Meet the HENRYs

Positioning for the Mindset of the HENRYs – High Earners Not Rich Yet

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- **Meet the HENRYs: Gatekeepers to the New Luxury Market and the New Target for Mass-Market Brands**
  - Meet the HENRYs, High-Earners-Not-Rich-Yet consumers with household incomes between $100k and $250k. HENRYs are the new face of the mass-market customer, since the traditional middle-class ($50k-$99.9k) have lost so much discretionary spending power in the recent recession.
  - HENRYs are doing better than nearly 80% of U.S. households, but they are a far cry from wealthy; reserve that adjective for the ultra-affluents, who earn more than $250K per year, and for those with high net worth, with amassed wealth of more than $1M.
  - The HENRYs are the unassuming mass segment of the affluent consumer market, and critically important for all brands and all marketers to understand. For mass-marketers, HENRYs offer growth possibilities unmatched by the middle-class consumer segment. While the overall number of households grew only 2.5% from 2010-2013, the number of HENRY households rose 11% in the same time.
  - For marketers aimed at the high-end, the HENRYs are the gatekeepers to the luxury market now and for the future, since ultra-affluent and wealthy customers typically start out as HENRYs on their road to affluence.
  - The recently updated for 2015, this Unity Marketing Trend Report***, "Meet the HENRYs,"*** highlights just why these lower-income affluents are so important to marketers at all pricing levels, high-end, low-end and in between. "Coming out of the recession, the true middle class severely limited in their ability to purchase goods and services in the near future," says Pam Danziger, president of Unity Marketing and author of the report. "This means HENRYs are the 'new mass market' for marketers and brands up and down the pricing scale."
  - The HENRYs are ready to respond in force, if not necessarily in high levels of individual spending to brands that connect with their mindset and values. While HENRYs spend about half as much as do ultra-affluents on luxury and high end purchases, their significantly greater numbers (24.3 million households) mean that the total value of the HENRY market is about four times that of the ultra-affluent market (3.3 million households).
  - "Marketers have historically felt that ultra-affluents were their ideal consumer, but there simply aren't enough ultra-affluents to keep luxury brands afloat in today's market," says Danziger. "Instead, luxury brands need to broaden their reach to include these consumers. This creates a unique challenge, as they are now competing with mass-market brands that also need to tap into HENRY spending now that the middle-class have lost so much discretionary spending power."
  - Danziger also found that targeting HENRYs is a sound strategy for helping brands position themselves in the future. "While it is typical for brands to identify a target customer and stick with this demographic as it ages, today's luxury brands need to look at young HENRY consumers age 25-34. As these younger affluents mature, their incomes will rise, making this population the source of most of tomorrow's ultra-affluents. Luxury brands that want to continue to reach the highest income customers need to reach out to slightly less affluent Millennials today."

Meet the HENRYs –

Positioning for the Mindset of the Mass Affluent High-Earners-Not-Rich-Yet and Gatekeepers to the New Luxury Market

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