Experiential Luxury Report 2012:

The Ultimate Guide to the Luxury Consumer Market for Luxury Experiences

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INTRODUCTION

Unity Marketing's annual state of the luxury market report

This report provides data about the purchase behavior of the nation's top quintile of affluent high-end shoppers. The report contains detail statistics covering 2008-2011 calendar years about what luxuries affluents bought; how much they spent including product level detail for three consecutive years for trend analysis; the types of stores that attract the consumers' share of wallet by category; and the brands they support. Also included are wrap ups of eight special investigations into the mindset of luxury consumers, including how the recession is affecting their shopping; role of green marketing in their purchase decisions; and how the country of origin of luxuries influences them to buy.

Key Findings

After being MIA due to the recession, finally the HENRYs are back, so reveals the just released Unity Marketing's annual state of the luxury market report. The return of these lower-income affluent consumers is cause for celebration for luxury and high-end marketers, as this population makes up in numbers what they might lack in financial firepower.

The HENRYs stand for "High Earners Not Rich Yet" who by the numbers make up 80 percent of the affluent consumer segment. While the typical HENRY consumer can only rarely if ever indulge in core product ranges from ultra high-end luxury brands like Chanel, Louis Vuitton, Hermes, or Gucci, they do support these brands with less costly purchases, such as lipstick from Chanel, small leather goods from Louis Vuitton, etc. And they are a critically important customer segment of such 'accessbile' luxury brands as

Coach, Ralph Lauren, Kate Spade, Vera Wang, Michael Kors, Restoration Hardware and premium mass brands, like Ann Taylor, Banana Republic, Williams Sonoma, among others.

Unity Marketing's annual report on the state of the luxury market has just been released. (http://www.unitymarketingonline.com) *The Luxury Report 2012: the Ultimate Guide to the Luxury Consumer Market*, provides detail data about the purchase behavior, spending patterns and trends in the market for luxury among the nation's most affluent consumers for purchases from 2008 through 2011.

"After an extraordinary year in 2010, things are returning to a more normal state in the luxury market in 2011," says Pam Danziger, president of Unity Marketing and author of *Putting the Luxe Back in Luxury*. Based upon the results from Unity Marketing's luxury consumer surveys conducted throughout 2011 among over 5,000 affluents with incomes on average of $288,600, key findings from the new study include:

- **Luxury consumer spending peaked in 2010, but dropped back to 2009 levels in 2011** -- The average amount luxury consumers reported spending on luxury has been on the decline throughout 2011, reaching its lowest level in the past three years during the fourth quarter 2011.
- **Ultra-affluent spending on luxuries has been most volatile, as the lower-income HENRYs picked up the pace of luxury spending** -- Ultra-affluents (i.e. those at the top 2 percent of U.S. households with incomes starting at $250,000) cut their spending by nearly 30 percent from 2010, while the HENRYs (High Earners Not RichYet with incomes $100,000-$249,999) increased their spending on luxury by nearly 11 percent from 2009 levels. Even though HENRYs individually have a far lower spending threshold than ultra-affluents, there are nearly ten HENRY households for every ultra-affluent. That is why with a total of 21.3 million households, the HENRY segment is a critically important part of the consumer market.
- **What's Hot, What's Not in Luxury** -- In total luxury spending grew only 1.3 percent from 2009 to 2011, with the best performing categories as measured by spending being travel (up 40.8 percent); kitchenware and cooks tools (up 37.5 percent); entertainment (up 33.6 percent); dining (up 26.5 percent) and fashion accessories (up 23.4 percent). By contrast those

categories falling most from 2009 to 2011 were kitchen appliances (down 23.9 percent); watches (down 20.1 percent); jewelry (10.2 percent); and furniture, lamps and floor coverings (down 7.3 percent).

Danziger continues, "Last year we were looking for the return of the HENRYs back into the luxury market and this year we can say they have returned and are more positive about spending in the future. For example, in 2009 only 18 percent of the luxury consumers surveyed expected to spend more on luxury in the next twelve months; by comparison 26 percent in 2011 predict greater spending on luxury throughout 2012."

As another positive indicator, Danziger notes that fewer affluent consumers are making changes in their lifestyle due to worries about the economy. Among the most notable positive changes in their lifestyle is that affluent consumers are dining out more often and shop more frequently. They are less likely to delay purchases and in another indicator of a positive shift in sentiment, fewer affluents are resorting to using coupons to save money.

Luxury Tracking Survey Methodology

Unity Marketing tracks purchases and spending on luxuries among affluent consumers every three months

This report summarizes the results of the Luxury Tracking Survey recording luxury purchases throughout 2011 in four quarterly surveys among 1,200+ affluent purchasers of one or more luxuries in the study period. The results for 2011 are compared to surveys conducted throughout 2010, 2009 and 2008.

Unity Marketing's luxury tracking study is intended to keep luxury brand marketers' and retailers' fingers on the changing pulse of the luxury market. Through regular quarterly surveys, companies will better understand the shopping and buying habits of their affluent customers and anticipate how they will be spending their luxury budgets in the coming months.

Three segments of affluents based upon income are surveyed

To enable luxury marketers to understand variations within the affluent market, perspectives of two different segments of the luxury market were gathered, based on household income. These segments correspond to the top 20 percent of U.S. households based upon income:

- **HENRYs (High Earners Not Rich Yet), who earn between $100,000 and $249,999 (~66 percent of the 2011 sample);**
- **Ultra-affluent, with incomes $250,000 and above (~33 percent 2011).**

Beginning in the first quarter 2010 the survey sample of luxury consumers has be adjusted to reflect a higher income group of people. Throughout 2009 we observed that the ultra-affluent consumers (incomes $250,000 and above) were playing a much more active role in the luxury market, as the lower-income affluents, called HENRYs, dropped completely out of the luxury market or greatly reduced their participation. As a result, we adjusted our sampling methodology to include a higher proportion of ultra-affluents.

Previously the ultra-affluent segment represented between 10-20 percent of the sample, or a total of 16 percent in 2009. Throughout 2010 the ultra-affluents accounted for approximately one-third of the sample. In addition to increasing the level of sampling of ultra-affluents the Luxury Tracking Study has also increased its guaranteed survey sample from 1,000 to 1,200 respondents. These shifts will help marketers better track the changing trends in luxury product and service choices, brand preferences, spending trends and shopping choices in the future which in turn will help luxury marketers be more proactive in their marketing and branding strategies.

To provide meaningful comparisons of 2010 data to previous quarters, the historic 2008 and 2009 survey results have been weighted to reflect the 1Q2010 income distribution

Due to the changing of the income sample this quarter, data from the previous quarters needed to be adjusted to align with the higher levels of participation of ultra-affluents in the survey. In order to provide "apple-to-apple" comparisons between reporting quarters, we weighted the four 2008 and 2009 samples to precisely match the income distribution in the 1Q2010. Weighting is a statistical tool that simply puts more emphasis (i.e. weight) on one segment in the survey (ultra-affluents) and less emphasis in calculations from the lower-income HENRYs consumers. Here is the income distribution that was used to weight the four 2009 survey samples by income:

Income	*1Q2010*
$100,000 to $149,999 (HENRYs)	32%
$150,000 to $199,999 (HENRYs)	23%
$200,000 to $249,999 (HENRYs)	12%
$250K+ (Net Ultra-Affluents)	33%
$250,000 to $499,999	18%
$500,000 to $999,999	6%
$1,000,000 or more	9%
Average	***$331.5k***

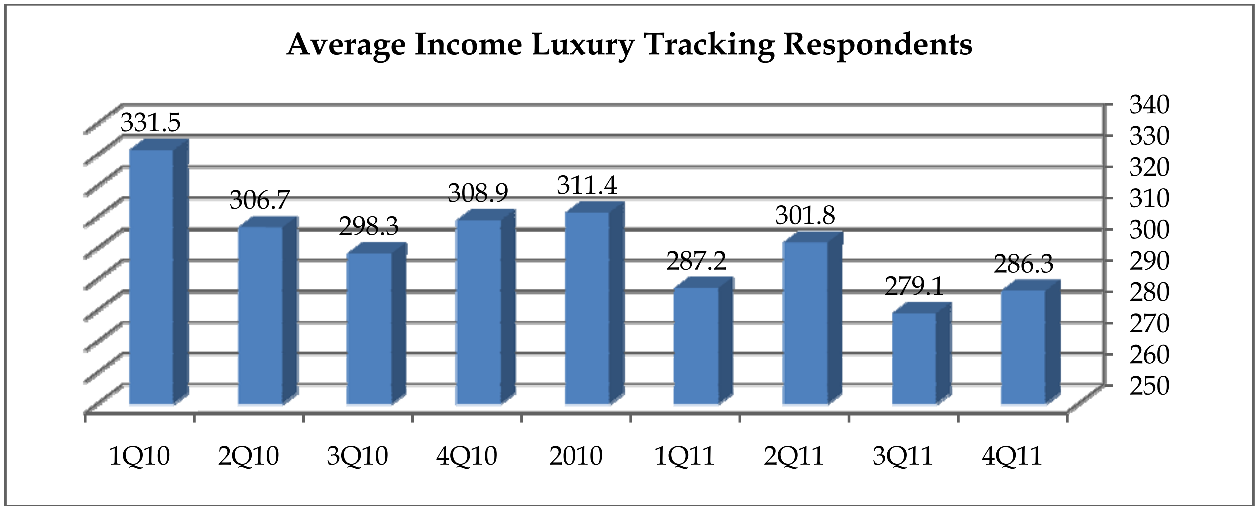
Figure 1: Survey Sample Income Distribution for Weighting

The income distribution for first, second, third and fourth quarter 2011, full year 2010, and real and weighted reported income distribution for 2008 and 2009 survey samples are as follows:

Income	***2011* (n=5,424)**	4Q11 (n=1,333)	3Q11 (n=1,498)	2Q11 (n=1,272)	*1Q11* (n=1,321)	***2010 (n=5,195)***	***2009 Weighted***	*2009 Natural (n=4,739)*	***2008 Weighted***	*2008 Natural (n=4,609)*
$100,000 to $149,999 (HENRYs)	**33%**	33%	33%	33%	33%	**32%**	**32%**	49%	**31%**	50%
$150,000 to $199,999 (HENRYs)	**24%**	24%	24%	24%	23%	**23%**	**23%**	26%	**23%**	28%
$200,000 to $249,999 (HENRYs)	**10%**	10%	10%	10%	11%	**12%**	**12%**	11%	**12%**	10%
$250K+ (Net Ultra-Affluents)	**33%**	33%	33%	33%	33%	**32%**	**33%**	15%	**66%**	88%
$250,000 to $499,999	**20%**	21%	22%	17%	20%	**17%**	**18%**	9%	**16%**	9%
$500,000 to $999,999	**9%**	7%	9%	11%	11%	**7%**	**6%**	3%	**3%**	1%
$1,000,000 or more	**4%**	5%	3%	5%	3%	**8%**	**9%**	3%	**4%**	2%
Average	**$288.6k**	**$286.3k**	**$279.1k**	**$301.8k**	**$287.2k**	**$311.4k**	**$331.5k**	**$220.2k**	**$272.3k**	**$197.0k**

Figure 2: Real and Weighted Survey Samples, 2008-2011

Income volatility notable throughout2010 & 2011 at the upper-level



Throughout 2010 and 2011 luxury surveys, the average income of our luxury tracking respondents has been particularly volatile, rising and falling from quarter to quarter, but overall showing a marked decline. Luxury marketers are also likely to find that their customer base is experiencing similar income volatility, due to the tighter, more competitive job market, rapid shifts in investment earnings, and cut backs in commissions and bonuses. The *Wall Street Journal* reported on increased fluctuation in household income among the top earners in an article entitled "The Wild Ride of the 1%." The WSJ reports, "The once-stable incomes of America's biggest earners now fluctuate dramatically from year to year. And as the rich go, so goes much of the economy."

Particularly hard hit will be New York city based luxury businesses, where the New York state comptroller Thomas DiNapoli released a report in February 2012 that Wall Street cash bonuses for 2011 are expected to decline 14 percent from a year earlier. With that drop DiNapoli said that bonuses, "will likely hit their lowest level since the financial crisis of 2008." Not only has the Wall Street investment community been hit by declining bonuses, an important trigger for luxury spending, but also many highly-paid expecutives lost those high paying Wall Street jobs. The report noted that due to tough markets and weak client activity, the securities industry cut 4,300 jobs in New York City between April and December of 2011.

For luxury marketers in New York city and throughout the rest of the country, the lesson is that they can't depend upon income levels for your customers to keep on the rise. Businesses are likely to find that the affluents in their local communities will also experience shifts in their income, especially among those customers dependent upon investments, bonuses, commissions. In addition, changes in governmental tax policy which inevitably will hit the affluent hardest are also going to cut the spending potential of your highest income customers. Marketers need to be ready to face these headwinds in their marketing and business planning.

The primary objective of surveying affluents every three months is to alert luxury marketers to shifts and changes in consumer choices that will affect their business in the future

The results of the quarterly luxury tracking survey gives luxury marketers early warning of changes and shifts in their marketplace. It helps them monitor brand awareness and purchase so that they can measure the success of new marketing communications programs. It provides a view 'over the horizon' of what trends are coming and how they will affect the luxury consumer. Through this tracking service, luxury marketers will remain up to date and in direct "contact" with their affluent customers.

Luxury product categories included in the quarterly survey:

- **Home Luxuries:** Art & Antiques; Home Electronics; Fabrics, Wall & Window Coverings; Furniture, Lamps & Floor Coverings; Garden & Garden Products; Kitchenware, Cookware and Cook's Tools & Cook's Tools; Kitchen Appliances, Bath & Building Products; Linens & Bedding; Tabletop.
- **Personal Luxuries:** Automobiles; Clothes & Apparel; Cosmetics, Beauty & Fragrance Products; Fashion Accessories; Jewelry; Watches; Personal Electronics and Wine & Spirits.
- **Experiential Luxuries:** Luxury Dining; Entertainment; Travel; Spa, Massage & Beauty Services; and Home Services, such housecleaning/maid service, landscaping, garden/lawn maintenance, party planning/catering, home decorating, etc.

Special Trend Report Included with <u>Luxury Report 2012</u>

Also included with subscription to the Luxury Report 2012 is a copy of Unity Marketing's latest trend report: Affluent Consumers and How They Use the Internet, Social Media and Mobile Devices: ***An in-depth profile of the online luxury customer***

This 80-page trend report, is based upon a survey of 1,237 affluent consumers from January 6-13, 2011 (avg. income $308,700; age 43.9 yrs; 42 percent male/58 percent female) who use the internet, social media, and – new this year – mobile devices. It answers these critical questions for luxury marketers in order to plan their online marketing strategies, including how best to use social media for building their brand:

An In-Depth Profile of the Luxury Online Customer

This new trend report tells you who is using the internet to access your brand and how they are connecting online – through computer or mobile device, at the company website or through social media or via mobile apps.

Today's luxury marketer may never see his or her best customer; instead, many affluent consumers are turning to the internet to investigate brands, form relationships with companies, and make purchases. As they do so, they are turning the world of marketing upside down.

To better understand the online shopping landscape, Unity Marketing has conducted a new survey of The new report tracks the trends in affluent's use of the internet. It compares the most current 2011 data with data gathered during 2010, 2007, and 2005 to paint a picture of the changing landscape of online action and interaction.

Mobile Apps: Special Focus on How Affluents Use Mobile Devices in Pursuit of their Luxury Lifestyle

This year's report includes an in-depth look at how affluent consumers use their mobile devices to shop, interact, form relationships, and learn more about their favorite luxury brands. The investigation includes information on use of mobile devices, use of apps, willingness to pay for apps, and loyalty to mobile apps from luxury brands.

Social Media: How affluents use social media plus track trends in social media usage in the past year

On social media, the following details about affluents use of social media were gathered:

- Whether they have profiles on any social media sites, such as Facebook, LinkedIn, and Twitter, and on which of their social media sites are they most active.
- How frequently they log onto their most active social networking site.
- How many people they are connected with.
- Why they use social media, such as to share photos, to reconnect with old friends and classmates, to get news, professional networking, to learn about brands/companies/products, etc.
- Specific ways they have used social media, for example whether they have become or currently are a fan or follower of a brand, used social networks to learn about products or brands, etc.
- For those affluents who are connected or have been connected with a brand, what influenced them most to connect to the brand, such as insider news, interact with community of people who like the brand, get coupons, etc. Click here to download a sample page from the report about why affluents friend brands in social media.
- Specific uses of Facebook and Twitter and for those not connected with a brand, their likelihood to do so in the next year.
- Use of advertising on social media sites, such as clicking through.

- Whether ever bought a product because of social media interaction, such as customer review, receipt of an email, blog post, etc.
- A detailed list of websites and flash websites and whether they were used in the study period, including internet-only retailers such as Amazon.com, eBay.com and net-a-porter, as well as flash sites such as Gilt.com, Hautelook, Rue LaLa, etc.

Internet Shopping: What luxury marketers need to know about their customers who shop online

The special investigation questions designed to help luxury marketers and brands better use their websites to attract and retain the affluent shoppers, includes:

- How affluents use the internet via either computers or mobile devices in the past three months, such as shopping, researching purchases, getting gift ideas, connecting with friend, travel plans, watching video content, local news etc.
- How many hours on a weekly basis they typically use the internet for personal interests and activities, as well as for shopping-related activities.
- About internet shopping, what product and/or service categories they are most likely to use the internet to access and how much in total they spend on the internet making purchases in the study period
- How they find a website for shopping, such as internet search, experience with website from a store that they know, experience with online-only etail site, promotional link, etc.
- Features of importance that attract affluents to internet shopping, such as convenience, price comparisons, product research, finding brands can't easily find in a store, etc.
- About websites devoted to luxury brands and the features of most importance to attract the affluent shopper, such as product descriptions, pictures, return policy, customer ratings, etc.

- How online shopping compares to in-store, whether the affluents surveyed like online better than in-store or vice versa. The results will surprise you!

Sample Demographics

Every quarter we survey not just people with high incomes, but affluents who buy luxury goods and services

The survey sample is recruited based upon high income ($100,000 or more which corresponds to the top 20 percent of U.S. households) and purchase of one or more luxury goods or services in the three month study period. Respondents are also qualified by age, from 24 to 70 years old.

In 2011 a total of 5,424 luxury consumers were surveyed, with compares with 5,195 in 2010; 4,739 surveyed in 2009 and 4,609 surveyed in 2008.

Income Demographics

In 2010 survey respondents had an average income over $311,400, putting the income average in the ultra-affluent range

The average income of the survey sample in 2011 was $288,600, which was some 7 percent less than in 2010 when the average income was $311,400. Yet despite the decline in average income, in both years the typical survey respondent was a member of the ultra-affluent segment. Because Unity Marketing increased its sampling of the ultra-affluent consumer segment in 2010 to comprise 33 percent of the overall sample, as compared with the natural distribution of only 10 percent, the income samples for 2009 and 2008 were statistically weighted to match the income distribution for 1Q2010.

Income	***2011 (n=5,424)***	***2010 (n=5,195)***	***2009 Weighted***	*2009 Natural (n=4,739)*	***2008 Weighted***	*2008 Natural (n=4,609)*
$100,000 to $149,999 (HENRYs)	33%	32%	32%	49%	31%	50%
$150,000 to $199,999 (HENRYs)	24%	23%	23%	26%	23%	28%
$200,000 to $249,999 (HENRYs)	10%	12%	12%	11%	12%	10%
$250K+ (Net Ultra-Affluents)	33%	32%	33%	15%	66%	88%
$250,000 to $499,999	20%	17%	18%	9%	16%	9%
$500,000 to $999,999	9%	7%	6%	3%	3%	1%
$1,000,000 or more	4%	8%	9%	3%	4%	2%
Average	**$288.6k**	**$311.4k**	**$331.5k**	**$220.2k**	**$272.3k**	**$197.0k**

Figure 3: Income Demographics, 2008-2011

Net Worth

Median net worth of $844,000 is reported in 2011 sample, down 2.4 percent from 2010

How much are your personal investible assets, including investments, cash value insurance policies, retirement accounts, etc.?	*2011*	*HENRYs 2011*	*Ultra-Affluents 2011*	*2010 TOTAL*	*HENRYS 2010*	*Ultra-Affluents 2010*
$100,000 or less	11%	15%	3%	11%	14%	2%
$100,000 to less than $250,000	11%	15%	3%	10%	14%	3%
$250,000 to less than $500,000	16%	20%	7%	14%	18%	5%
$500,000 to less than $1 million	16%	17%	12%	16%	19%	10%
$1 million to less than $2.5 million	12%	12%	13%	12%	11%	13%
$2.5 million to less than $5 million	6%	4%	10%	6%	4%	9%
$5 million to less than $10 million	3%	2%	7%	3%	2%	7%
$10 million to less than $25 million	4%	1%	9%	4%	1%	9%
$25 million to less than $50 million	4%	1%	12%	4%	1%	11%
$50 million to less than $100 million	4%	0%	13%	4%	0%	11%
$100 million or more	1%	0%	2%	3%	0%	10%
Refused/Don't Know	11%	12%	10%	13%	15%	9%
Average (in 000's)	**8,034**	**1,456**	**20,929**	**11,334**	**1,981**	**29,911**
Median (in 000's)	**846**	**416**	**4,513**	**866**	**420**	**4,972**

Figure 4: Net Worth

In a new question added to luxury tracking, luxury consumers were asked to report their net worth defined as personal investible assets. The average net worth of those surveyed was $8 million, down from $11.3 million in 2010. However because the average value is so strongly impacted by outliers (i.e. extremely high values of net worth reported by ultra-affluents), a better measure of the net worth of the luxury tracking sample is the median value (i.e. the middle value when all net worth values are ranked from highest to lowest and which is far less influenced by extreme highs as is averaging) which was $846 in 2011, down from $866,000 in 2010. The median net worth reported in 2011 among HENRYs was $416,000 in 2011 and $4.5 million among ultra-affluents, both down from levels in 2010.

Gender

This report provides a more female-centric view of the luxury market, but in 2011 and 2010 more men participated

Gender	*2011*	*2010*	*2009*	*2008*
Male	46%	44%	40%	36%
Female	54%	56%	60%	64%

Figure 5: Gender

The survey sample skews toward a higher portion of female respondents, however, since 2008 the participation levels of men in the luxury surveys has increased, from 36 percent in 2008 to 46 percent in 2011. This likely represents a stronger interest in luxury purchases among young men today. Of note: in 2010 and 2011, the over-sampling of ultra-affluent consumers may also have influenced the distribution of men in the surveys.

Age Distribution

The typical luxury consumer is in their mid-forties

Age	*2011*	*2010*	*2009*	*2008*
24-34 years	24%	25%	22%	22%
35-44	29%	27%	28%	27%
45-54	23%	25%	29%	28%
55-70	23%	22%	22%	23%
Average Age	45.1 yrs.	45.2 yrs.	45.3 yrs.	45.3 yrs

Figure 6: Age Distribution

The average age of the luxury consumers surveyed has been remarkably consistent over the past four years, averaging just slightly over 45 years in age. This is not unexpected as the age window of affluence when people reach their highest level of income and earnings ranges from 35 to 54 years.

Generations

While the average age of respondents has remained stable, younger affluents are making up a larger share of the affluent market

Generation	2011	2010	2009	2008
44 and Under	54%	53%	38%	38%
45 and Older	46%	47%	62%	62%

Figure 7: Generations of Affluents

Throughout the luxury tracking study young affluents (defined as those under 45 years of age) have consistently spent more on luxury. This is owing to the fact that young affluents are at a more acquisitive lifestage associated with people forming families, having children, moving up into larger houses, and simply acquiring the various luxuries of life. As people age and mature, they have already made those investments in their luxury lifestyles and so have less need to make new purchases. Further as people age their interests turns more experiential and less materialistic.

That is why it is interesting to note that in 2011 the share of the young affluent consumers participating in the luxury tracking survey rose to make more than a majority of respondents (54 percent) up from 38 percent in 2008 and 2009. This suggests that young affluents are more active in the luxury market as we emerge from the recession, while more mature affluent consumers are simply dropping out of the luxury market altogether.

Other Demographic Variables

Affluence is linked with marital status – married couples have higher incomes

Which of the following best describes your marital status?	*2011*	*2010*
Married	84%	84%
Single	7%	7%
Couple living together	6%	6%
Divorced	3%	2%
Widowed	1%	1%
Separated	0%	1%

Figure 8: Marital Status

Over 80 percent of the sample throughout 2011, 2010, 2009 and 2008 were married. In each year fewer that 10 percent of the sample is single and the same percentage are living as a couple. On average 3.2 people lived in the luxury consumers' home in 2011 and 2010, which compares with 3.1 people in 2009 and 2008.

Affluents own their homes

Please indicate whether you rent or own your primary home:	*2011*	*2010*
Own home	80%	81%
Own Apt/condo	11%	12%
Rent	8%	7%
Other	1%	1%

Figure 9: Home Ownership

In all years, 2008-2011, some 80 percent owned their home, while under 10 percent rented and about the same percentage owned an apartment or condominium. Young affluent consumers, those 44 and under, have a higher incidence of renting their residence (about 10 percent in 2011) while home ownership incidence rises with age (88 percent among over 45 year olds in 2011).

White/Caucasians make up the largest share of the affluents surveyed – But diversity in the affluent market is growing

Which of the following best describes your ethnicity?	*2011*	*2010*
White or Caucasian	89%	84%
Spanish/Hispanic/Latino	7%	10%
Asian or Pacific Islander	7%	7%
Black or African-American	3%	4%
American Indian, Eskimo, or Aleut	2%	2%
Other	2%	3%

Figure 10: Ethnicity

Nearly 90 percent of those surveyed in 2010 and 2011 were White/Caucasian, virtually the same as found in 2009 and 2008.. In terms of diversity for 2008-2011, fewer than 10 percent were Asian or Pacific Islanders, and about the same percentage were Spanish/Hispanic/Latino, but fewer still were Black/African-American and other. Note also, people are able to select more than one ethnicity in the survey, as is the practice in the national Census.

Occupation & Employment

The largest percentage are employed in professional or managerial/executive occupations – Ultra-affluents far more likely to be in managerial/executive roles

What is your occupation?	*2011*	*HENRYs 2011*	*Ultra-Affluents 2011*	*2010*	*2009*
Managerial, executive	23%	19%	31%	23%	20%
Professional (medicine, law, etc.)	20%	21%	19%	21%	20%
Not currently employed	14%	17%	9%	15%	18%
Engineering, technical	8%	8%	8%	9%	8%
Entrepreneurial, Self-Employed	8%	7%	11%	7%	5%
Teaching, educational	7%	8%	6%	7%	9%
Administrative, clerical	6%	6%	4%	6%	7%
Marketing, sales	3%	4%	2%	4%	4%
Skilled craft or trade	2%	2%	2%	2%	
Other	8%	9%	6%	7%	8%

Figure 11 Occupation

The largest percentage of luxury consumers are employed in either professional or managerial/executive occupations. For ultra-affluents, a higher percentage, nearly one-third, are employed in managerial/executive positions, as compared with fewer than 20 percent among the lower-income HENRYs. Some 14 percent of those surveyed in 2011 were not currently employed, with the largest share of those being women (23 percent of whom are not employed, as compares with only 6 percent of men).

Over 40 percent are employed with no ownership stake in the business

Largest share of HENRYs are employees, while ultra-affluents more likely to be business owners

Which of the following best describes your current involvement in business? Are you ...	*2011*	*HENRYs 2011*	*Ultra-Affluents 2011*	*2010*	*2009*
An employee with no ownership in the company you work	45%	53%	29%	44%	44%
The sole owner of your business	14%	9%	24%	13%	10%
A co-owner of a business	7%	5%	13%	8%	6%
Self employed	6%	5%	9%	5%	6%
A partner in a business	5%	3%	10%	6%	4%
None of the above	22%	25%	15%	23%	28%

Figure 12: Employment

In a new question added to luxury tracking in 2009, respondents were asked about their employment, including whether they are employed by a company with no ownership in the business or whether they were in part or in whole owners of a business. A significant share of affluent luxury consumers (32 percent in both 2011 and 2010; 26 percent in 2009) own some or all of a business, while some 45 percent or so in all years are employees with no ownership.

An important difference in business status is noted depending upon incomes: lower income affluents (i.e. HENRYs) are far more likely to be employed, while ultra-affluents are far more likely to be sole owners, co-owners or partners in a business.