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**MILLIONAIRES TAKE BOLD ACTION TO REASSESS  
AND REBUILD THEIR WEALTH, ACCORDING TO FIDELITY STUDY**

**Nearly Half of U.S. Millionaires Do Not Feel Wealthy -- Double Last Year's Level**

BOSTON, May 6, 2009 -- Despite having an average of \$3.5 million in investable assets and \$306,000 in annual household income, almost half (46%) of U.S. millionaires do not feel wealthy and are taking action to reassess and rebuild their wealth, according to Fidelity Investments 3<sup>rd</sup> Annual Millionaire Outlook. <sup>i</sup>

The Fidelity study, which looks annually at the investing attitudes and behaviors of more than 1,000 millionaire households, reveals that these investors are using the market downturn as an opportunity to reconfigure their portfolios. While many are up-weighting their allocation to fixed-income investments, others are increasing their exposure to stocks, and half plan to sell poorly performing assets to offset expected increases in capital gains in their portfolios.

"Although most investors hesitate to take action and become gripped by inertia during a market downturn, our research shows that millionaires tend to use this time as an opportunity to reassess and make those tough decisions about their portfolios that can help get their finances back on track," said Michael Durbin, president of Fidelity Institutional Wealth Services®. "Despite a generally negative view of the current economy, many millionaires are drawing on their past experiences in market downturns and are using that knowledge to better position themselves for what they see as an eventual market rebound that can deliver solid investment gains."

**Millionaires Learn From Past Events**

Although most millionaires surveyed (77%) say that the current economic environment is the worst they have experienced, many are drawing on lessons learned from past financial crises. At an average age of 59, most millionaires (78%) have personal experience during the last four U.S. recessions, from the early 1970s oil crisis to the early 1980s, 1990s and 2000s downturns.

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The Fidelity study reveals that based on their past experience, the top three pieces of advice millionaires would give investors trying to cope with the current environment are: Stay the course; remain calm and be optimistic; and cut back on spending and save more. Today, millionaires who stayed the course during a previous financial crisis or used it as a buying opportunity, boast an average of \$1 million more in investable assets compared to their peers who moved to more-conservative investments in previous downturns.

### **Millionaires Get More Conservative, but Still Like Stocks**

When asked about the single investment category promising the best returns for the next 12 months, the largest percentage of millionaires surveyed (34%) say they feel that bonds, fixed income, CDs and Money Market Funds may offer the greatest potential, followed by individual stocks (28%). As such, 32 percent of these millionaires say they plan to increase their exposure to fixed income, bonds and CDs over the next 12 months, while 31 percent say they will invest more in individual stocks.

For the next five years, the largest percentage (44%) see stocks as the investment vehicle promising the best returns, while only 6 percent cite bonds, CDs and money market funds.

### **Millionaires Confident to Invest With Dow 7000-7999**

The Fidelity study asked millionaires at what level of the Dow Jones Industrial Average (Dow) they would feel comfortable investing in stocks. While 44 percent would feel confident at Dow levels between 8,000 and 11,000, nearly four in 10 (39%) feel confident investing with the Dow between 7,000 and 7,999.

### **Millionaires Bullish on U.S.**

Looking at the regions representing the best potential investment opportunities, millionaires surveyed chose the U.S. over any other country or region, in both the short- and long-term. Almost two-thirds (62%) chose the U.S. as the single region with the potential for the highest returns in the next year and 60 percent chose it for the next five years. China was second for both time periods. Not surprisingly, 80 percent of millionaires surveyed plan to invest in the U.S. in the next year.

**Millionaires Expect Higher Taxes, Take Action**

The majority of millionaires surveyed are bracing themselves for significant tax increases in the next five years. Seventy-two percent expect higher capital gains taxes, 67 percent a higher dividend tax rate, and 62 percent a higher federal income tax rate.

In preparation for expected tax hikes, half of millionaires (50%) plan to sell poorly performing investments in the next 12 months to offset capital gains on other, better performing investments. Millionaires surveyed also plan to increase their pre-tax income deductions to avoid higher federal income taxes, while almost a third (29%) will invest more in tax-advantaged mutual funds to avoid higher dividend taxes.

**Millionaires' Pessimistic on U.S. Economy, But See Improvement in 2010**

Using a scale where +100 represents the most favorable outlook, zero a neutral outlook and -100 the most negative outlook, millionaires' view on the current state of the U.S. economy is very weak at -91, down from -50 last year.

Despite their negative assessment of the current economy, millionaires' outlook shifts dramatically in the positive direction (+28) for early 2010, the highest future outlook since Fidelity launched the Millionaire Outlook study in 2006. The biggest driver of millionaires' optimism is a belief that the stock market will rebound, which is reflected in their more positive outlook for the stock market (+43), followed by business spending (+28), consumer spending (+25) and real estate (+14).

**Nearly Half of Millionaires Do Not Feel Wealthy; Twice 2008's Level**

According to the Fidelity survey, nearly half (46%) of millionaires do not feel wealthy, more than twice as many compared to last year's survey (19%). This is likely due to the fact that millionaires have seen dramatic declines across their holdings. This includes an average 19 percent drop in household income, a 19 percent drop in investable assets and a 28 percent decline in the value of their real estate holdings.

Millionaires who do feel wealthy began to feel so at \$1.8 million in investable assets. When looking at millionaires surveyed who classified themselves as not feeling wealthy, the asset level needed to begin to feel wealthy was significantly higher at \$7.5 million.<sup>ii</sup>

“While many millionaires recognize they are doing better than the average investor, last year’s market volatility and loss of assets have forced them to reassess what the term ‘wealthy’ really means to them,” said Gail Graham, executive vice president of Fidelity Investments.

### **Millionaires Have an Appetite for Information**

The Fidelity study reveals that millionaires are spending more time than they were gathering financial information, from reading and listening to financial news shows to discussing finances and checking their net worth. Almost one-third (32%) are spending more time discussing financial matters with family and friends, while 18 percent are spending more time checking their investment performance and 20 percent are increasing the time they spend monitoring or calculating their net worth.

### **More Millionaire Households Use Fidelity than Any Other Financial Provider**

This year’s Fidelity Millionaire Outlook once again reveals that Fidelity Investments has the greatest percentage of U.S. millionaire households compared to any other financial provider in the U.S. Of the 4.4 million U.S. millionaire households -- those with at least \$1 million in investable assets, not including workplace retirement assets and real estate -- 37 percent have at least one account with Fidelity.

### **About Fidelity Investments**

Fidelity Investments is one of the world’s largest providers of financial services, with custodied assets of over \$2.5 trillion, including managed assets of over \$1.2 trillion as of March 31, 2009. Fidelity offers investment management, retirement planning, brokerage, and human resources and benefits outsourcing services to over 20 million individuals and institutions as well as through 5,000 financial intermediary firms. The firm is the largest mutual fund company in the United States, the No. 1 provider of workplace retirement savings plans, the largest mutual fund supermarket and a leading online brokerage firm. For more information about Fidelity Investments, visit [www.Fidelity.com](http://www.Fidelity.com).

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<sup>i</sup> *The Fidelity Millionaire Outlook*<sup>SM</sup> analyzes millionaires' investment attitudes and behaviors on a variety of topics, including financial concerns, use of a financial advisor, and outlook for the economy. The national survey, which did not identify Fidelity as the sponsor, was conducted in February 2009 online by Richard Day Research, an independent third-party research firm, with completed responses from 1,012 financial decision makers at U.S. millionaire households, and a margin of error of +/-3%.

<sup>ii</sup> This represents the median asset level versus the average.