IPSOS AFFLUENT INTELLIGENCE:

THE AFFLUENT OUTLOOK 2020: FINDING CLOUDS IN A SILVER LINING

THE IPSOS AFFLUENT INTELLIGENCE 2020 OUTLOOK

For over 40 years, Ipsos Affluent Intelligence has been the foremost authority on Affluent Americans (currently defined as adults age 18+ with household incomes over $125,000), developing insights into their attitudes and behaviors for media companies, brands and agencies. For the past 10 years, in January, we've reached out to our Survey respondents with an Outlook questionnaire designed to gauge their views on the year just passed and their level of optimism with regards to the one ahead.

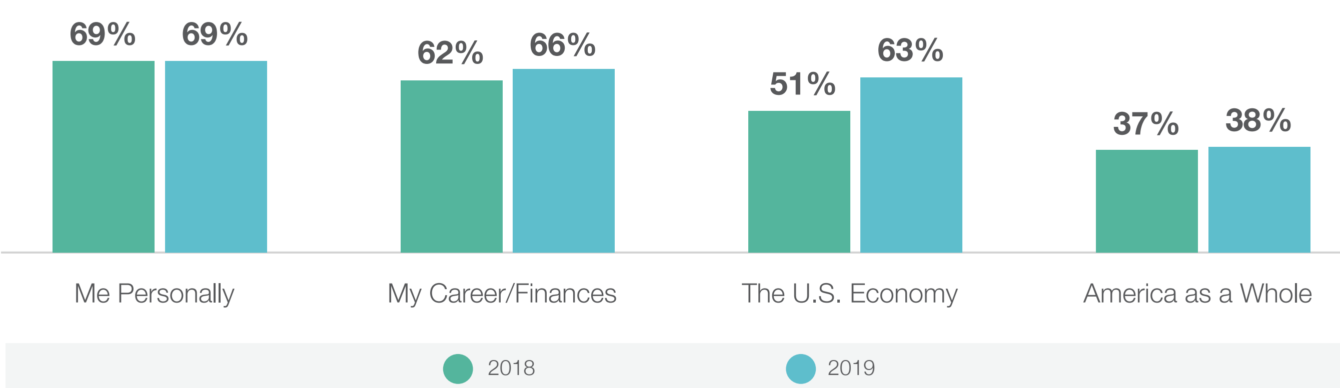
One thing we can say with surety is that context matters. A lot. Last year's study was conducted just after the 2018 mid-term elections, and in the context of a newly volatile stock market and a 35-day government shut down. This year's survey was delivered on the heels of a banner year for the stock market, with the Dow Jones Industrial Average up 22.3%. You can be sure these differences in context shape this year's data.

Michael Baer,
SVP Head of Brand & Marketing/IAI and Ipsos Media Development,
Michael.Baer@ipsos.com

2020 AFFLUENT OUTLOOK – A WARM & SUNNY ONE, ESPECIALLY FOR THOSE WITH ASSETS

The economic storm clouds at the end of 2018 have been replaced this year by the sunshine of a 20+% year-over-year increase in the Dow Jones Industrial Average. So, it's no huge surprise that nearly all measures in our Outlook are up from last year. Ratings that 2019 was a good year personally, financially and for the US economy were all flat-to-up and optimism for the year ahead also increased.

2019 was a good year for:

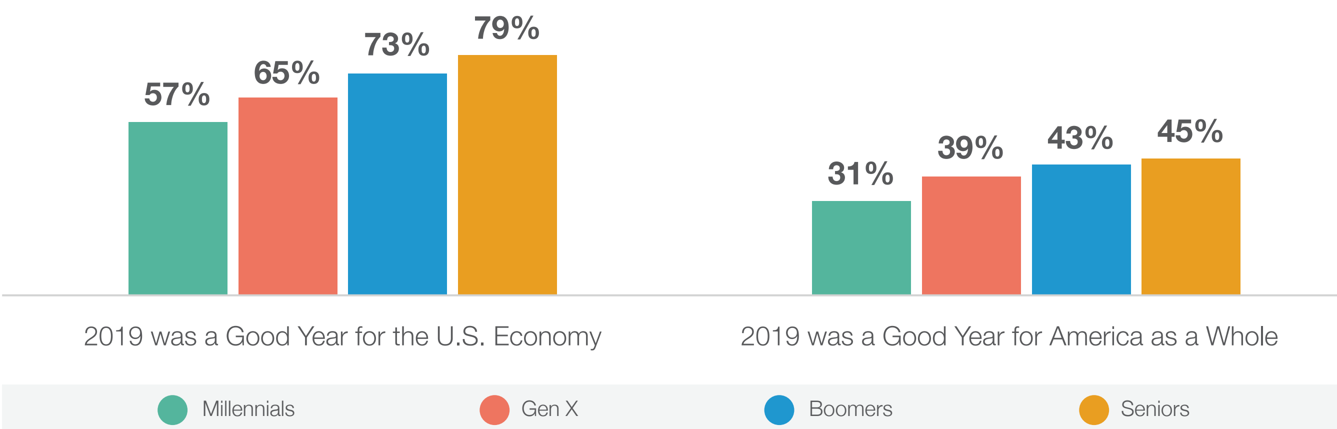


It's also interesting to see the power of economic factors being able to outweigh other potential contextual drivers when assessing things like optimism. Considering this year's study was fielded amidst our brief conflict with Iran and yet we don't see much anxiety or adverse effects as a result, it is clear the pocketbook is dominant in driving overall perceptions.

To further illustrate this idea that the economy is the strongest driver of these perceptions, the levels of positivity we are seeing grow in lockstep with age, likely triggered by the commensurate growth of household net worth across generations. When considering that stock market growth is most manifestly felt by those with larger portfolios, it makes sense that groups with the largest base of assets felt the best about the past year.

So, while 63% of total Affluents said 2019 was a good year for the US economy, 73% of Boomers and 79% of Seniors agreed with the statement – again, likely due to the fact that they have larger pools of invested assets that benefitted from 2019's stock market run-up. And their positive sentiments about the economy correlated with higher positive views on whether the year was good for America as a whole. While only 38% of all Affluents agreed, 43% of Boomers and 45% of Seniors said yes to the statement.

Generational ratings of US economy and America as a whole

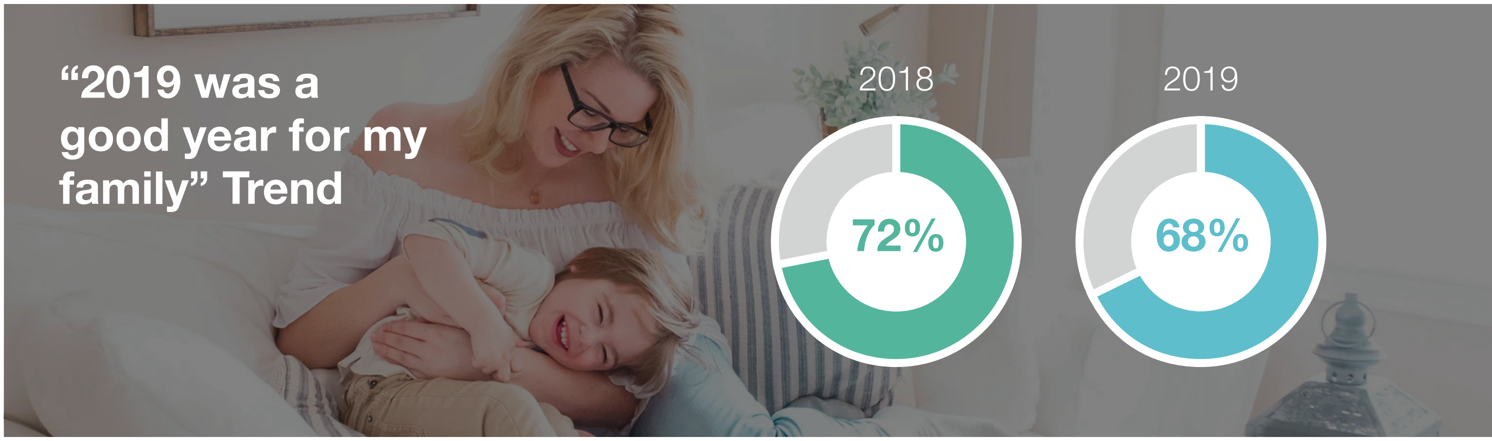


SCATTERED CLOUDS – THE ECONOMY IS NOT THE ONLY FACTOR

But when we scratch a little below the surface, it's not difficult to see some clouds in the silver lining – with fairly dramatic differences between men and women and overall polarization signaling that all is not as sunny as it seems in the overall ratings.

We can start to see these underlying issues in the fact that, while "2019 was a good year for me", "…for my career/finances", and "…for the US economy" are all flat or up compared with last year, but "…a good year for my family" is down vs. YAG. This could signal that there are aspects in the context of 2019 that are not sitting well with people even among all the personal, economic positivity. In fact, ratings of 2019 as being personally good for respondents surpassed results for their family for the first time in five years – showing the furthest spread we've ever measured.

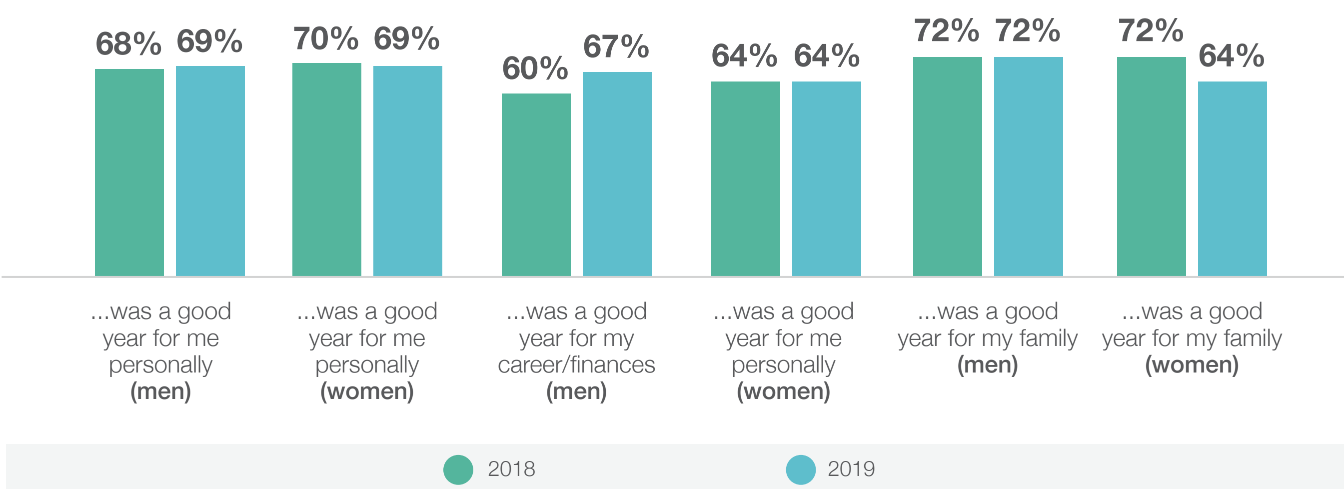
“2019 was a good year for my family” Trend



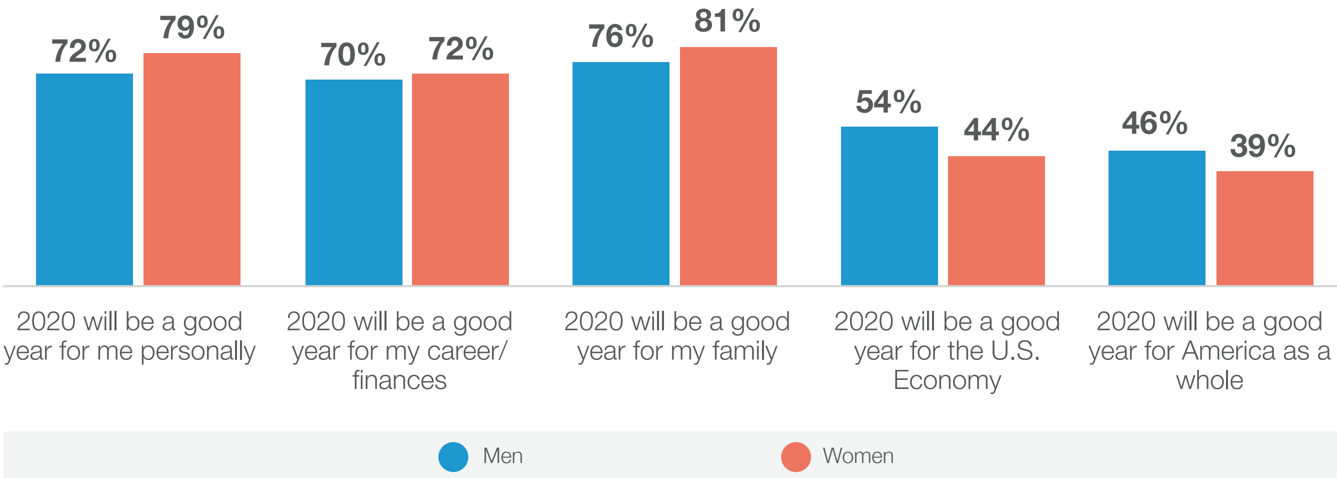
Digging deeper, we see some pretty extreme differences between men and women across most measures. Affluent men’s ratings for all measures for 2019 were greater than last year (in many cases significantly) – while women’s ratings are much more mixed, and either flat or down vs. YAG on a number of them. Most notably, while men’s ratings of 2019 being a good year for their career/finances were up almost eight points, women’s ratings were flat. And while 72% of men agreed 2019 was a good year for their family, just 64% of women said so, a drop of eight percentage points from last year, demonstrating that it’s women who are driving the overall decline on this measure.

Women’s concerns don’t seem to be focused on worries about the economy – but instead more that there are other things that are equally top of mind for them. For example, men’s and women’s views of whether it was a good year for them personally and for their finances/career are roughly the same. And women’s views that 2019 was a good year for the US economy is up significantly vs. YAG (although significantly less than men’s). However, women’s view of whether it was a good year for America as a whole is down (while men’s is up vs. YAG) – and is a full 11 percentage points less than men’s.

Male vs. Female ratings of “…was a good year for…” 2018 and 2019



And looking at optimism for 2020, we see both gender's views about the year are up vs. YAG and are basically equal to each other on questions of personal optimism (good year for me, my career/finances, my family). In fact, women show a slightly higher level of personal optimism when compared with men. But, their optimism for the US economy and America as a whole in 2020 are significantly different.



RIGHT TRACK/WRONG TRACK – WHICH TRACK ARE WE ON?

This male/female disparity is likely a big contributor to the overall polarity seen in the results. In fact, when compared to last year, we see the greatest disparity we've ever seen. This polarity manifests itself in the split between people reporting whether they believe the country is on the right or wrong track. Despite the current economic context, we still see a very high percentage of people saying the country is on the wrong track. And, looking at gender differences, men are much more likely to say America is on the right track than women.

Country is on the wrong track

51%	49%	53%
Total Affluent	Men	Women

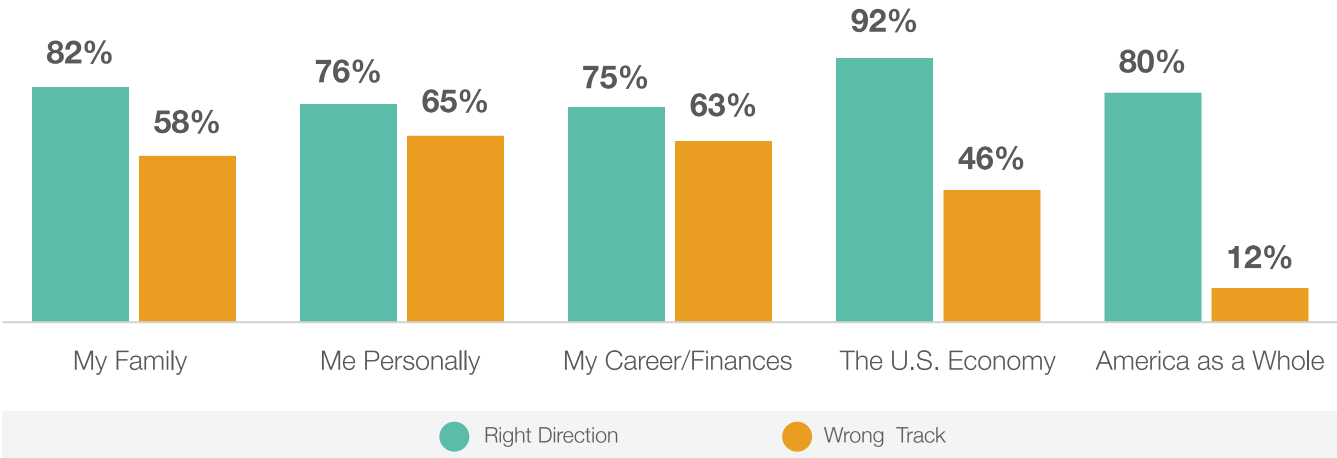
Country headed in the right direction

37%	41%	33%
Total Affluent	Men	Women

When profiling those who say America is on the right track compared to those who say it's headed in the wrong direction, we see that they each have very different perceptions of 2019, as well as different concerns and worries.

For example, we see that more than 9 -of-10 "right trackers" say 2019 was a good year for the US economy, compared to only 46% of "wrong trackers", and 80% say it was a good year for America as a whole, vs. just 12% of "wrong trackers". And demonstrating the strength of these opinions and feelings, the top box measures are what truly stand out. For example, 37% of "right trackers" definitely agree that 2019 was a good year for America as a whole, while just 1% of "wrong trackers" do.

Was a Good Year For:



Open-ended responses describing why they chose right or wrong track dramatize the fact that the economy is paramount for “right trackers”, but other issues supersede it for those who say America is on the wrong track. “Right trackers” open-ended responses regularly point to the stock market, jobs and unemployment, the economy, and inflation. “Wrong trackers,” on the other hand, talk about politics, the current administration, healthcare costs and other polarizing topics.

Right Tracker
Male, Age 60

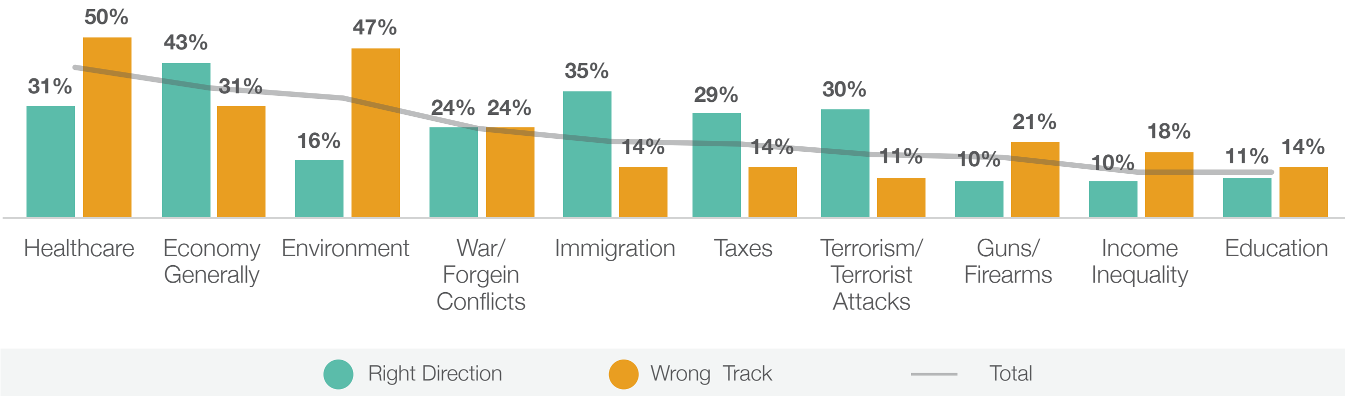
“Stock market, real estate and job market are all excellent.

Wrong Tracker
Female, Age 59

“Leadership needs to change in this country to get it back on track. Markets are doing well. But, healthcare is still high and not sure about retirements.

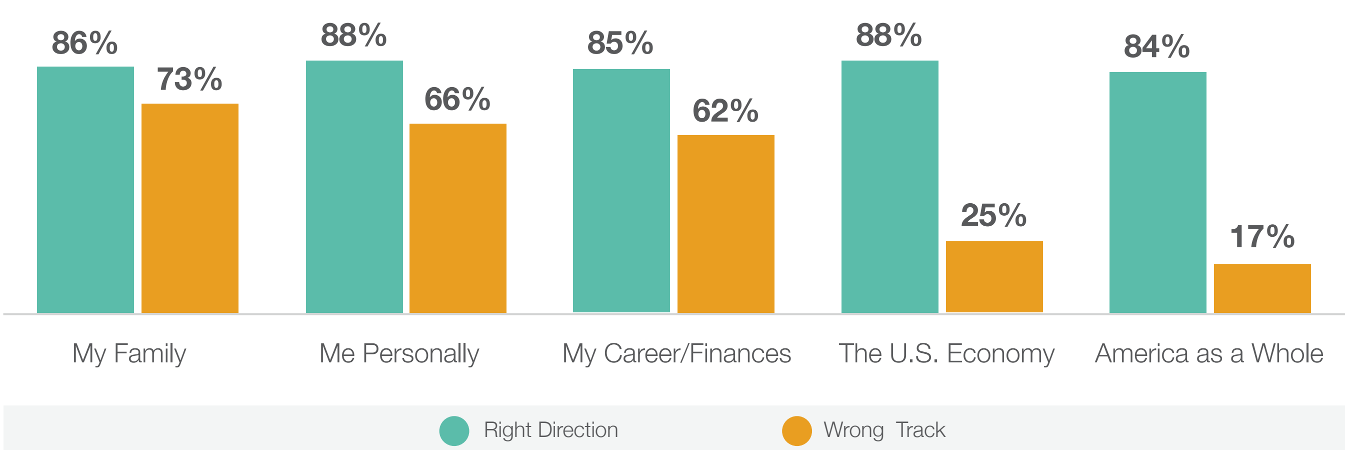
We also asked people to rank the top issues facing the US today. No surprise, "right trackers" and "wrong trackers" varied widely. The economy is the number one topic for "right trackers", followed by immigration, healthcare and terrorism. However, the economy is just the third most important issue for "wrong trackers", eclipsed by healthcare and the environment. It may come as no surprise, but that's the same order for women as well.

Most Important Issues Facing the U.S.
Ranked 1, 2 or 3



Views on how 2019 was for the country also affects one's optimism for the new year. We see 84% of those saying America is on the right track believe 2020 will be a good year for America as a whole – but just 17% of "wrong trackers" say the same. All the remaining measures of optimism, both personal and for the US economy, are also less for them – in some cases significantly so.

Will be a good year for:



2020 is sure to be a year of continued polarization for the US, even if the economy remains as strong as it is. We'll be watching this polarity – and the differing levels of optimism – as the US makes its way through a very active election cycle.

ABOUT IPSOS AFFLUENT INTELLIGENCE

At Ipsos Affluent Intelligence, our goal is to deliver data and insights that help our clients prepare for, adapt to and leverage change. For over 40 years, we've been fielding the premier survey of the affluent market across 47 countries — and we can demonstrate that Affluents control the lion's share of US household net worth and outspend non-Affluents in virtually every category. We've identified a segment of consumers worldwide that is the first to adopt new technologies, products and services. We call this group Affluencers. These are the early adopters who blaze new paths—and the influencers who lead the rest of us forward. They spend more, adopt earlier and recommend often. We believe that any marketer seeking growth amid industry and technological change must understand and engage with this audience.

For the purposes of this White Paper, the definition of Affluents is adults aged 18 and over, living in households with at least $125,000 in annual household income. Data presented here are from the Fall 2019 Ipsos Affluent Survey USA, which consists of online interviews of 24,977 respondents and a Q1 2020 re-contact of 1,003 IAS respondents.

For more information:
http://www.ipsos-na.com/go/affluentsurvey
http://www.twitter.com/affluentintel
Michael.Baer@ipsos.com
IpsosAffluentIntelligence@ipsos.com