

HEALTHCARE

## American affluents spending \$200B on wellness annually: Ipsos

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The webinar featured Tony Incalcaterra, chief research officer at Ipsos, and Kip Davis, insights director at Ipsos Affluent Intelligence. Image credit: Rosewood

By EMILY IRIS DEGN

As wellness reigns supreme across sectors, research firm Ipsos is outlining the ways in which wealthy consumers are participating, themselves notably active players.

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Nearly two-thirds of affluent Americans state that they are extremely healthy, collectively spending more than \$200 billion in the past year on personal care and wellness. Led by two speakers from the organization, Ipsos gets to the bottom of the wealthy population's part to play in the market's boom and untangles how luxury brands from all categories can respond.

The July 18 webinar, "Affluent Health & Wellness: How they maintain physical, mental, and environmental well-being," featured Tony Incalcaterra, chief research officer at Ipsos, and Kip Davis, insights director at Ipsos Affluent Intelligence.

Getting a move on

Mr. Davis and Mr. Incalcaterra take turns in detailing the state of affairs when it comes to affluent consumers' standing in the wellness industry.

To start, Mr. Incalcaterra introduced himself and the agenda, outlining the true gravity of affluent people's spending habits in the category. To put things into perspective, he shared that if the amount of money that the wealthy has spent in the past year on personal care and wellness products and services was converted into a tower of \$1 bills, it would be as tall as 49 Empire State Buildings.

He attributes this boom in wealthy spenders' investment in health to a mentality transformation.

*Affluents are willing to spend heavily to stay well*

"What we're really seeing over the last five decades is that as that affluent population has changed, what has changed also is their philosophy of what is success in life," said Mr. Incalcaterra.

"Success is more than just financial," he said. "It's about living a good life, and that includes the physical fitness aspect."

Those with this mindset are putting more resources into their quality of life, and it is showing up in affluent attitudes.

"We asked them to rate their overall health... and what we found is that almost two-thirds of respondents rate their health as an eight [out of ten] or higher, and that's a big contrast between affluent adults and non-affluent adults," said Mr. Incalcaterra.

Only four in ten non-affluent adults rated their health as highly.

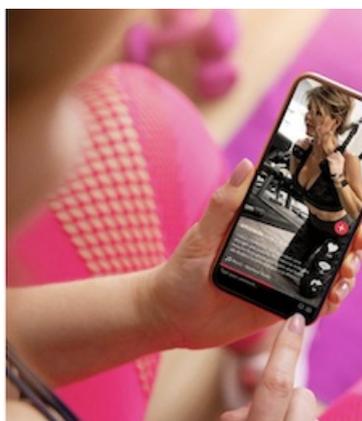
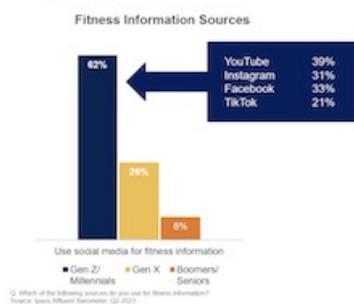
Mr. Davis followed, speaking about the gender, race and generational differences in how wealthy wellness fans are interacting within the industry. The findings, sourced from Ipsos data and the long-running Affluent Survey, varied.

While home remains the most popular place to work out, younger people within the population in question are increasingly choosing to exercise in public. While 43 percent of Gen Z and millennial affluents are staying home, 38 percent are picking the gym for their activities only 10 percent are heading outside.

Gen X affluent consumers are only slightly different, with 50 percent of them working out at home and 26 percent doing so at the gym.

Boomers and seniors stay home at the same rate as the youngest population, however, they are not aligned otherwise. Only 17 percent of the oldest group is exercising at the gym, the outdoors proving to be a favorite with 30 percent opting to be active without four walls.

### Social media is the primary source of fitness information for younger Affluents



Social media is revealed by both speakers as being key in driving fitness trends, the leaders encouraging brands to look to the platforms for guidance. Image credit: Ipsos

Males are also leading the pack in terms of who prefers gym-based exercise the most, with 43 percent of affluent men belonging to a health club or fitness center, compared to only 31 percent of women.

At this point, Mr. Davis reveals that spaces to work out are especially of interest to the affluent population. Compared to 23 percent of non-affluent consumers, 37 percent of the wealthy group owns a gym or health club membership; those high net worth individuals bringing in over \$5 million a year rank even higher, with 45 percent belonging to the active outlets.

Luxury brands outside of the gym world are attempting to profit off of this surge, incorporating health club aspects into their models ([see story](#)) and upping on-site wellness perks ([see story](#)).

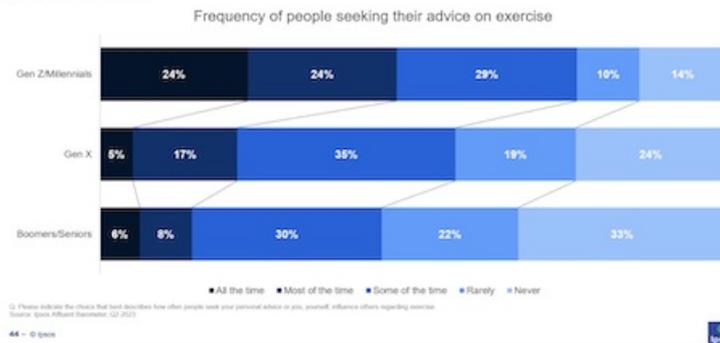
Curated fitness is particularly of interest to affluent people, resulting in the rise of supplements, app-based fitness routines and personal trainers, one in four using the latter resource. Compared to non-affluent consumers, affluent consumers use fitness apps at a 10 percent higher rate, revealing the population marketing efforts should perhaps keep in mind across the fitness industry.

As inflation hits the rest of the country hard, high earners remain resilient thanks to a financial cushion. As a result, Mr. Incalcaterra shared that this is a highly important collection of people to focus on, advertising-wise.

Nearly seven in 10 affluent Americans exercise at least three times a week, and they are willing to spend heavily to support those efforts in a holistic way, whether that means paying for a luxurious wellness retreat as lockdowns ease ([see story](#)) or snagging high-end fashion that offers emotional health and happiness.

"It comes down to luxury as a way to be good to themselves," said Mr. Incalcaterra.

## Peer-to-peer advice on fitness most prevalent among younger generations



As peer-to-peer information exchange soars in the age of social media, Mr. Incalcaterra urges brands to embrace this new model and engage with consumers and influencers in marketing pushes. Image credit: Ipsos

He goes on to explain that luxury fashion can have a place in the trending market, as affluent people are viewing clothing "not as an outward expression of how successful" they are, but rather "to make the quality of life better" to improve mental wellness.

"What we're seeing in many instances is that affluent people have been moving further away from physical goods and putting a bigger emphasis on the experiential," said Mr. Incalcaterra.

"If brands can focus on that outline of thinking, they'll definitely engage with people who are looking to have that experience there."

### Alcohol's downfall

It seems that while most luxury categories are seeing clear ways to pivot with the rise of wellness, one amongst them is less favorably positioned.

While the usual suspects of dairy, red meat and gluten are not largely eluded by affluent consumers, alcohol ranks as the second most-avoided food item among the group. Nearly one in five wealthy people are skipping spirits, with 17 percent reporting evading alcoholic beverages.

Though this is not welcome news to luxury brewers, vintners and cocktail purveyors, there is room for opportunity here.

A recent study revealed that Gen Z and millennial Americans of the drinking age are turning to non-alcoholic beverages at increasing rates, relying on the recommendations of their peers ([see story](#)). Luxury spirit houses that provide alternatives and interact with their audience and their trusted sources could weather this shift.