

Indices move up for the second month in a row as comfort with economy

7pts Spectrem Millionaire Investor Index (SMII)®

Millionaires rose a solid 7 from –26 to –19, reflecting an easing of economic concerns

9pts Spectrem Affluent Investor Index (SAII)®

The Affluent follow suit with an increase from –30 to -21, also reacting to a quieter economic month.

The Spectrem Affluent Investor Index (SAII)® rose 9 pts, after rising 8pts last month, perhaps settling in for a long haul, in economic terms. The Spectrem Millionaire Investor Index (SMII)® followed suit with a similar rise of 7 pts., it’s second in two months as well. Despite the fact that the indices went up, Stock investing, a key driver of improved investment environment, stayed the same. Not Investing also rose slightly, as did all other investment options, except Cash. Bonds rose to their all-time high this month, and Bond Mutual Funds were up slightly.

The Stock Market is the factor most affecting investment plans today. Considering the continuing ups and downs the market is experiencing, this is not surprising. The Economic Environment is the second biggest concern, which is also not surprising, though this measure has dropped considerably as a concern since January. Political Climate has dropped off the radar as an issue affecting investment plans, either because the machinations of the government don’t affect investing directly, or because the current administration is doing a fairly good job at assuaging fears. Indeed, the drop in concern about the economy as a whole might be linked to this.

President Obama’s approval rating is 65% at his 100th day in office, and though the economy still remains largely untamed and many of the issues still hurting the country have not been dealt with, he has been given good marks overall. With the defection of a Republican senator to the Democratic side of the aisle, the Democrats now enjoy a filibuster-proof majority that may move their plans through the system faster. What impact that will have on the economy is yet to be seen. All components of the Outlook rose this month, with the biggest rise from the Economy component (+12), signaling perhaps, an end to much of the fear and doubt surrounding the economic downturn.

The wealthy are settling in for a long wait, but are not panicking about the economy. Though the bad news is still coming in — unemployment numbers continue to rise, more industries reporting falling profits, foreclosures continue unabated — there have been no new big surprises or shocks this month.