



American Households Disregard Financial Crisis

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National Jeweler reports that affluent households in the United States spent \$16 billion on jewelry in the past 12 months. These findings, which are derived from the 2009 Mendelsohn Affluent Survey, indicate that affluent Americans are not bothered by the financial crisis, or at least, not as bothered as they were in January.

The survey reveals that 31% of affluent households purchased fine jewelry, in addition to 46% of the upper echelon who didn't let the global downturn get them down. The survey was conducted among 13,275 households with an annual income of \$100,000 and above.

Overall, it was concluded that 15.1 million affluent Americans have spent \$21 billion on fine jewelry and watches, while some 0.5 million are preparing to purchase engagement rings in the upcoming year. Most of the participants in the survey are described as "wealthy policy makers", the kind of people who purchase luxury brand jewelry and are determined to keep up with the latest trends in the field no matter what.

The optimistic data support a consumer behavior study performed by Wells Fargo & Co among 1,600 households in the US. The study shows that despite the financial uncertainty, over a third of the households in the United States haven't changed their consumption habits.

It seems that fear is not enough to generate a real change in the American market. The survey reveals that younger households (18-41) have made the smallest changes compared to older households. No less than 60% of younger households reported a failure to change their consumption policy compared to 27% of the older households that reported an inability to change.

Why is there no change? The reasons vary from "no desire to change" (2%) to "no idea what to change" (10%) and "inability to implement plans for improving consumption behavior" (22%). The main reason for the lack of change was "the feeling that a change in consumption habits will not have a significant effect on the financial situation (24%)". The study further indicates that spending on entertainment and vacations was cut by half compared to last year, and that most Americans are now comparing prices before they buy anything. More data indicate that 37% of the surveyed only buy what they need.

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