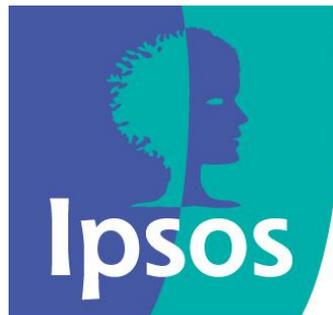


Affluent Population Expands in Size, Spending Power & Marketplace Importance

Affluent Population Projected to Grow 8% from 2013,

Fueling Broad Increases in Media Audiences and Category Spending

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New York, NY – The 2014 Ipsos Affluent Survey USA, released today, projects that the Affluent population in the United States grew 8% from 2013, to 67.5 million adults, compounding the 6% growth seen the previous year (“Affluents” are defined as adults aged 18+ living in households with at least \$100,000 in annual household income – approximately 23% of US households). This segment is vital to the U.S. economy, spending \$2.0 trillion annually across a range of products and services. The study finds that Affluents are early adopters and heavy users of technology, but also reports that Affluents are heavy consumers of traditional media, and that their readership of print publications is essentially unchanged from a year ago.

While the size of the Affluent population expanded, their average income and spending levels were largely unchanged or ahead of previous years. The result, according to Chief Insights Officer Dr. Stephen Kraus, is “expansion without dilution of the Affluent population. There are five million more Affluent adults compared to a year ago, earning and spending at the same or greater levels. On an aggregate basis, market sizes and media audiences are up across the board as a result.”

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Signs of growth are evident in all major financial metrics, including spending, income and liquid assets:

- **Spending** by the Affluent population across 158 measured categories rose to \$2 trillion for the first time in the survey's 38 year history. Average (mean) spending per Affluent fell slightly from 2013 to 2014, but remained well ahead of 2012 and 2011 levels. Median spending rose 2% in 2014, building on a 4% increase the year before.
- **Income** followed a similar pattern as spending. Average household income among Affluents in 2014 was \$197,400, down 1% from 2013, but still 5% ahead of levels seen in 2011 and 2012. Median income rose for the fourth consecutive year.
- **Liquid assets** rose 7% to an average of \$592K, compounding the 9% growth seen from 2012 to 2013. Affluent average net worth rose 1% to \$1.02 million, while median net worth rose 3%.

The study also documents how Affluent lives are increasingly intertwined with technology. For example, among Affluents...

- 88% visited one of 12 measured social networks in the previous week, led by Facebook, which was visited by 70% of Affluents for an average of 5.7 hours
- 64% paid bills with a computer, smartphone or tablet in the past 30 days
- 58% use an iPhone or iPad, up from 53% in 2013
- 48% now personally own a tablet, up from 9% in 2011, and 77% now have a tablet in the household
- 47% have a TV connected to the Internet, 23% own a smart TV, and 23% have a TV connected to a digital media receiver or streaming device – figures up significantly from 2013

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- Roughly half of smartphone and tablet owners made a purchase on their device in the past year
- 10 million Affluents now have a mobile payment/wallet app, an increase of 49% from 2013

While ownership of mobile devices and the consumption of digital media continue to rise, the study finds use of traditional media to be highly similar to previous years, and clearly demonstrates that traditional media are alive, well and integral to Affluent lives. Buoyed by the growing Affluent population, the number of Affluents who read a print publication rose 6% to 53.5 million; the total duplicated average-issue audience (AIA) also rose 6%, to 219.2 million. On an individual level, print publication readership remains highly similar to 2013. For example, 79% of Affluents read one of the 140 reported print publications (133 magazines and 7 national newspapers), down only slightly from 81% in 2013; Affluent readers averaged reading 16.6 print publication issues from 7.4 titles, figures unchanged from 2013.

Says Kraus, “Digital media use continues to grow, and traditional media use has changed much less than many people expected. Consumption of new media is supplementing, not supplanting, traditional media use – and the result is a net increase in Affluents’ overall engagement with media.”

As consumers, Affluents are found to be highly-engaged shoppers across platforms and categories. While many shop at luxury retailers, huge numbers of Affluents shop in mainstream outlets as well, with the most widely shopped retailers being Amazon (74% shopping in the past year), Target (72%) and Walmart (69%). The three retailers who saw

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their Affluent shopper base rise are also diverse in their appeal and spanned the retail spectrum – eBay, Etsy and Ulta. Affluents display the coupling of high-end and mainstream purchasing in many categories. In automotive, for example, many Affluents drive luxury automobiles, but the most widely owned vehicle brands among Affluents are decidedly mainstream: Ford (25%), Toyota (24%), Honda (21%), and Chevrolet (19%).

The Affluent population is found to be diverse, not only in its shopping habits, but in its generational and cultural composition as well. While Baby Boomers are the single largest generation within the Affluent population (38%), a generational changing of the guard is well underway, as Gen Xers (33%) and Millennials (22%) combine to well outnumber Boomers. African-Americans, Hispanics and Asians each comprise 6-8% of the Affluent population; in addition, 17% of Affluents speak a non-English language at home, and 11% were born outside the U.S. Four percent of Affluents describe themselves as members of the LGBT community.

The survey also provides a robust look into the lives of the “Wealthy” – those with at least \$500,000 in annual household income. Just 1.9 million adults, or about 0.5% of the U.S. population, the Wealthy spend an average of 2.3 times more than Affluents as a whole across 158 measured categories. The Wealthy are also particularly heavy consumers of media, spending 29% more time online, and reading 54% more print publication issues, than Affluents. Twenty-one percent of the Wealthy speak a non-English language at home, and 15% were born outside the U.S. – figures higher than in the Affluent population.



Evan Borak, Senior Vice President of Ipsos MediaCT, and Head of its Audience Measurement Group, summarized the conclusions: “Once again, the Affluent population has grown in size and resources, lifting marketplace spending and media audiences with it. And it is increasingly clear that Affluent spending is crucial to the health of both luxury and mass brands, across retailers and across platforms. A strategic understanding of today’s diverse Affluent population has become an imperative for every brand in every category.”

About the Ipsos Affluent Survey USA

The 2014 Ipsos Affluent Survey USA marks its 38th consecutive year of tracking the lives, lifestyles and media habits Affluent Americans, dating back to the study’s 1977 founding as the Mendelsohn Affluent Survey. Today the Ipsos Affluent Survey USA has 4,000+ individual users from 400+ subscribing organizations, and among other uses serves as a *cross-platform media planning currency study* – an objective source of audience measurement data used by advertisers, agencies and media companies in negotiating advertising sales. The 2014 Ipsos Affluent Survey USA was conducted from March through July, and has a sample size of 12,747 adults living in households with at least \$100,000 in annual household income. The survey uses a random probability sample drawn from address-based sample frame as well as other rigorous methodologies to ensure the results are projectable to the population of America’s 67.5 million Affluents. Roughly 23% of U.S. households, Ipsos analyses show that Affluents garner 60% of U.S. household income, and hold 69% of U.S. net worth.

The Ipsos Affluent Survey provides a global perspective on Affluents in 51 countries. It combines the resources and insights of industry leading studies around the world, including the studies previously branded as the Mendelsohn Affluent Survey (USA), PAX (covering Asia Pacific), and EMS (covering Europe, Africa, Latin America and the Middle East).



About the Audience Measurement Group of Ipsos MediaCT

The Ipsos Affluent Survey USA is produced by the Audience Measurement Group of Ipsos MediaCT. Led by a team of senior professionals, the Audience Measurement Group is recognized for its expertise in understanding Affluent lives, lifestyles, spending and media use. Ipsos MediaCT specializes in research about the intersection of media, content and technology. Ipsos is a publicly-traded company headquartered in Paris, and is the 3rd largest research firm in the world.

For more information on this news release, please contact:

Elen Alexov
Director, Marketing Services
Ipsos in North America
(778) 373-5136
[*elen.alexov@ipsos.com*](mailto:elen.alexov@ipsos.com)

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