November 2025

Visa Business and Economic Insights

# U.S. Economic Insight

## Key Points:

- Strong wage growth and asset values have raised the bar for what it means to be affluent
- Location matters more than ever when assessing the affluent
- Generational differences shape the affluent

## Redefining rich—the geographic dimension of the affluent

Thanks to a booming stock market, strong real estate values and a resilient dollar, every day in 2024[1] an estimated 1,000 Americans achieved a net worth—defined as the total value of assets minus debts—of $1 million. This surge pushed the number of millionaires in the U.S. to more than 23 million in 2025, or 40 percent of the global total.[2]

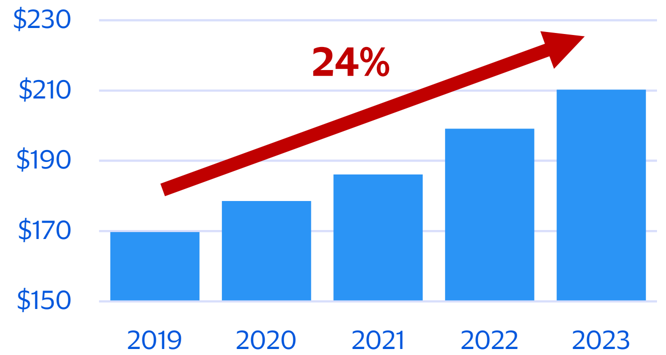
But times have changed, and so too has the purchasing power of $1 million. The surge in asset prices and subsequent rise in everyday millionaires raised the bar for what it means to be affluent, which we define not by a static dollar figure, but by entry into the top 10 percent of U.S. households. And that entry threshold has risen sharply in recent years.

According to new analysis from **Visa Business and Economic Insights (VBEI)**, about 12.2 million U.S. households qualify as affluent, with an annual income of $210,000 or higher or a net worth of at least $1.8 million placing them above 90 percent of all U.S. households.[3] While the surge in asset prices has sharply elevated the net worth required to reach this tier, persistent labor shortages—driven by retiring baby boomers and slower immigration—have fueled strong income growth and pushed the income threshold for affluence higher.

**But when it comes to being affluent, where you live can be just as important as what you earn and what you're worth.** In the wake of historically high inflation, significant geographic differences in the cost of living have emerged—reshaping the landscape of affluence across the country. Our analysis finds that these and other factors influence not only where the affluent live, but also how affluence is distributed across generations and how generational differences shape spending patterns. These insights suggest that adopting a more nuanced, localized, and age-aware approach can help issuers and merchants better compete for the evolving segment of affluent households.

### Fig. 1: Earning your way into the ranks of the affluent costs a lot more now

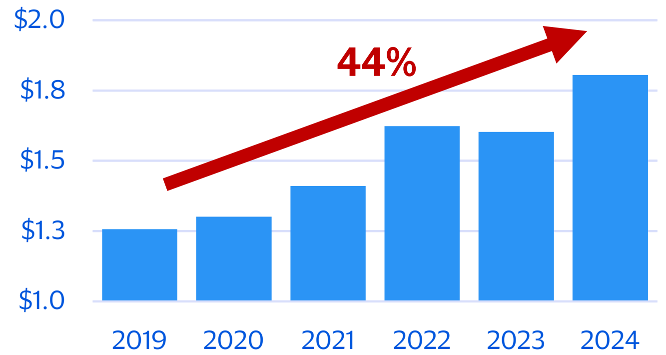
Minimum household income needed to qualify for the top 10 percent of U.S. households (thousands of dollars)




Sources: Visa Business and Economic Insights and U.S. Department of Labor

### Fig. 2: Post-COVID asset booms have driven affluent wealth thresholds higher

Minimum household net worth needed to qualify for the top 10 percent of U.S. households (millions of dollars)




Sources: Visa Business and Economic Insights and U.S. Department of Commerce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# The geographic dimension and the cost of living

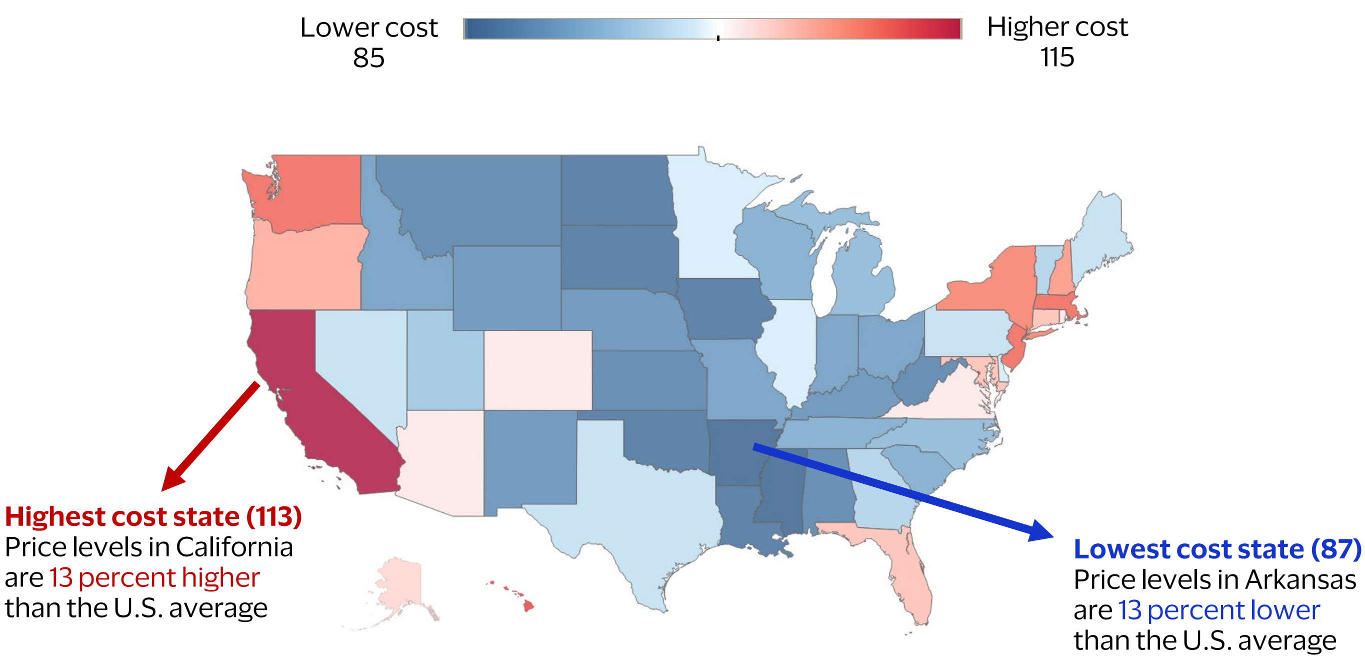
## Joining the ranks of the top 10 percent takes more income and net worth in higher-cost areas, and historically high inflation has further widened this gap.

When it comes to being affluent, location matters. Higher cost states require a larger income and net worth to make it into the top 10 percent. Figure 3 shows the cost of living in each state as an index, benchmarked against the U.S. average of 100. This index helps calculate price parities across states—that is, it shows how much income you'd need in one state to match the purchasing power of a household in another. California has a score of 113, indicating that prices there are 13 percent higher than the national average. Therefore, the income and net worth required to enter the top 10 percent in California are also 13 percent higher than the national thresholds—approximately $236,000 in annual income and $2 million in net worth. In contrast, Arkansas has a price level that is 13 percent lower than the U.S. average, meaning an income of $182,000 or net worth of $1.6 million is enough to qualify as affluent.

Since these price parities track prices relative to the overall U.S., we can combine them with national inflation data to compute state-level inflation trends and see how cost of living disparities widened after the pandemic. From 2019 to 2023, cumulative inflation in the U.S., as measured by the personal consumption expenditures (PCE) price index, totaled 16.4 percent, or 3.3 percent annually. In contrast, California's cumulative inflation was 18 percent—or 3.6 percent per year—during the same period. This uneven inflation burden, driven in part by higher housing costs in California, is one of many regional pressures that have deepened the gap in what it takes to be considered affluent across the country. Without adjusting for local price levels, national measures of affluence risk misrepresenting the true economic standing of households in different regions.

Fig. 3: Cost of living varies significantly across the U.S.

Cost of living in each state relative to the U.S. (U.S. average = 100)




Sources: Visa Business and Economic Insights and U.S. Department of Commerce

# Location, location, location

## Affluence isn't just about income or net worth—it's also about where you live

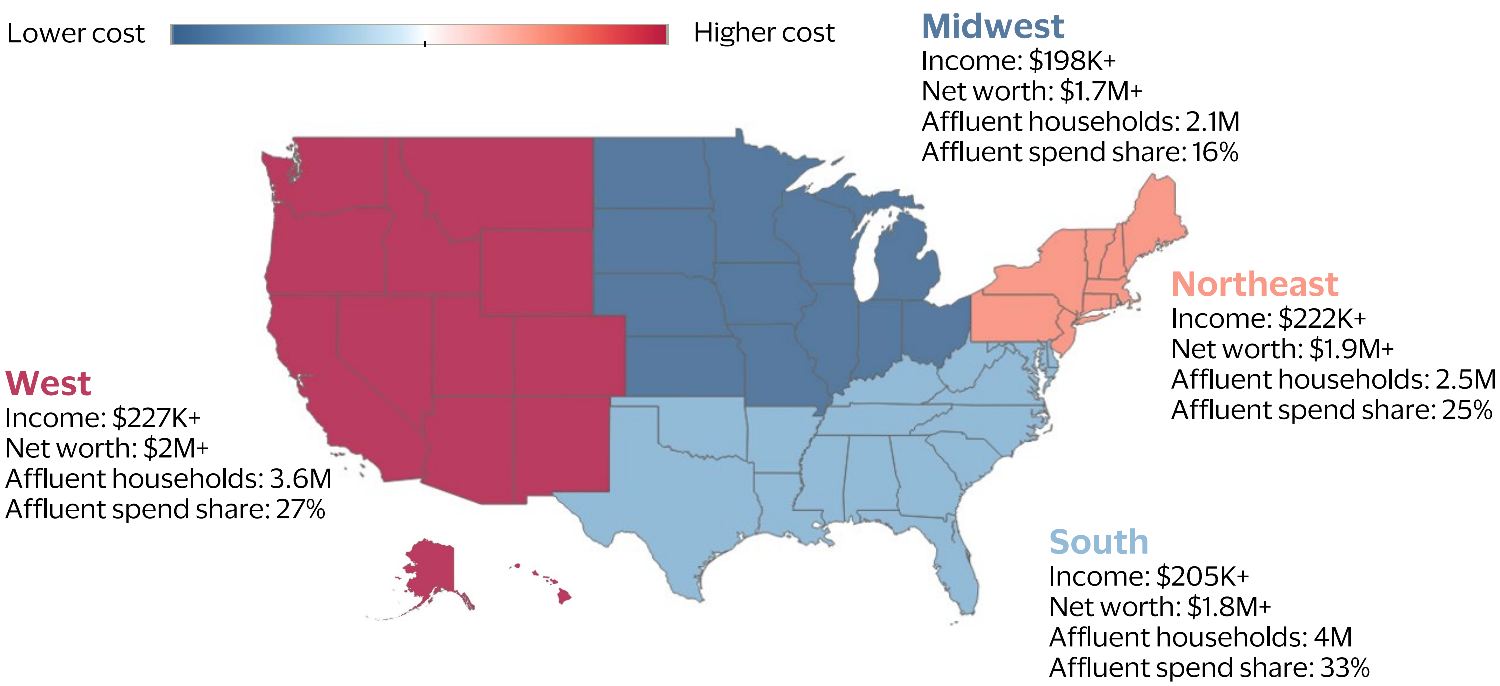
**Geographic differences in cost of living not only shape the income and wealth necessary to be affluent, but also where affluent households and spending are concentrated. The impact of these differences is especially clear when viewed through a regional lens.**

Figure 4 shows price parity data with states grouped into U.S. Census Bureau regions.[4] Affluent households and spending are most concentrated in the **South**, a region with comparatively lower income and net worth thresholds for affluence. Last year, VBEI broke down the factors driving the South's booming economy: more affordable housing, strong in-migration, lower taxes, robust job growth, and a more skilled employment mix. These dynamics made the South home to the largest share of affluent baby boomers, Gen Xers, and millennials—each drawn by the region's climate, tax advantages, affordability, and economic strength.

At the other end of the cost spectrum, the **West** has the highest income and net worth benchmarks for affluence, followed closely by the **Northeast**—driven by the higher cost of living in both regions. The Northeast also holds the highest share of affluent Gen Z households. However, with fewer baby boomer and Gen X households—the primary drivers of spending—affluent spending in these regions falls short of the South. The **Midwest**, with the lowest affluence benchmarks, also lags all other regions in affluent footprint and spending. This reflects its lower cost of living and heavier reliance on manufacturing and agriculture, which have faced challenges from automation and offshoring—limiting growth in tech and consulting industries that fuel expansion and upward mobility.

Fig. 4: Minimum income and net worth thresholds to meet the definition of affluent, by region

(U.S. average = $210,000 in income and $1.8 million in net worth)




Sources: Visa Business and Economic Insights, Federal Reserve Board and U.S. Department of Commerce

# The affluent spend a lot, but who's doing the spending?

## Okay, boomer—literally

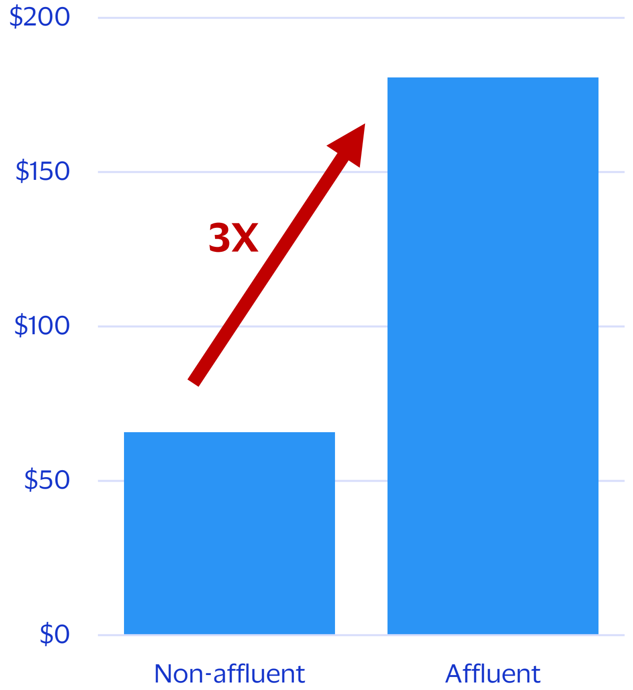
**Affluent households in the U.S. spend nearly three times more than their non-affluent counterparts** (Fig. 5). That's not surprising—wealthier consumers have more disposable income and can tap financial assets for spending. But the real story lies in *who* among the affluent are doing the spending. Baby boomers make up just 12 percent of affluent households, yet they account for 42 percent of affluent spending (Fig. 6). This outsized influence stems from one key fact: affluent boomers control the bulk of their generation's $85 trillion-plus in wealth,[5] and they're primarily spending it through the wealth effect—unlike the average boomer, who is more likely to spend down their wealth as they age and as markets fluctuate.

We previously explored how income constraints and the need for long-term planning will limit retiree spending. But affluent boomers are a different story. They spend less out of necessity and more on discretionary pursuits, typically funded by investment income, dividends, and rental flows.

**While boomers lead in affluent spending, Gen X dominates in household representation, comprising 57 percent of affluent households and contributing 33 percent of affluent spending.** But their financial picture is more complex. Many Gen Xers are burdened by mortgage and student loan debt while also caring for children, aging parents, or both—a juggling act common among those who belong to the "sandwich generation." Together, boomers and Gen X drive three-quarters of affluent spending and make up most affluent households. It's no coincidence, then, that the South—home to a higher share of older affluent households—leads the nation in both affluent spending and household share.

Fig. 5: Affluent households spend nearly three times more than non-affluent households

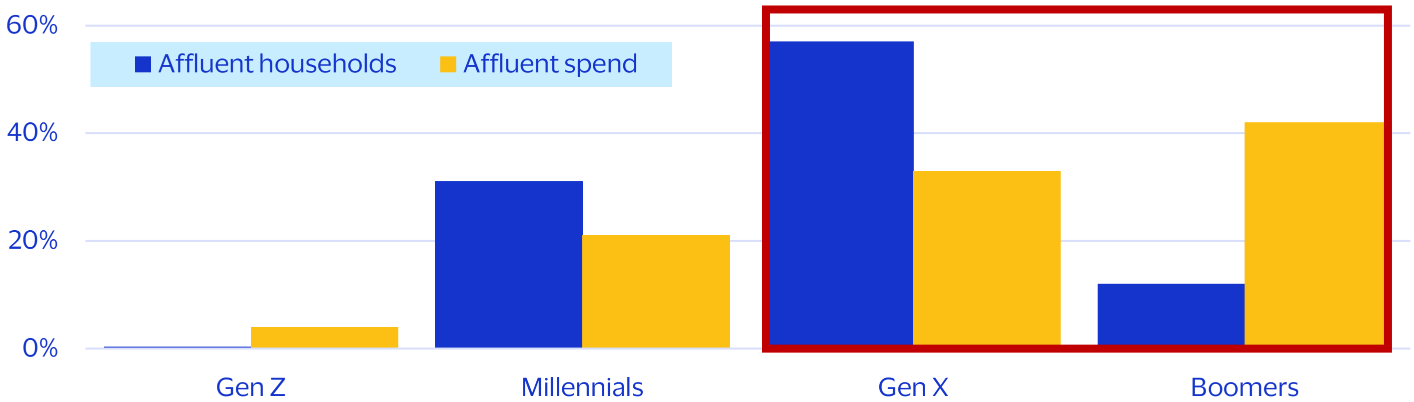
Average annual expenditures for non-affluent and affluent households (thousands of dollars)




Sources: Visa Business and Economic Insights and U.S. Department of Labor

Fig. 6: Most affluent households are Gen X, but baby boomers are the rock stars of affluent spending

Share of affluent households and spending (percent)




Sources: Visa Business and Economic Insights and U.S. Department of Labor

# How is affluent spending different?

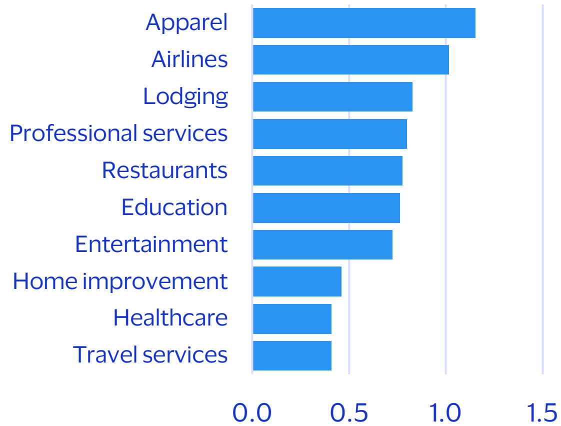
## Affluent households don't just spend more than non-affluent ones—their spending patterns differ

**Higher incomes and greater wealth enable affluent consumers to allocate more of their spending toward discretionary purchases.** Using Visa credit transactions averaged over the past year, we identified top categories where the affluent over-index—that is, where they allocate a larger share of their spending. For example, the affluent spend about 1.1 percentage points more on apparel than non-affluent consumers (Fig. 7), translating to roughly $180 more per month spent on apparel (Fig. 8).

Consumers also spend differently as they age, following a predictable path of spending priorities as they move through life (Fig. 9). While total spending peaks around age 50, consumption for individual categories peaks at different ages. These differences tell the story of how consumer priorities shift over their lifetime—starting families and buying homes in their 30s, traveling and dining out in their 50s, and healthcare needs later in life. These patterns apply to all consumers, affluent and non-affluent alike.

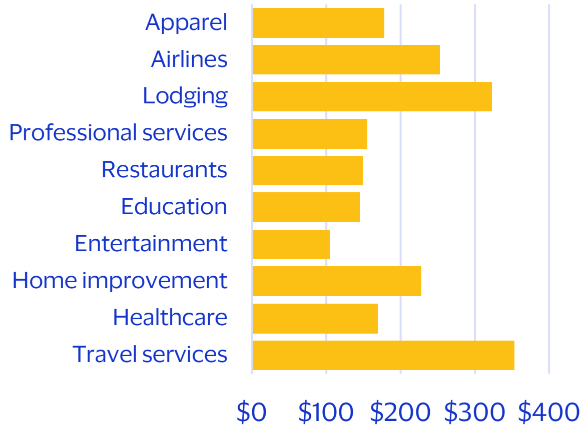
### Fig. 7: The affluent over-index on discretionary items

Difference in spending shares for selected categories relative to non-affluent consumers (percentage points)




### Fig. 8: From over-index to actual spending impact

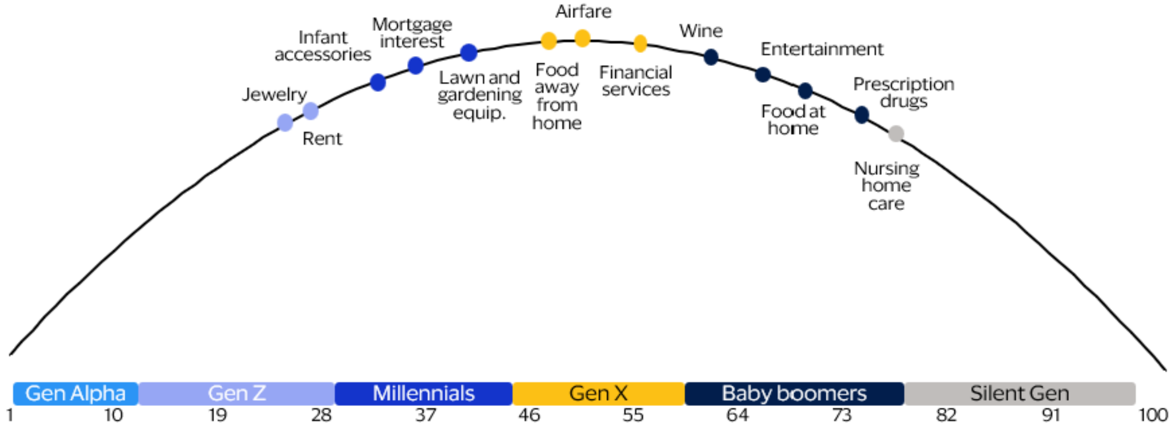
Difference in average monthly spend for selected categories relative to non-affluent consumers (dollars)




Sources: Visa Business and Economic Insights, VisaNet and TransUnion

### Fig. 9: There is a predictable path of spend as consumers age

Average annual consumer spending by age




Sources: Visa Business and Economic Insights and U.S. Department of Labor

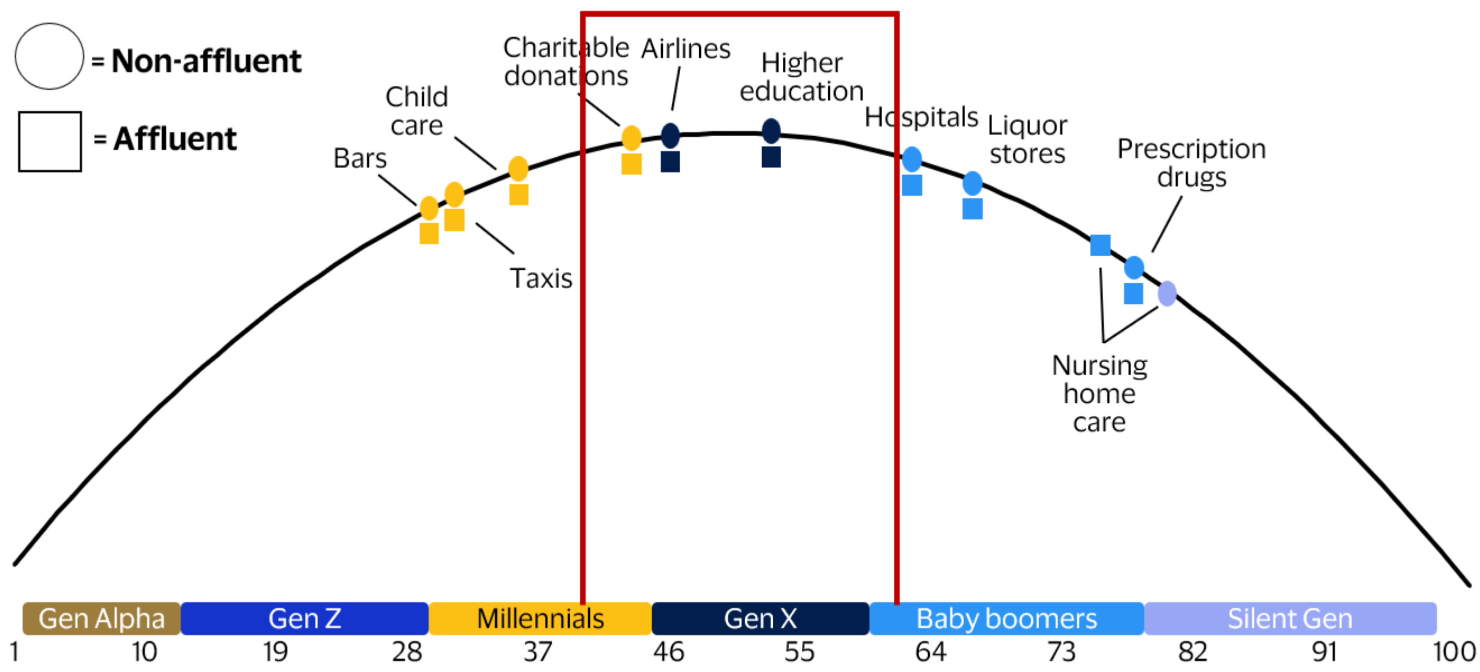
# Life's spending milestones bring consumers together

## Visa data shows where affluent priorities align—and where they differ

Some spending behaviors transcend income levels. Going out to the bar for drinks with friends might be fun in your 20s, but traffic and long lines fade the appeal by the time you reach your 60s. **Using real-time, anonymized Visa credit transactions, we capture these behavioral spending patterns in figures 10 and 11, which show peak spending by age across key life milestone categories.** As expected, spending at bars—and on the taxis that get you home safely—peaks in the late 20s. Meanwhile, spending at liquor stores—aka the stay-at-home happy hour—peaks in the 60s. Parallel peaks also appear in other life milestone spending categories like childcare, airline travel, and prescription drugs.

Fig. 10: When it comes to some of life's milestones, the affluent spend like everyone else

Peak credit card spending for select categories averaged over 12 months (July 2024 to July 2025)



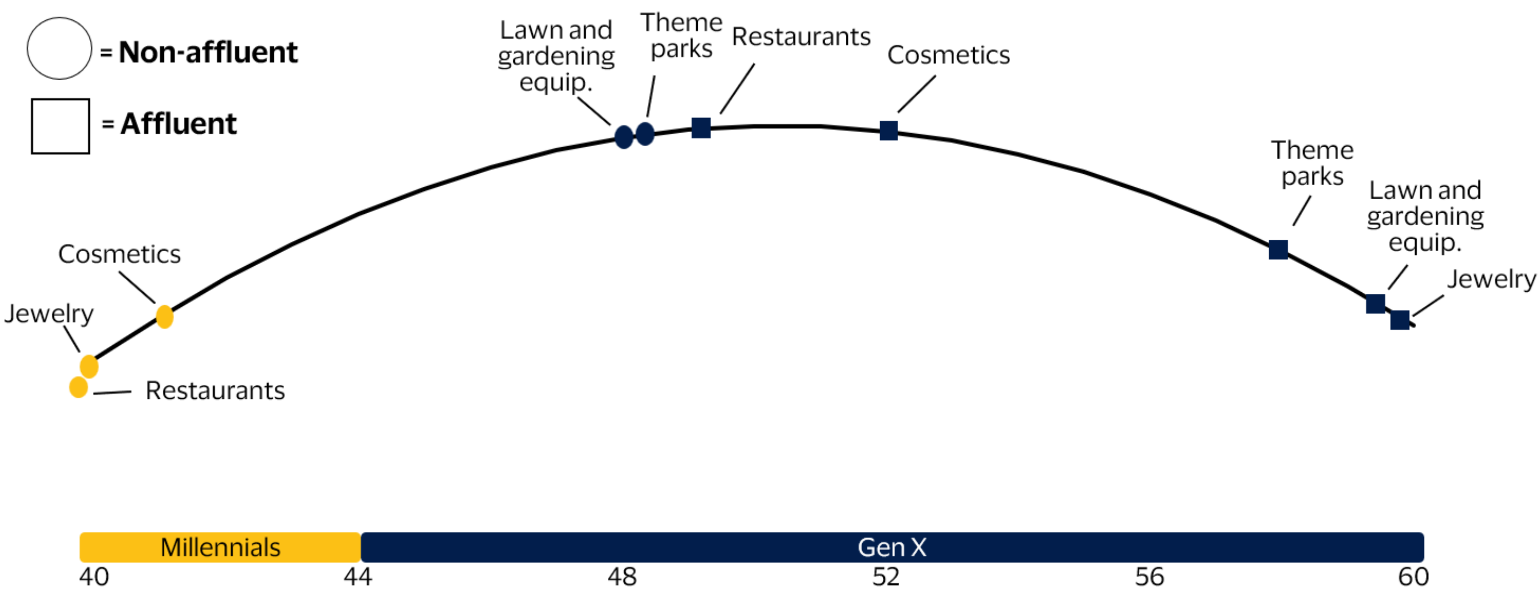

Sources: Visa Business and Economic Insights and VisaNet

# When it comes to life's small pleasures, the affluent spend more for longer

## Visa data shows where affluent priorities align—and where they differ

Affluent consumers, however, carve out a longer runway for discretionary spending, maintaining higher levels well into later life (Fig. 11). For instance, restaurant spending peaks at 39 for non-affluent consumers but at 50 for the affluent. Lawn and garden spending tops out at 48 for non-affluent consumers, but nearly 60 for the affluent, signaling yardwork is more of a hobby rather than a chore. **These differences highlight opportunities to tailor products, rewards, and marketing to match the evolving spend priorities of affluent consumers across life stages.**

Fig. 11: Peak credit card spending for select categories averaged over 12 months
(July 2024 to July 2025)




Sources: Visa Business and Economic Insights and VisaNet

# Competing for the affluent doesn't have to be a zero-sum game

## The new dimension—location—unlocks more opportunities to compete for affluent consumers

**The concept of affluence has evolved rapidly in the past several years.** Strong wage growth and a surge in asset values have raised the bar for achieving affluence, pushing income and wealth thresholds higher than ever. At the same time, historic inflation and its uneven growth across the country have widened disparities in how far income and wealth stretch, and thus how affluence is defined across different states and regions.

Affluence is not a static label—people move in and out of the top 10 percent based on shifting economic conditions. Generational differences also shape who the affluent are, where they live and how much they spend. Baby boomers have a small affluent household presence, but they lead affluent spending through the wealth effect. While most affluent households are Gen X, their higher debt burdens constrain their spending, making their economic footprint smaller than their numbers suggest.

Younger households, having had less time to build wealth, are more likely to achieve affluence by increasing income, relocating to lower-cost areas, or both. This dynamic landscape underscores the importance of moving beyond a one-size-fits-all national definition of affluence.

Finally, reaching affluent consumers requires a generational lens. Younger affluents are more digitally engaged, while older ones rely on traditional media and peer networks.

**Affluence is evolving**

Strong wage growth and the post-COVID asset boom mean the income and wealth thresholds for affluence have risen sharply.


**Opportunities are local**

Affluence looks different from one market to the next, shaped by local living costs and generational mix—opportunities emerge when focus shifts to locality rather than on a single profile.

**Outreach is generational**

Younger affluent consumers are more reachable through digital channels, while older ones discover new products largely through peer networks and traditional media.

Source: Visa Business and Economic Insights

# Footnotes

1. Visa Business and Economic Insights and UBS 2025 Global Wealth Report

2. Visa Business and Economic Insights and UBS 2025 Global Wealth Report

3. Visa Business and Economic Insights, U.S. Department of Labor and Federal Reserve Board

4. To estimate regional affluence benchmarks, we adjusted the national income and net worth benchmarks using state-level price parities, then averaged them—weighted by each state's share of affluent households. Finally, we combined census household data with VisaNet transaction insights to estimate how affluent households and spending are distributed across generations within each region.

5. Visa Business and Economic Insights and Federal Reserve Board

# Accessibility notes

Fig. 1: This line chart presents the minimum annual household income required to be considered affluent in the United States, defined as being in the top 10 percent of households. The data spans five years, from 2019 to 2023. In 2019, the threshold was $169,730. It increased steadily each year, reaching $178,530 in 2020, $186,120 in 2021, $199,140 in 2022, and $210,250 in 2023. The chart shows a consistent upward trend, with the highest value in 2023 and the lowest in 2019.

Fig. 2: This line chart illustrates the minimum net worth required to be considered affluent in the United States from 2019 through 2024. In 2019, the threshold was $1.2565 million. It rose to $1.301 million in 2020, $1.41 million in 2021, and $1.623 million in 2022. In 2023, the value dipped slightly to $1.603 million before rising again to $1.806 million in 2024. The highest value is $1.806 million in 2024, and the lowest is $1.2565 million in 2019.

Fig. 3: This map shows the cost of living index for each U.S. state, benchmarked against the national average of 100. California has the highest cost index at 113, indicating prices are 13 percent above the national average. Arkansas has the lowest index at 87, meaning prices are 13 percent below the national average. The map uses color shading to represent relative cost levels, with darker shades indicating higher costs and lighter shades indicating lower costs.

Fig. 4: This bar chart compares the minimum income and net worth thresholds required to be considered affluent across four U.S. Census regions. In the West, the thresholds are $227,000 in income and $2 million in net worth, with 3.6 million affluent households contributing 27 percent of affluent spending. In the South, the thresholds are $205,000 in income and $1.8 million in net worth, with 4 million affluent households contributing 33 percent of spending. The Northeast has thresholds of $222,000 in income and $1.9 million in net worth, with 2.5 million affluent households contributing 25 percent of spending. The Midwest has the lowest thresholds at $198,000 in income and $1.7 million in net worth, with 2.1 million affluent households contributing 16 percent of spending.

Fig. 5: This bar chart compares the average annual spending of non-affluent and affluent households. Non-affluent households spend approximately $65,751 per year, while affluent households spend about $180,758. The chart visually emphasizes the nearly threefold difference in spending between the two groups.

Fig. 6: This stacked bar chart displays the distribution of affluent households and their spending across four generations. Gen Z represents 0.3 percent of affluent households and accounts for 4 percent of affluent spending. Millennials make up 31 percent of households and contribute 21 percent of spending. Gen X comprises 57 percent of households and contributes 33 percent of spending. Baby boomers represent 12 percent of households but account for 42 percent of affluent spending.

Fig. 7: This bar chart shows how affluent consumers allocate a higher share of their spending to discretionary categories compared to non-affluent consumers. Apparel leads with a 1.15 percentage point difference, followed by airlines at 1.01, lodging at 0.83, professional services at 0.80, restaurants at 0.78, education at 0.76, entertainment at 0.72, home improvement at 0.46, healthcare at 0.41, and travel services also at 0.41.

Fig. 8: This chart quantifies the monthly dollar difference in spending between affluent and non-affluent consumers across various categories. Affluent consumers spend $353 more on travel services, $323 more on lodging, $253 more on airlines, $228 more on home improvement, $178 more on apparel, $169 more on healthcare, $155 more on professional services, $149 more on restaurants, $145 more on education, and $105 more on entertainment.

Fig. 9: This line chart tracks average annual consumer spending across age groups. Spending peaks around age 50, with different categories reaching their highest levels at different life stages. The chart illustrates how spending priorities shift over time, such as increased spending on homes and families in the 30s, travel and dining in the 50s, and healthcare in later years.

# Accessibility notes (cont.)

Fig. 10: This chart shows peak credit card spending by age for categories associated with life milestones. Spending at bars and on taxis peaks in the late 20s, while spending at liquor stores peaks in the 60s. Other categories such as childcare, airline travel, and prescription drugs also show distinct age-related peaks, reflecting changing consumer behavior over time.

Fig. 11: This bar chart compares the age at which spending peaks for affluent and non-affluent consumers across selected categories. For example, restaurant spending peaks at age 39 for non-affluent consumers and at age 50 for affluent consumers. Lawn and garden spending peaks at age 48 for non-affluent consumers and nearly age 60 for affluent consumers, suggesting that affluent individuals maintain discretionary spending habits later into life.

## Forward Looking Statements

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