

FOR IMMEDIATE RELEASE

Benchmark Study Shows America's Wealthy Are Altering Their Spending Habits; More Than Half Worry They Could Run Out of Money

-- "Economic Resourcefulness" is the New Watchword --

NEW YORK, NY (April 29, 2009) - According to The Survey of Affluence and Wealth in America, presented by American Express Publishing and Harrison Group, more than half (53%) of America's wealthy worry that they could run out of money. Almost three out of four (73%) believe that the recession will last longer than a year, a 10% jump from December 2008 and a 25% increase since September 2008. Worse, the same group is deeply concerned that the U.S. could be headed for a depression.

The study, which queried more than 1,500 upper middle class, affluent, super affluent and wealthy individuals, probed the impact of the current economic turmoil on financial planning and spending. The respondents have discretionary annual incomes up of at least \$100,000, ranging up to \$5 million. Representative of 10% of the American population, this group accounts for half of all retail sales, 70% of all profit margins at retail and 80% of all non-retirement account assets.

At the same time, the recession continues to bite deeply into purchasing intent. Across the 15 categories measured by the study, the trend line suggests continued, although moderating, declines in purchases of fashion, automobiles, luxuries and jewelry. Spending for travel is the only category that has ceased to erode on a quarter-on-quarter basis.

"Our data suggests that in 2009, we'll see a decline in retail spending among affluent and wealthy consumers," predicts Dr. Jim Taylor, Vice-Chairman of Harrison Group, a Waterbury, CT-based marketing and research consulting firm and co-authors of the quarterly study. "The negative outlook is, however, modifying. The rate of decline is now in the single digit range for everything we measure, except private jets and jewelry. This contrasts with rates of decline in excess of 25% last year, in luxury categories."

The spending of the top 10% has been offset by significant increases in their savings rate - up 12% since the first quarter of last year. The wealthy segment, which represents one half of the top one percent of the population, has increased their savings rate by nearly 20%. In total, this shift in priorities adds up to \$600 billion in American savings accounts; concomitantly, willingness to invest in equity and related markets is off as much as 30%.

Optimism in the future continues to track lower. Less than 46% of affluent and wealthy households say that they are optimistic about their own future. 78% report having experienced significant impact to their long-term financial security; and as many as 52% of America's wealthiest households are of the belief that they could lose everything as a result of the current economic volatility.

- more -

The Survey of Affluence and Wealth in America/Page 2 of 3

New family resource management practices are proving to have a silver lining, however. Respondents report an increase in conscientious savings, a newfound economic resourcefulness and a surprising enjoyment of life's value-priced "micro-pleasures."

Dramatic Increases in Savings

During the past 12 months, respondents have been saving 16% more of their household income and increasing contributions to their retirement plans by 6%. At the same time, they've reduced their financial investments by 7%. The dramatic shift toward saving, versus spending, underscores their belief that the recession will continue for an extended period of time. More than three out of four say that the real estate and banking crisis has negatively affected their sense of financial security.

"These affluent individuals are being very cautious in how they spend and save. They are becoming more responsible and practical in their financial decision-making," said Cara David, co-Director of the Study and Senior Vice President, Corporate Marketing & Integrated Media of American Express Publishing Corporation. "Yet, despite the real economic hardships brought on by the real estate and banking crises, people are feeling good about how they are managing their finances."

Finding Happiness

Less than half of the individuals in the survey (46%) feel extremely/very optimistic about their future. Even fewer (42%) feel extremely/very optimistic about their child's future. However, more than half (66%) say they are "very happy." Since the study's inception in 2007, this is the first time results have revealed a clear upturn in American happiness. The decline in optimism appears to have bottomed. The possibility for an upturn in optimism certainly exists.

More than three-quarters of Americans (76%) report taking pride in their newfound shopping habits. Additionally, 65% now describe themselves as "smarter" shoppers.

"Beginning last Christmas, shoppers - especially women - began to take pleasure in saying no to unexamined consumption. They began to take pride in their ability to resist the urge to buy and started to examine why they needed a new dress, a new fixture, anything really. And then, they derived pride - self-esteem - from their ability to make careful, reasoned purchase decisions," said Dr. Taylor.

David adds: "This new resourcefulness means, however, that as the recession ebbs, merchants cannot expect a return to the sort of 'retail gluttony' that has characterized the last 10 years. Instead, consumers will continue to apply their newfound skills in comparative pricing, needs identification, budget-based and values-based shopping. Brands will have to get in line with the spirit of this 'rational exuberance': the tendency to take pleasure in saying 'no.'"

Greater Role of Women and Children

An overwhelming 88% of respondents maintain that they have done a good job of making their household more fiscally responsible. To accomplish this, 61% have set a monthly household budget they "try their best" to adhere to.

David comments that resourcefulness is becoming the new moral norm. "Being 'in the black' is the 'new black,' she observed. "The purchase criterion for the upper middle class, affluent and the truly wealthy, who account for half of all U.S. consumption, is now, 'What do I really need?'"

For example, 80% observe that they wait for an item to go on sale before they buy it; and 65% shop with coupons "fairly regularly." Additionally, the majority (77%) are buying fewer big ticket items, as compared to a year ago, an increase of 15 percentage points since last December. The same group is carefully reviewing every spending category, to see where they can economize, an increase of 10% over the same time period last year.

"When we look at the purchase decisions of this group of individuals, we see that children's opinions are playing a greater role in the family's discretionary spending and that more and more women are driving the financial decision-making process," Dr. Taylor points out.

Micro-Pleasures

Reflecting a shift in consumer values from "I want" to "we need," the study found that the categories projected to do the best this year over last revolve around family, togetherness, goodness and small pleasures. "This spending forecast suggests that individuals are indulging in micro-pleasures - smaller-scale purchases and experiences - versus the kinds of grand expenditures they made in times of economic good fortune," says David. "Despite a decrease in extravagant spending, the affluent remain loyal to brands they have used and like. The most prized labels are ones known for craftsmanship, quality and customer service."

More than half of the respondents (57%) believe that "a few luxuries are important in tough times," compared to those (54%) who feel guilty about purchasing premium priced goods in the current economic climate. The study also found that categories that have seen significant spending reductions, such as weekend getaways, vacations, dining out and fashion accessories, have now begun to show signs of renewal.

For additional information on The Survey of Affluence and Wealth in America, or to arrange an interview with David and/or Dr. Taylor, please contact:

Harrison Group: Jodi Bannerman, 212.871.3020, ext. 107 / 202.577.5798 (cell) American Express Publishing: Jill S. Davison, 212.382.5679 / 347.423.3951 (cell)

The Survey of Affluence and Wealth in America

Survey Methodology

Now in its third year, The Survey of Affluence and Wealth in America, produced by American Express Publishing Corporation and Harrison Group, sampled more than 1,500 individuals with a household discretionary income of \$100,000 and above, in the first quarter of 2009.

The four groups in the research - Upper middle class, \$100K to \$124K (n=358); Affluent, \$125K to \$249K (n=390); Super-Affluent, \$250K to \$499K (n=357) and Wealthy, \$500K+ (n=314) - were defined by discretionary spending: gross income reduced by factors representing property assets (mortgage, taxes). Discretionary household income was used to insure that the sample represented individuals with a high propensity to spend. The study is nationally projectable within each discretionary income group; sampling error is estimated to be +/- 5%. Multiple panels and starting points were employed to assure proper demographic and psychographic representations within each segment.

The survey itself addressed many aspects of respondent lifestyle, values, shopping habits, brand preferences, family characteristics, sources of success and wealth, attitudes toward money, lifestyles and media consumption.

Monthly fielding and quarterly reporting will continue in 2009.

About Harrison Group

Harrison Group (www.harrisongroupinc.com) is one of the country's leading marketing and strategic research consulting firms. Based in Waterbury, Connecticut, Harrison Group specializes in concept testing, forecasting, segmentation, branding and market modeling for some of America's leading companies, including financial services firms, software and technology companies, retailers, consumer package goods manufacturers, pharmaceutical and interactive entertainment companies.

About American Express Publishing Corporation

American Express Publishing Corporation is an authoritative content company primed to deliver lifestyle expertise that informs choices, enriches perspective and empowers affluent and accomplished people -- and the businesses that serve them -- to make decisions and lead extraordinary lives. A wholly owned subsidiary of American Express Company, American Express Publishing magazine brands are *Travel + Leisure*, *Food & Wine*, *Departures* and *Executive Travel* magazine. The company also produces a variety of travel, cooking, wine, time management, and financial books and products, creates online content, operates luxury-marketing events and creates custom print and online programs for clients.

###