



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

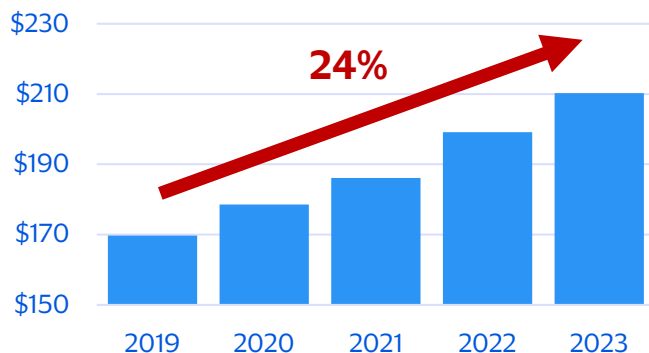
Thanks to a booming stock market, strong real estate values and a resilient dollar, every day in 2024¹ an estimated 1,000 Americans achieved a net worth—defined as the total value of assets minus debts—of \$1 million. This surge pushed the number of millionaires in the U.S. to more than 23 million in 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.

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)



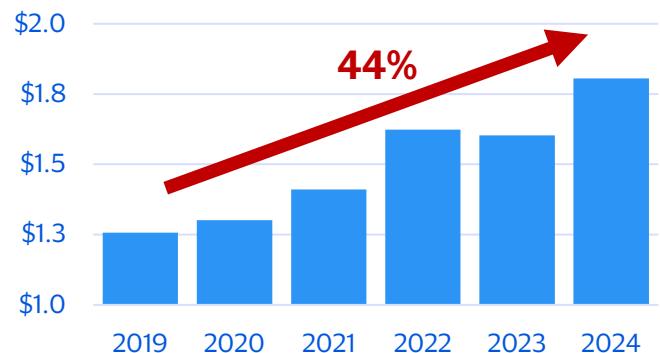
Sources: Visa Business and Economic Insights and U.S. Department of Labor

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. 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

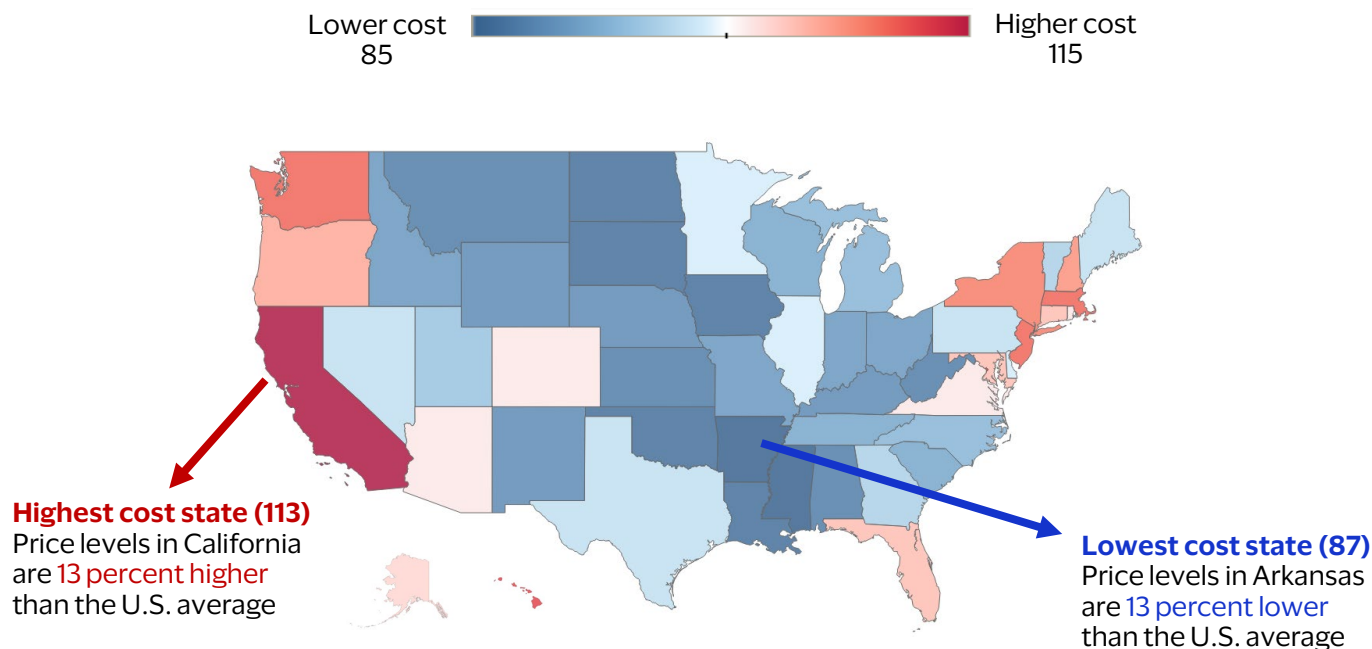
Joining the ranks of the top 10 percent takes more income and net worth in higher-cost areas, and historically high inflation has further widened this gap.

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)



Location, location, location

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

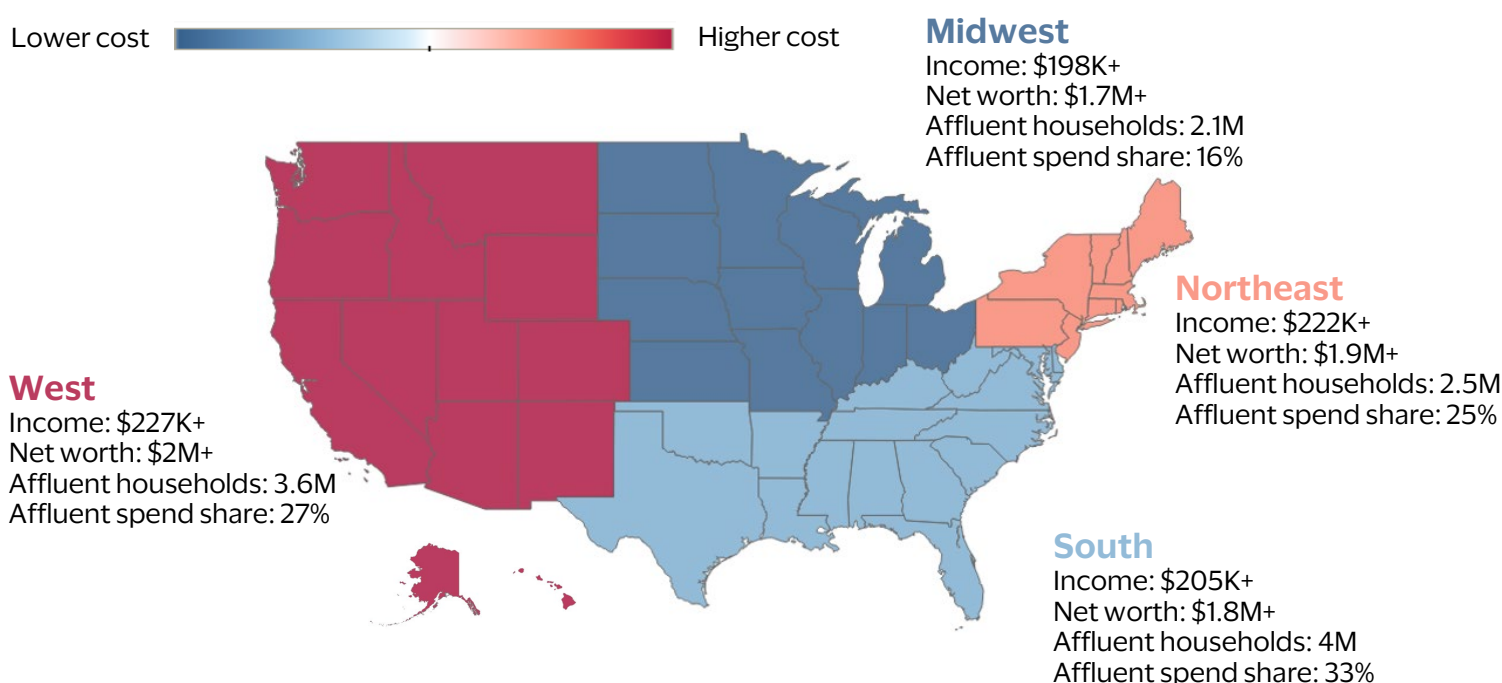
Geographic differences in cost of living not only shape the income and wealth necessary to be affluent, but also where affluent households and spending are concentrated. The impact of these differences is especially clear when viewed through a regional lens.

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?

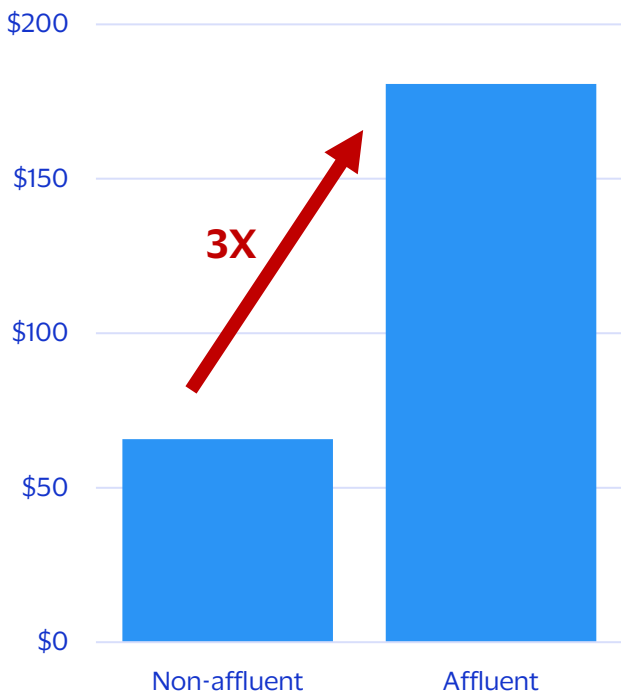
Okay, boomer—literally

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.

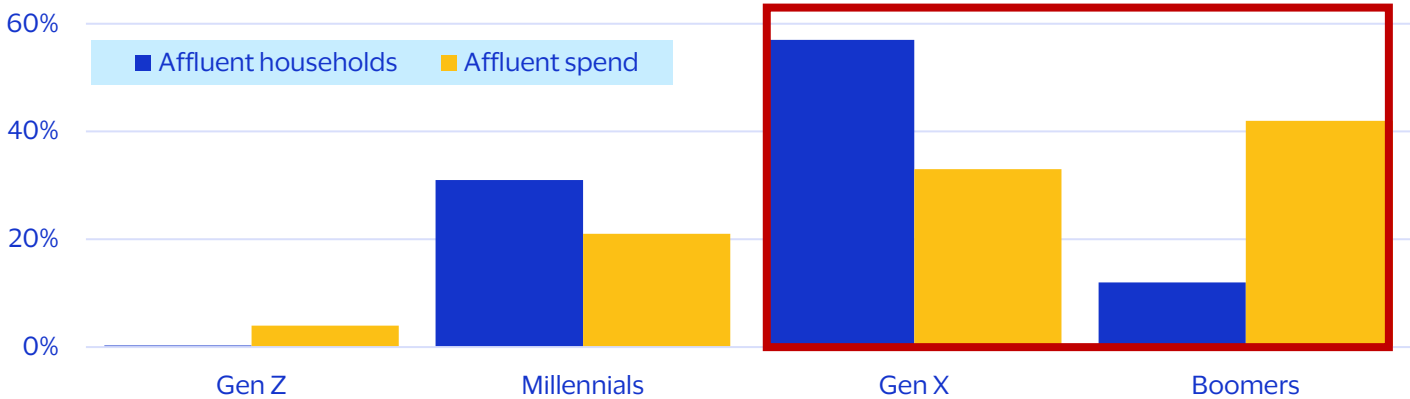
While boomers lead in affluent spending, Gen X dominates in household representation, comprising 57 percent of affluent households and contributing 33 percent of affluent spending. But their financial picture is more complex. Many Gen Xers are burdened by mortgage and student loan debt while also caring 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)

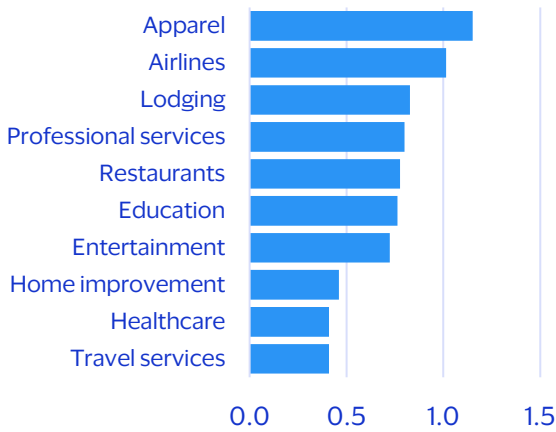
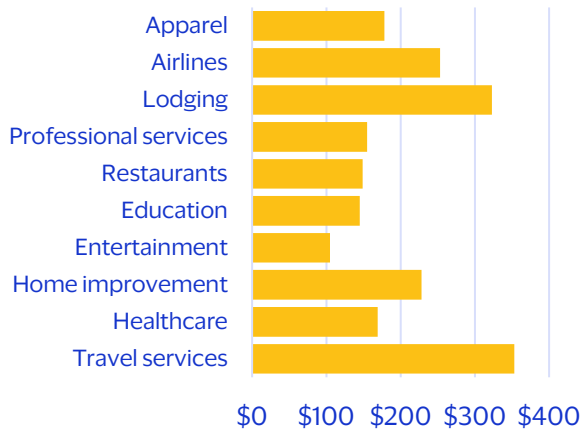
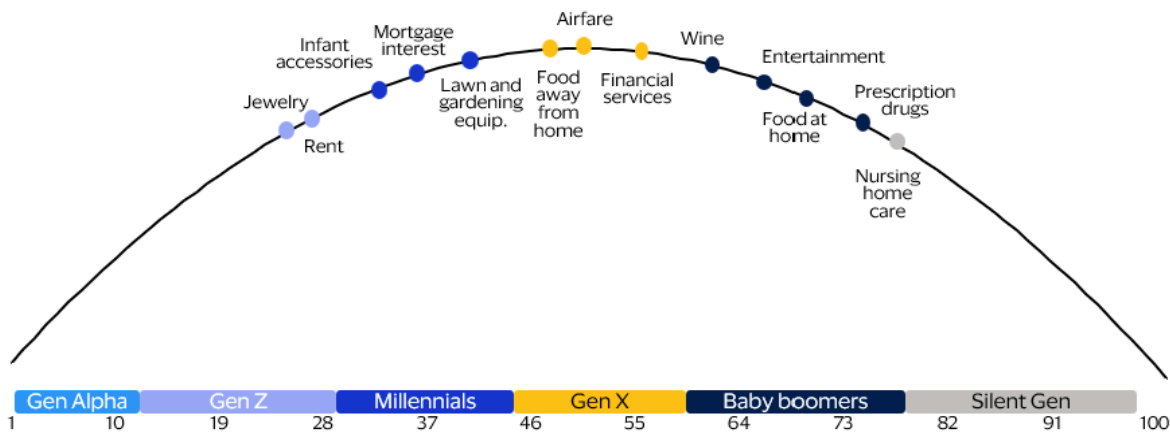


Fig. 8: From over-index to actual spending impact
Difference in average monthly spend for selected categories relative to non-affluent consumers (dollars)



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



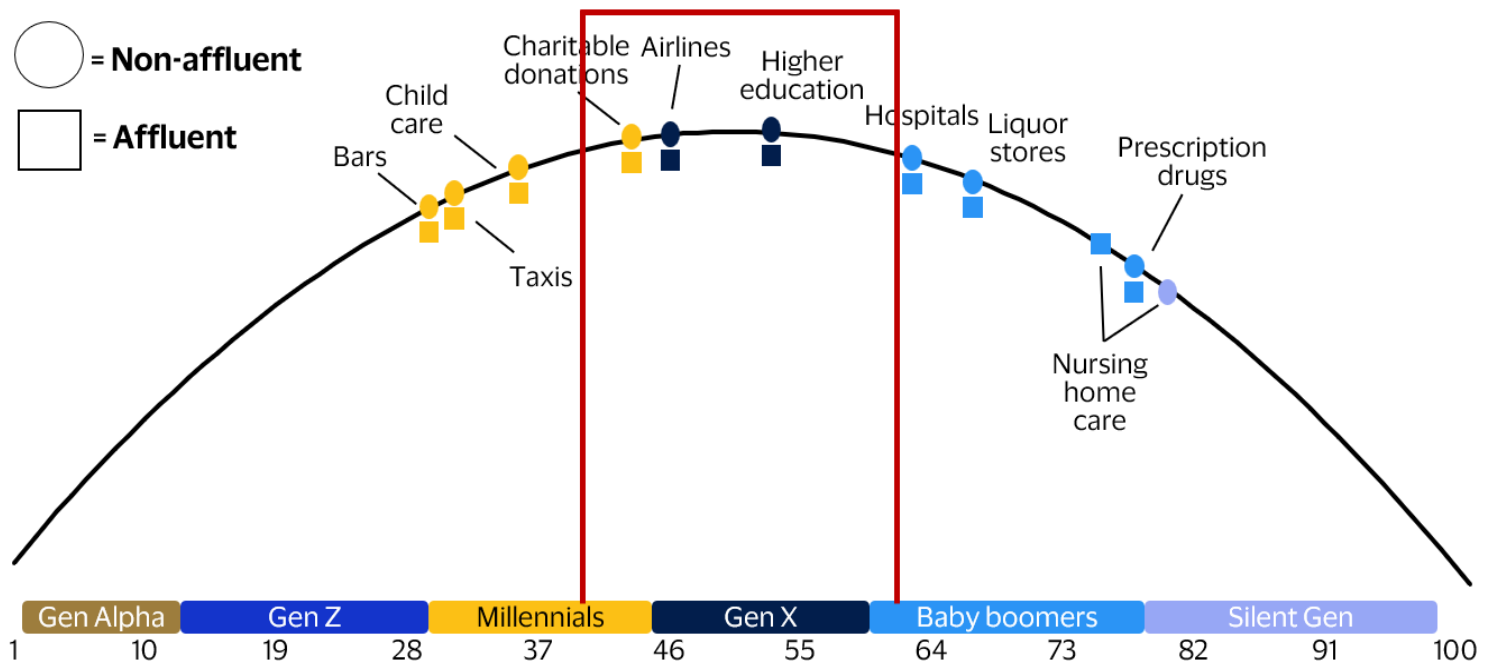
Sources: Visa Business and Economic Insights and U.S. Department of Labor

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)



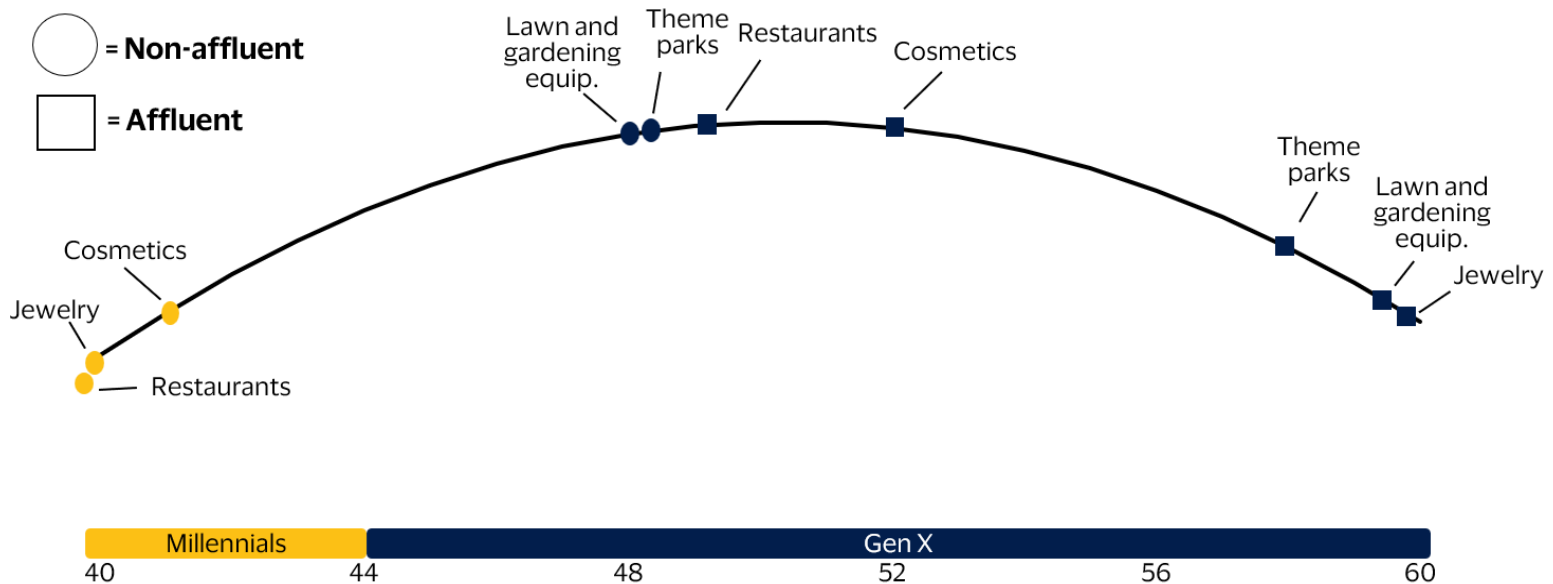
Sources: Visa Business and Economic Insights and VisaNet

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.



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

Forward Looking Statements

This report may contain forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are generally identified by words such as “outlook”, “forecast”, “projected”, “could”, “expects”, “will” and other similar expressions. Examples of such forward-looking statements include, but are not limited to, statements we make about Visa’s business, economic outlooks, population expansion and analyses. All statements other than statements of historical fact could be forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond our control and are difficult to predict. We describe risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, any of these forward-looking statements in our filings with the SEC. Except as required by law, we do not intend to update or revise any forward-looking statements as a result of new information, future events or otherwise.

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