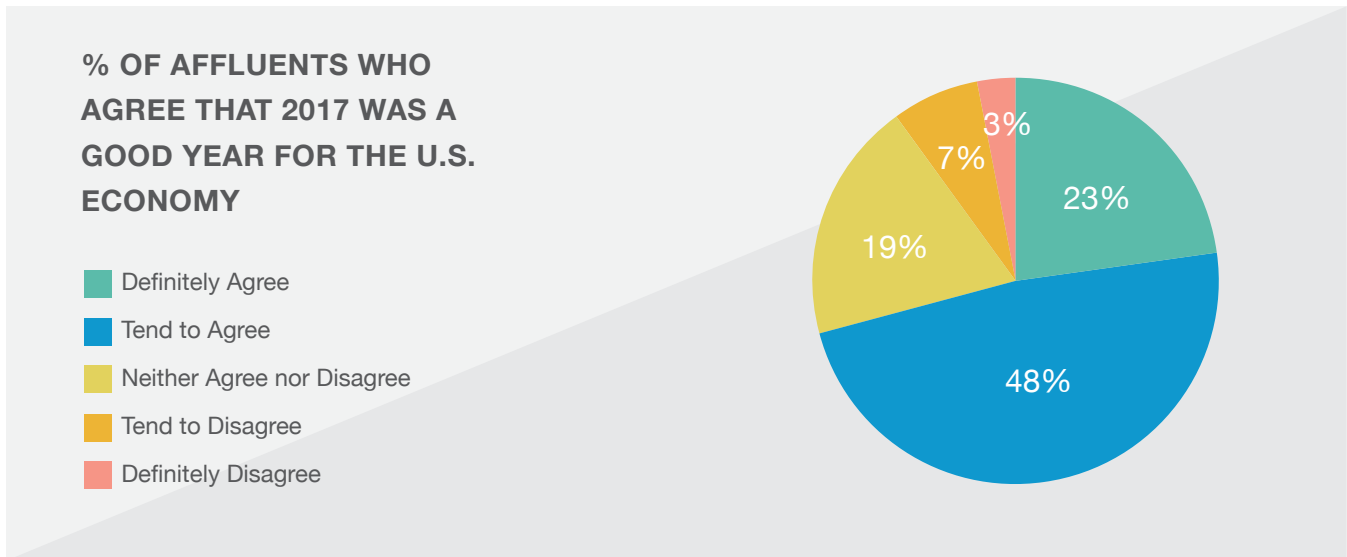
% AFFLUENTS WHO AGREE THAT 2018 WILL BE A GOOD YEAR FOR AMERICA AS A WHOLE

- Definitely Agree
- Tend to Agree
- Neither Agree nor Disagree
- Tend to Disagree
- Definitely Disagree

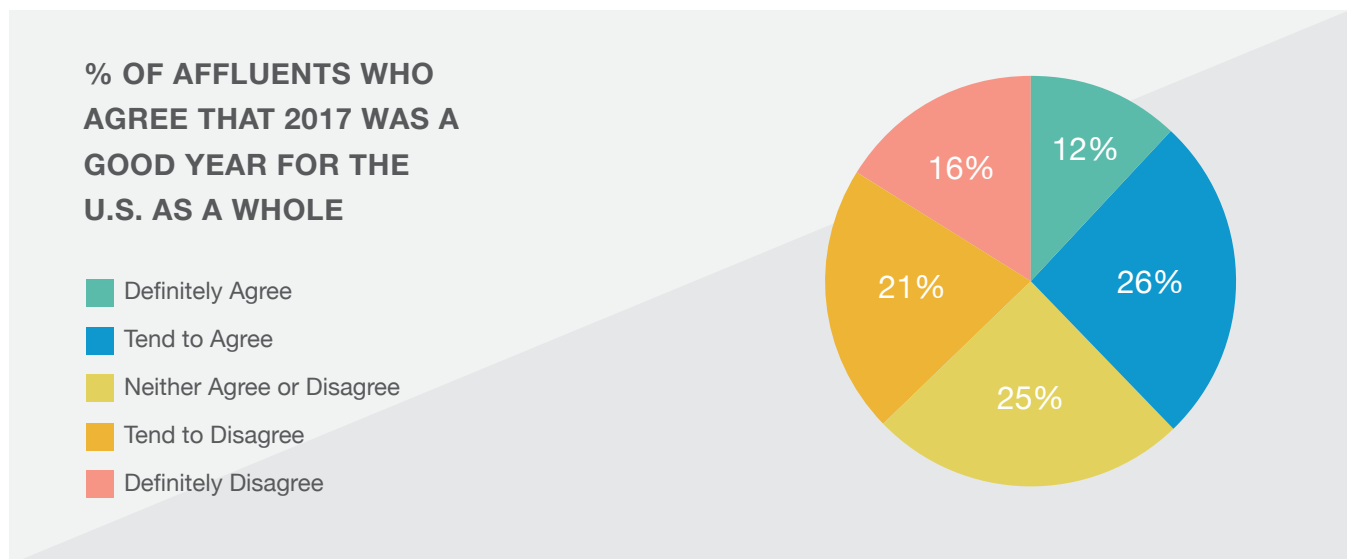


HIGH MARKS FOR THE ECONOMY IN 2017—LOW MARKS FOR AMERICA

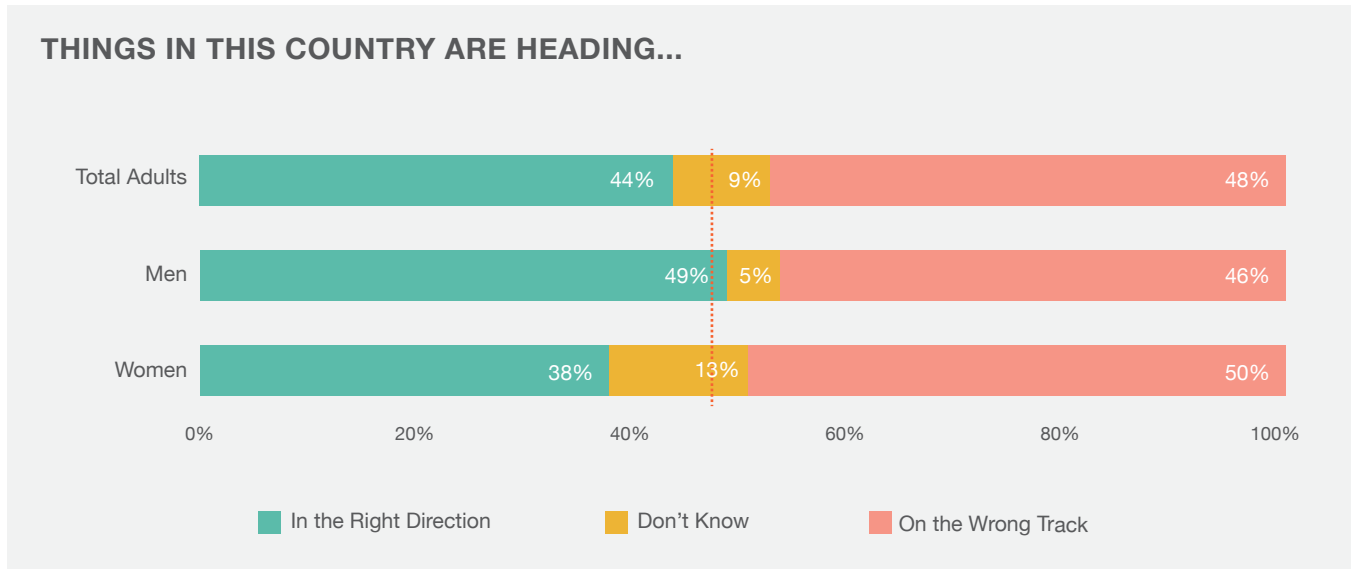
The IAI Outlook was fielded amongst 803 affluent respondents from January 3-16, 2018, following a year of meteoric stock market gains and shortly after a tax bill with acknowledged benefits for businesses and high-earners was signed into law. As a result, it's hardly surprising that affluent Americans indicated that 2017 was the best year for the economy since the IAI Outlook was launched seven years ago. More than seven in ten affluents agreed that 2017 was a good year for the U.S. economy and almost 70% of our respondents reported that it was a good year for their own career and/or finances.



Higher marks for the economy generally lead to greater confidence in the direction of the country as a whole. However, while Affluents reported that 2017 was an excellent year for their families and their wallets, only 38% definitely or tended to agree that it was a good year for America.



Almost half of Affluents (48%) told us they believe that the country is on the wrong track, while only 44% believe the US is headed in the right direction. Affluent women are far less likely to take an optimistic view than their male counterparts.



Asked to explain their opinions, those who claimed America is on the right track are more likely to use the words “economy”, “stock market”, “president” and “unemployment”, supporting the notion that the economy is responsible for their positive outlook. For those who believe we’re headed in the wrong direction, the most commonly used words are “president” and “Trump”.

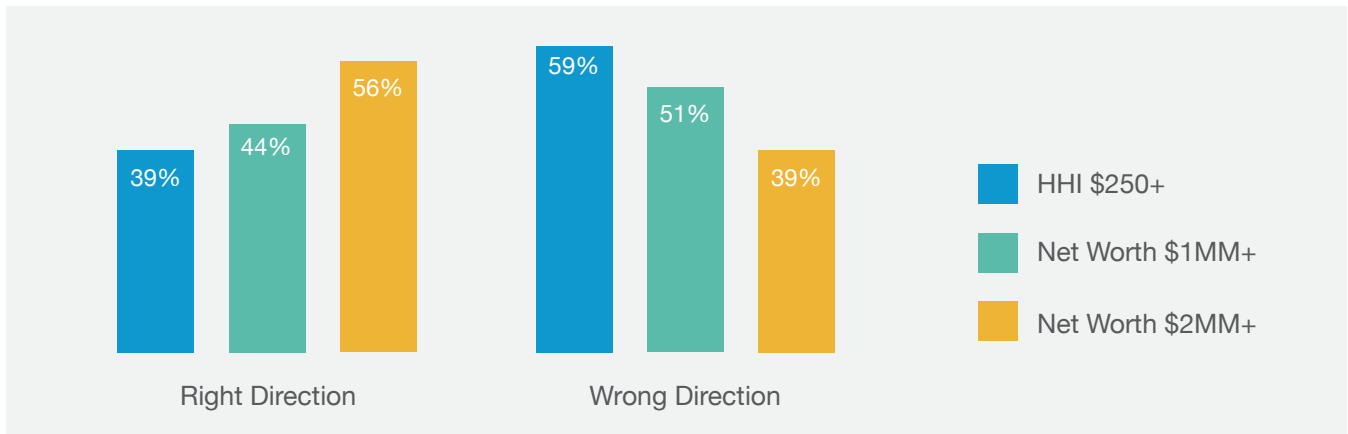


WORDS USED MOST BY AFFLUENTS WHO BELIEVE AMERICA IS ON THE RIGHT TRACK.

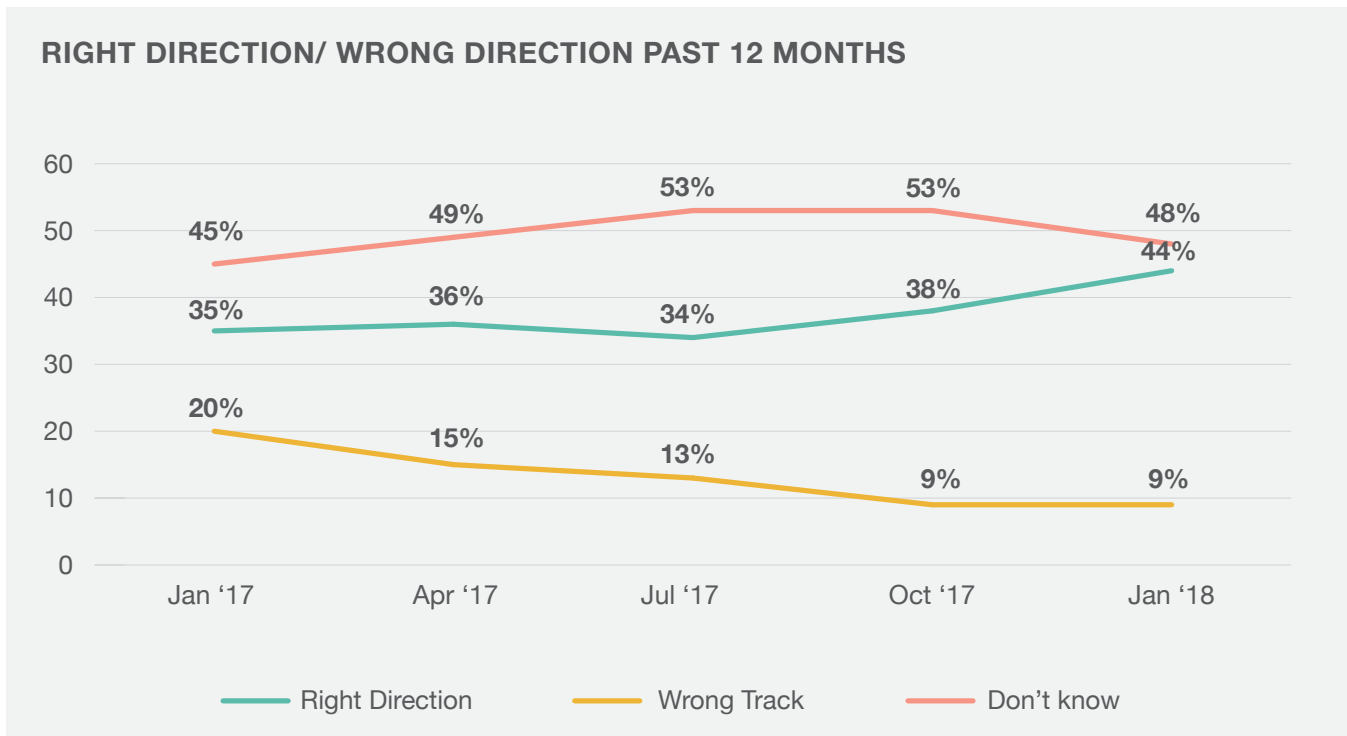
WORDS USED MOST BY AFFLUENTS WHO BELIEVE AMERICA IS ON THE WRONG TRACK.



Perhaps ironically, Affluents with the highest household incomes are the least likely to feel confident that American is on the right track, with 59% of those with incomes over \$250,000 saying the country is headed in the wrong direction. However, net worth shows an inverse relationship to outlook. People with over \$2MM net worth, who tend to be older, are more likely to say the country is on right track than wrong.

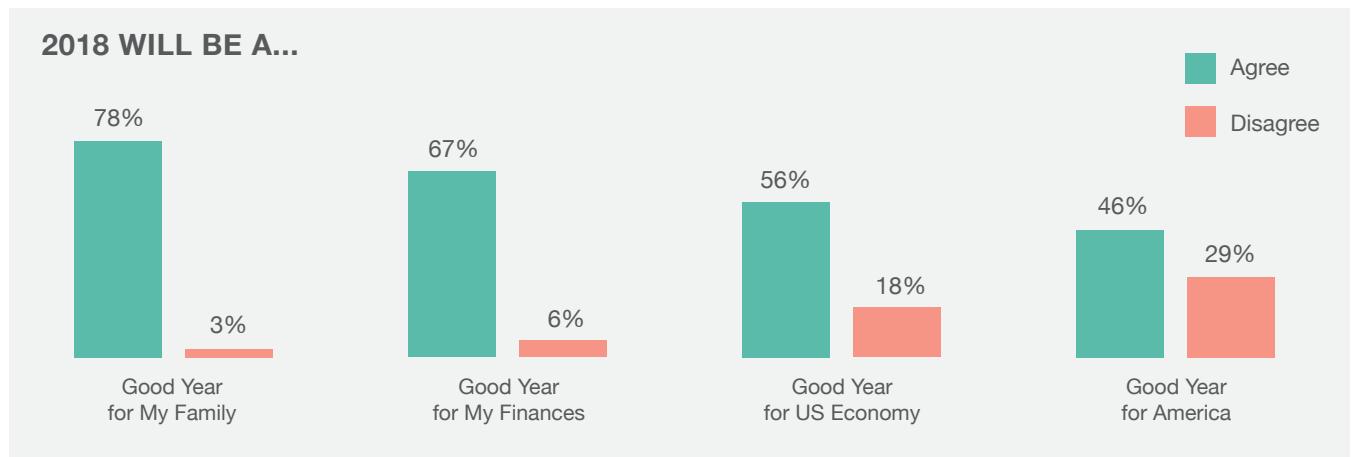


The rising economic tide does appear to be mitigating affluent Americans' perspectives across the board. The percentage of respondents who say the country is on the right track has edged up 9 points since the beginning of 2017 and has increased 6 points in the last quarter alone. While the number of Affluents who believe America is on the wrong track dropped slightly in the past three months, the percentage of those who "don't know" has decreased from 20% to 9% over the past twelve months. Open-ended responses indicate that current economic conditions have played a large role in convincing those on the fence that America is moving in the right direction.



FOR 2018, AFFLUENTS ARE OPTIMISTIC ABOUT THEIR OWN FORTUNES—BUT LESS SO WHEN IT COMES TO THE COUNTRY

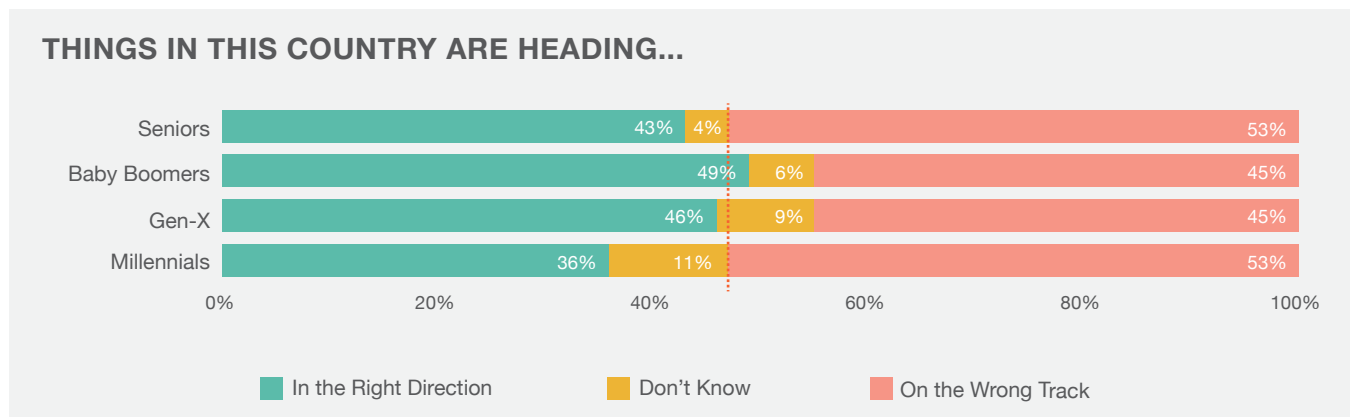
The vast majority of Affluents believe that 2018 will be a good year—for them, their families and their finances. In fact 78% of Affluents say they and their families will do well in the next twelve months. Two-thirds believe their careers and/or finances will benefit. Yet their outlook for the economy isn't as unambiguously rosy. Regardless of the stock market's stellar performance in 2017, just 56% of Affluents believe 2018 will be a good year for the U.S. economy, and only 46% believe it will be a good year for America as a whole.



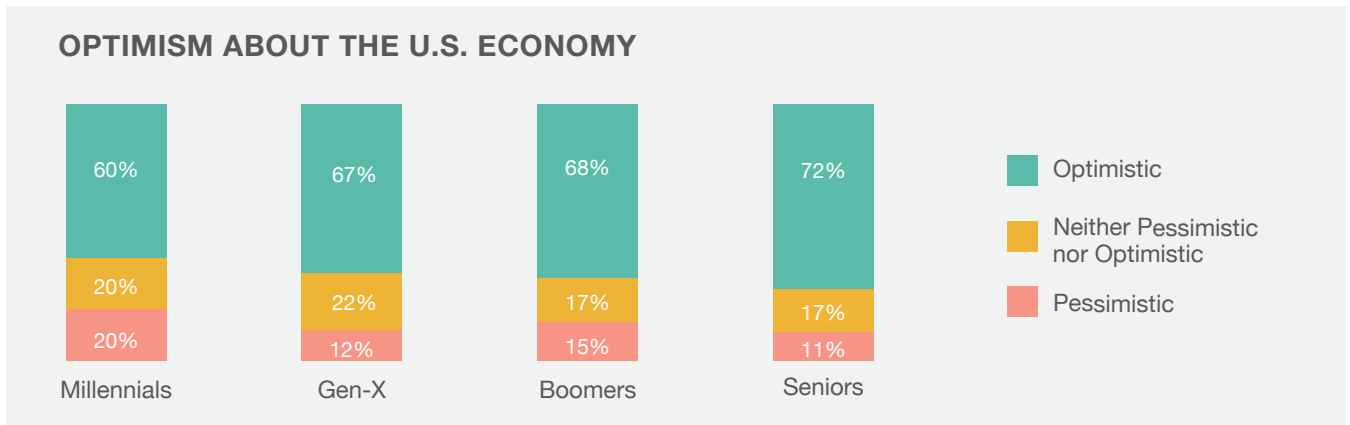
Top Two Box Summary: Definitely/Tend To Agree and Bottom Two Box Summary: Definitely/Tend to Disagree

THE DIVIDE BETWEEN PERSONAL AND NATIONAL OUTLOOKS IS EVEN WIDER FOR MILLENNIALS

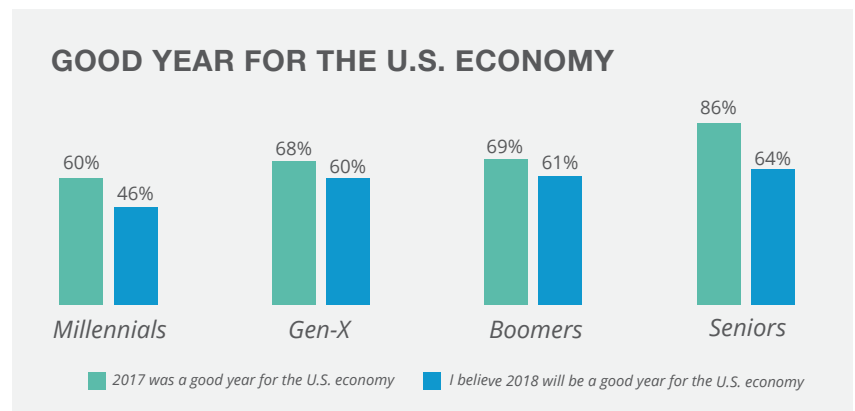
While over half of men age 35+ say the U.S. is on the right track, younger people and women are far less confident. Though 44% of total Affluents claim the country is headed in the right direction, only 36% of affluent Millennials agree. Millennials' opinion of 2017 is by far the dimmest of all generations, with only 25% saying the year was a good one for America as a whole, despite the fact that 72% claim 2017 was a good year for their personal career and/or finances.



Looking forward, 84% of Millennials think 2018 will be a good year for their personal finances and 60% say they're at least cautiously optimistic about the economy going forward.



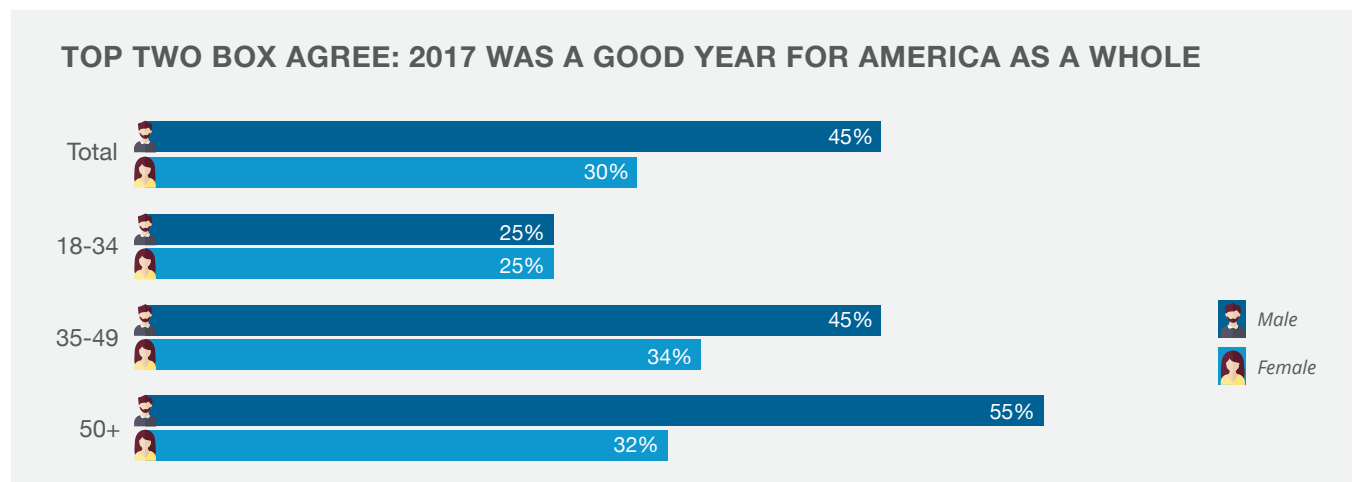
Yet compared to other generations, they are more pessimistic overall—with only 46% saying they believe 2018 is likely to be a good year for the US economy, compared to 60+% of Gen-Xers, Boomers and Seniors. When it comes to America as a whole, 44% of Millennials believe it will be a good year, in line with other generations.



Top Two Box Summary: Definitely/Tend To Agree

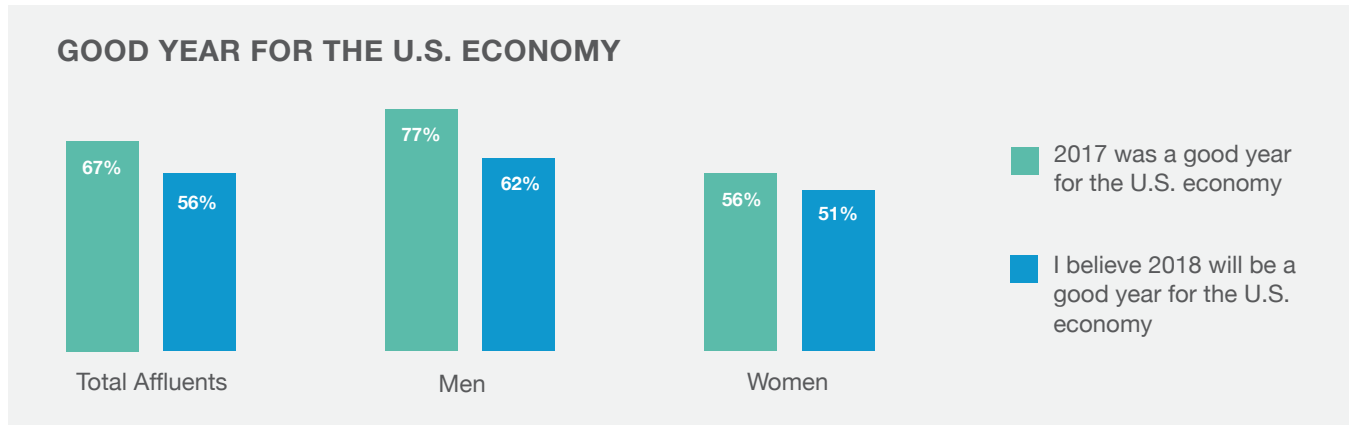
THE GENDER GAP IS PROFOUND AFTER AGE 35

In general, affluent women possess a far less positive view of the past twelve months. Only 30% of women told us that 2017 was a good year for America as a whole—compared to 45% of men. Surprisingly, the disparity is most pronounced among Affluents over 50, with 32% of senior women saying 2017 was a good year for the country, versus 55% of men the same age.



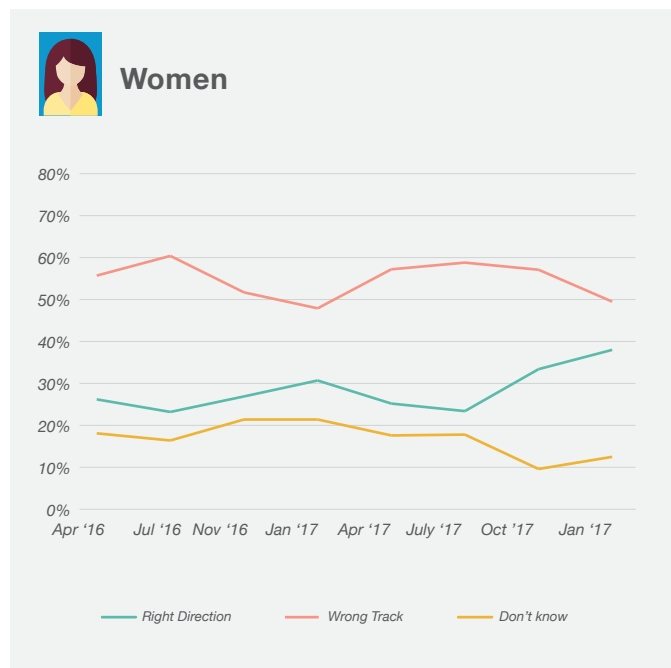
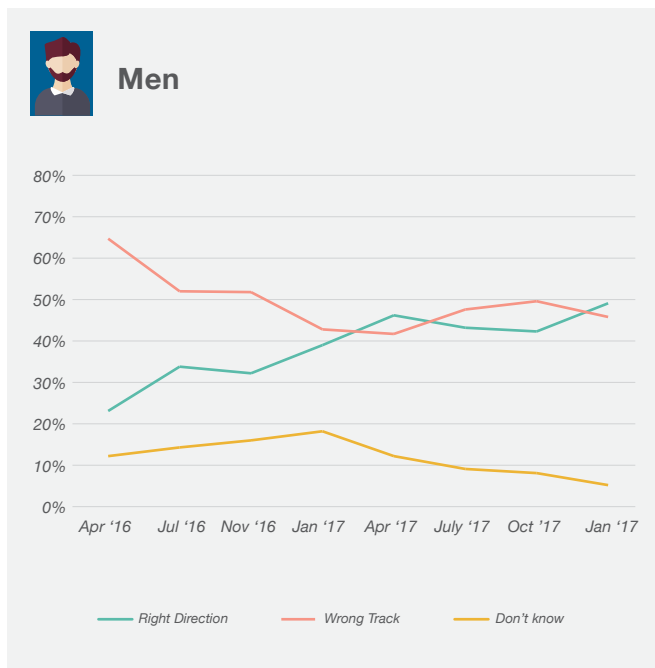
Top Two Box Summary: Definitely/Tend To Agree

Women’s negative view of 2017 casts a shadow over their personal lives as well. They are less likely than men to report that their careers, finances and families prospered in 2017. And while 77% of men claim it was a good year for the US economy, only 56% of women agree. Women are overwhelmingly optimistic about their personal lives and finances in 2018, but their expectations for the U.S. economy haven’t kept pace, with only 51% saying they’re optimistic, versus 62% of men. The majority of affluent women are unhappy with the direction the country is heading. Only 38% of women say the country is heading in the right direction, versus 49% of men.



Q6306. Please indicate how much you agree or disagree with the following statements. Top Two Box Summary: Definitely/Tend To Agree

Interestingly, in April 2016, in the midst of a contentious election, more men than women believed the country was on the wrong track. This has steadily changed over the past eight quarters, and today the positions are reversed.



It’s likely that multiple factors—from the president’s policies to the #MeToo movement—account for affluent women’s significantly darker perspective. In any event, this is no niche audience. Affluent American women are a large and powerful voting block, and their dissatisfaction should not be overlooked or ignored.

CONCLUSION: AFFLUENT AMERICANS ARE OPTIMISTIC BUT POLARIZED

Over the past two years, much has been made of the political polarization of the American public. IAI's Outlook has shown that this polarization extends even to affluent Americans. Affluent women and Millennials are more likely to be dissatisfied with the direction that the country is taking—and less optimistic about the future of the economy. However, when it comes to their personal lives and finances, all Affluents are overwhelmingly optimistic, and there is evidence that the strong economy is having a positive impact on overall perceptions.

ABOUT IPSOS AFFLUENT SURVEY USA

Ipsos Affluent Intelligence began our Affluent Survey over 40 years ago because we understood that Affluents are one of the most powerful and influential target audiences across all industries, driving revenue, adoption of new technologies and experiences, and influencing purchases among their peers and network.

Affluents control the lion's share of U.S. household net worth and outspend non-affluents in virtually every category. Consequently, marketers of everything from automobiles to watches, technology to media, and entertainment to travel rely on capturing both the share of wallet and share of mind of this critically important group.

ABOUT IPSOS CONNECT

Ipsos Affluent Intelligence is housed within Ipsos Connect, the market research specialization within Ipsos built to reach, engage and more actively understand today's digitally-driven consumer in the fast moving media, content and technology space. We work with leading companies in technology, entertainment and all sectors of media—TV, online, print, mobile, outdoor, radio—helping owners and advertisers to better understand different audiences, the content they consume, the channels they use to consume it and the technology they employ to discover, share and access this content.

For more information:

<http://www.ipsos-na.com/go/affluentsurvey>

<http://www.twitter.com/affluentintel>

Greg.DePalma@ipsos.com

Donna.DenBraven@ipsos.com

Joe.Antoniotti@ipsos.com

