

## **GOP Tax Bill To Hit Wealthy in Blue States the Hardest Finds Annual Phoenix Marketing International Wealth and Affluent Monitor**

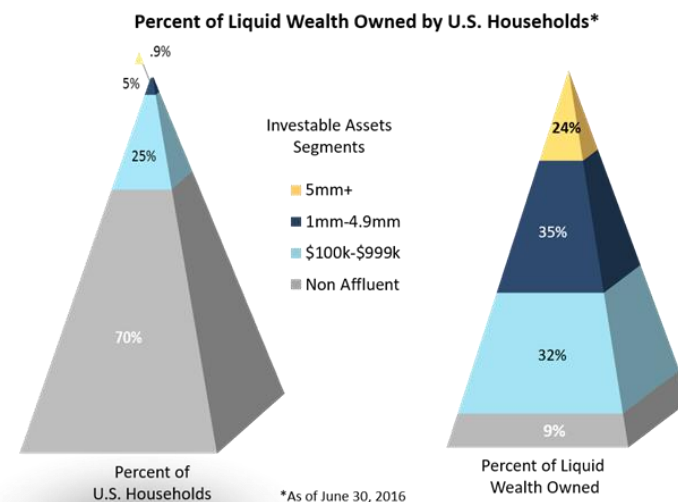
- Seventeen of the top 20 wealthiest states ranked by household liquid wealth are “blue”.
- Tax bill limitations on itemized mortgage interest or property tax deductions will likely impact blue states more than red
- Top 1% of U.S. households increased by eight percent in 2017.

**Rhinebeck, NY** – In a new look at where wealth is concentrated in the U.S, the annual Wealth & Affluent Monitor published today by Phoenix Marketing International finds that the very richest Americans are overwhelmingly concentrated in states that were carried by Democrats in at least three out of the four past elections. The impact of the GOP tax bill which puts new limits on itemized deductions of state and local income and property taxes, or mortgage interest, will undoubtedly have a greater impact on wealthy residents of these blue states.

The 2017 Phoenix Wealth & Affluent Monitor shows that as of mid-2018, the top 1% of U.S. households, those having \$5 million or more in investable assets or liquid wealth, increased by eight percent to over 1.1 million. States with the highest concentration of these “Penta-Millionaire households include New Jersey, Maryland, Connecticut, and Hawaii, all traditional blue states. Coming in at #6 is Alaska, the only red state in the top ten. Other top 10 blue states include Massachusetts, New Hampshire, Virginia, and the District of Columbia.

The Phoenix study also found that:

- The 1% added approximately \$214 Billion in wealth over the past year, and now control over one-quarter (26.2%) of the liquid wealth in the U.S., or about \$9.7 Trillion.
- Millionaire households, those having at least \$1 million in liquid wealth, increased by six percent and now total about 7.2 million households in the U.S.
- In 2017 the concentration of wealth in the U.S. continued to accumulate at the top of the wealth pyramid. Overall, U.S. affluent households (those having \$100k+ in investable assets) numbered some 30% of households (38.1 million) but controlled over 91% of wealth.



Source: Phoenix Marketing International 2016 Wealth and Affluent Monitor

“The historic and continuing gains in the capital markets means that the concentration of wealth in fewer and fewer hands continues unabated” said David Thompson, Managing Director, Affluent Practice, at Phoenix Marketing International. “What was surprising was when we looked at where these Penta-Millionaires live and saw the overwhelming preponderance of blue states. Given all of the talk about rich Republicans I would have expected to see more red states on the list” added Thompson.

### **State ranking of millionaires**

In their annual ranking of millionaires per capita by state, the 2018 Phoenix Wealth & Affluent Monitor found only a few changes in the top 10 states:

1. Maryland (7.87%) – remained #1, where it has been since 2011
2. New Jersey (7.86%) moved up on place in 2018
3. Connecticut (7.75%) moved down on place
4. Hawaii (7.57%) – unchanged from 2016
5. Alaska (7.50%) – unchanged from 2016
6. Massachusetts (7.41%) – unchanged from 2016
7. New Hampshire (7.36%) – unchanged from 2016
8. Virginia (6.98%) – unchanged from 2016
9. Delaware (6.62%) up one place from 2016
10. California (6.61%) – up one place from 2016.

### **How Wealth Managers Can Benefit From the Phoenix Study**

Phoenix Marketing International's Wealth & Affluent Monitor has maintained a continuous research-based dialog with tens of thousands of Affluent and High Net Worth consumers. This ongoing intelligence enables our clients in brokerage, banking and other channels to develop actionable strategies to solve business challenges such as:

- Are you targeting the right affluent or HNW client segments?
- Where are the largest concentrations of your target clients?
- Where are your target clients putting their money next?
- How can you increase revenue from existing clients?
- How can you strengthen your market positioning?
- What is keeping your clients awake at night?

### **Methodology**

The Wealth & Affluent Monitor (W&AM) sizing estimates in the U.S. are developed using a combination of sources including the Survey of Consumer Finance (SCF) as well as Nielsen-Claritas. The SCF provides the framework and allows us to determine the general distribution of households by their level of investable assets. Estimates are further refined using the age and income distributions provided by Claritas. Investable assets include education/custodial accounts, individually-owned retirement accounts, stocks, options, bonds, mutual funds, managed accounts, hedge funds, structured products, ETFs, cash accounts, annuities, and cash value life insurance policies.

### **About the Phoenix Wealth & Affluent Monitor**

The Phoenix Wealth & Affluent Monitor is a syndicated marketing research platform that tracks the needs, attitudes and behaviors of affluent and High Net Worth individuals in the U.S. and Canada. Market-sizing extracts provide of the number of affluent and High Net Households in the U.S. by state. State extracts provide market-sizing estimates for eight affluent and HNW market segments, for the overall state and by Core-Based Statistical Areas (CBSAs) within each state. Market-sizing extracts are available for purchase.

## **About Phoenix Marketing International**

Phoenix Marketing International is a global marketing services firm, headquartered in Rhinebeck, New York, with 11 offices in the U.S. and Europe. Since 1999, the firm has provided companies across diverse industries with competitive insights on attitudes and behaviors, with a focus on customer experience, communications and brand/product innovation through extensive research experience in the automotive, financial services, healthcare, converged technology and media, restaurant and travel/leisure sectors. For more information, visit <http://phoenixmi.com/>. Follow Phoenix on Twitter [@phoenixmktg](https://twitter.com/phoenixmktg).