

Indices move up as economy

8pts Spectrem Millionaire Investor Index (SMII)®

Millionaires rose a solid 8 from –34 to –26, reflecting growing economic concerns.

8pts Spectrem Affluent Investor Index (SAII)®

The Affluent follow suit with an increase from –38 to -30,also showing concern about the economy.

The Spectrem Affluent Investor Index (SAII)® rose 8 points, after falling sharply last month, perhaps in a correction. The Spectrem Millionaire Investor Index (SMII)® followed suit with the same rise of 8 pts.

As the market rallied so did the Affluent and Millionaires this month. Perhaps this is more of a correction than anything else, as last month was an over-reaction to several factors that are ongoing, including unemployment, the government debating the best way to help the country out the economic slump, and increased job woes. There were several factors that improved this month, perhaps affecting overall feeling. Oil/Gas prices remain low and new housing construction was up for the first time in months. These and other little glimpses of hope, or at least relief, may be influencing the upward trend the indices have taken.

There was little change in Investment Preferences, perhaps owing to the fluctuations in the market and the current tendency of the Affluent and Millionaires towards cautious investing. Not Investing was down, but not dramatically, signaling a small return to investing, while Cash was up for the fourth month in a row.

Though the economy still registers as the most serious threat for the Affluent and Millionaires to achieving their household financial goals, it has fallen as a concern since September of last year. Additionally, Market Conditions and Unemployment have both fallen as concerns this month since December 2008. Perhaps people are adjusting to seeing these types of unemployment figures.

The furor in Washington over the stimulus package and the government's continued efforts to help the country out of it's recession slump is prompting much media coverage and speculation, and generally fueling continued concerns that things may get worse before they get better. In it's largest increase in history, the Affluent Household Outlook rose a whopping 25.8 point from –33.8 to -8.0, and yet only returned to the level it was at in September 2008. Riding the 500 point Dow jump, the affluent are feeling more confident about the Economy, which rose 33.6 points in this measure, and Household Assets which rose 31.2.