

High net worth individuals are increasingly cutting spending on luxury goods

Latest research from financial planning firm Saltus shows 17% of high net worth individuals have cut down on luxury items and designer clothes specifically

LONDON, LONDON, UNITED KINGDOM, November 25, 2024 /EINPresswire.com/ -- Burberry (BRBY.L) reported its first half results earlier this month (Thursday 14 November), revealing another drop in both sales and profits.

The struggles being experienced by companies operating in the luxury sector is supported by data from financial planning firm [Saltus](#), which surveyed 2,000 British high net worth individuals (HNWIs) – those with assets of more than £250,000 – as part of its latest Saltus [Wealth Index Report](#).

According to Saltus' report, 16% of high net worth respondents have cut down on their personal spending as a result of the rising cost of living and the impact on their lifestyles, with 17% saying they have cut down on luxury items and designer clothes specifically.

16% say they have cut down on travel and holidays, and are spending less on trips and entertainment, such as visits to the theatre, opera or cinema. One in ten (11%) say they have cut down on eating out, while the same 11% say they have switched to a cheaper supermarket.

In fact, just 7% of HNWIs say the current high rate/high price environment has not impacted their lifestyle – down from 9% six months previously.

Mike Stimpson, Partner at Saltus, said: "We know from our research that many high net worth individuals are making significant adjustments to their spending in response to the current economic landscape. With rising essential costs, including mortgage payments and family support – with more than eight in ten having provided financial support to their adult children, grandchildren or both in the past 12 months – high net worth individuals are prioritising their expenditure more cautiously.

"We would expect that this would translate into impacting discretionary spending, including luxury brands such as Burberry. Well run companies will make adjustments to accommodate this new environment."

HIGHLIGHTS: How has the current high interest rate environment/rising cost of living impacted your lifestyle, if in any way?

I have cut down on luxury items/designer clothes - Sept 2024: 17.11% / Jan 2024: 15.78%

I have reduced personal spending - Sept 2024: 16.46% / Jan 2024: 16.29%

I have cut down on travel/holidays - Sept 2024: 16.31% / Jan 2024: 15.43%

I have cut down on trips/entertainment (theatre/opera/cinema) - Sept 2024: 15.81% / Jan 2024: 14.46%

I have cut down on entertaining - Sept 2024: 14.35% / Jan 2024: 15.02%

I have cut down on hobbies/interests - Sept 2024: 13.55% / Jan 2024: 15.33%

I have cut down on eating out - Sept 2024: 10.99% / Jan 2024: 16.29%

I have switched to a cheaper supermarket - Sept 2024: 10.64% / Jan 2024: 14.36%

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