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The Wealth Velocity™

A New Economic Force and Its Impact on the Global Luxury Market

Investment Research | June 2026

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How the AI boom is concentrating wealth faster than any event in modern economic history. It's accelerating the K-shaped long term shift in the wealth landscape, cementing US economic dominance, and creating a demand surge across real estate, travel, experiences, and physical luxury that prior cycles never could.

Executive Summary

Everyone has heard about the Great Wealth Transfer or the $84 trillion moving from Boomers to their heirs by 2045. It is real, significant, and has anchored the wealth management narrative for the past five years. Running simultaneously is a second equally important force that we coined The Wealth Velocity™— the concentrated, multi-layered wealth creation event produced by the AI cycle. It's not a redistribution. It is a wealth creation event of a scale we have never seen before. The sum of everything the AI boom is generating right now across public markets, private markets, data center infrastructure, deal activity, and the professional services economy that multiplies the original event outward.

What is the Wealth Velocity™

The Wealth Velocity™ is the concentrated, multi-layered wealth creation event produced by the AI cycle and its surrounding ecosystem. It is running across every capital market simultaneously and has four distinct engines.

Engine 1: The IPO Pipeline.

Over $3 trillion in equity value is migrating from paper to liquidity between now and early 2027. IPOs that have been in the works for the past 15 months are coming to fruition such as: SpaceX, OpenAI, Anthropic, Databricks, Klarna, and Stripe. Even prior to the capital market activity, these AI companies were raising billions in the private markets, offering liquidity in the secondaries and minting new millionaires daily. Each event creates a new cohort of suddenly-liquid employees, early investors, and founders who were not spendable-wealthy last year.

Engine 2: The Data Center Build

Microsoft, Amazon, Google, Meta, and Oracle have committed to spending between $660 billion and $690 billion on capital expenditure in 2026 alone, nearly doubling 2025 levels. Goldman Sachs projects $7.6 trillion in aggregate AI infrastructure spend from 2026 through 2031. Worldwide data center capex increased 57% in 2025 and is on track to surpass $1 trillion for the first time. Every dollar flows through a supply chain including semiconductors, construction, power infrastructure, equipment manufacturing and the shareholders at every node are accumulating wealth. The Data Center engine is also reshaping the geography of US wealth. Northern Virginia, Phoenix, Dallas, and Columbus, Ohio have emerged as the new build-out corridors, drawing engineering, construction, and capital talent. The same corridors are now beginning to register in luxury retail expansion footprints, a leading indicator of where the cohort behind this paper actually lives.

Engine 3: Private Market Activity.

Venture funds that backed the IPO pipeline companies have been marking positions upward for years. Secondary market transactions are pricing liquidity for investors who cannot wait for public windows. M&A deals are accelerating as AI infrastructure consolidates. Every transaction generates fees, carry, and realized gains for GPs, LPs, secondaries buyers, and the operating partners working the deals. This engine has been further democratized by the Robinhoods of the world who've created wrapper vehicles for the every day investor to access.

Engine 4: Public Market Compounding.

AI has driven both the S&P and the NASDAQ to all-time highs. Existing portfolios are compounding at the same time new liquidity is being created. The wealth effect is spreading through every index-holding portfolio in the country. This trend will be further accelerated by the addition of the newly minted publicly traded companies to indices and mutual funds, further bumping their equity price and benefiting their employees and investors.

The Compounding Wealth Ecosystem

The part left out of every IPO pipeline conversation is the people processing the transactions. For every founder who just liquidated $200 million, there is a law firm that structured the deal, an accounting firm handling the tax planning, a management consultant who prepared the company for scrutiny, and a financial advisor who now manages the new wealth. The professional services economy surrounding a liquidity event is enormous, and it is running at full capacity right now.

The data center build is generating its own ancillary economy. This includes: construction firms, engineering consultancies, power infrastructure specialists, cooling technology companies and others. The supply chain for a $750 billion annual capex program enriches a broad professional class whose wealth creation never shows up in tech coverage but is very real in spending data.

Then there is the redeployment effect. Founders who have already exited are redeploying capital into healthcare, fintech, data, CPG, climate tech, and defense. Sectors that watched AI raise the bar on what is fundable are now receiving attention from a new class of angels and family offices with fresh liquidity and appetite for the next asymmetric bet. That is the Wealth Velocity™ moving through the economy the way concentrated wealth creation events always do, moving outward in rings until it shows up in sectors with no visible connection to the original source.

The Wealth Velocity™ and The K-Shaped Recovery

The K-shaped pattern, where asset holders and wage earners experience materially different economic trajectories, has been a structural feature of the post-COVID recovery. The Wealth Velocity™ is adding concentrated new mass to the upper arm at a pace the underlying trend never produced on its own. This is an observation about market structure, not a normative claim about economic policy.

The Data

- The top 1% of US households held 31.75% of all US wealth as of Q3 2025, the highest share since the Federal Reserve began tracking in 1989. The wealthiest 1% held approximately $55 trillion in assets, roughly equal to the wealth of the bottom 90% combined. *[Federal Reserve / CBS News, Jan 2026]*
- According to the 2025 Wealth-X/Altrata annual Wealth Report, there are 510,810 ultra-high-net-worth individuals globally (defined as those with a net worth of $30 million or more), holding approximately $60 trillion in combined wealth, greater than the combined GDP of China and the United States. This group holds around $30 trillion, or roughly 10%, of the global investible asset pool, and accounts for $290 billion in annual luxury spending, about 21% of total individual luxury spend. Wealth-X forecasts the global UHNW population to grow to 676,970 individuals by 2030.
- The top 20% of earners account for nearly 60% of all US consumer spending. Non-mortgage consumption among that cohort reached multi-decade highs in 2025. The US Gini coefficient is at a 60-year peak. *[Dallas Fed / US Bank Economics / Bank of America]*

These are not anecdotes. They are the K-shape showing up simultaneously in aviation earnings, hotel booking patterns, and restaurant strategy. The economic bifurcation is structural and accelerating.

What the Brands Are Telling Us

European luxury brands have sharpened their focus on the United States, with a surge of store openings and fashion shows to lure a new crop of wealthy shoppers enriched by the AI and tech boom, and to offset weaker consumer confidence elsewhere as the Iran war disrupts travel and tourism. Retail strategies offer a leading indicator and proxy for HNW targeting and growth. Against that backdrop, Hermès opened its first stores in Nashville, Tennessee and Scottsdale, Arizona last year, and plans further US expansion. North America accounted for about 27% of global luxury store openings in 2025. According to Savills, the US has fewer luxury stores relative to its super-rich consumer base than China, and many brands still view the US as unpenetrated relative to the scale of its wealth base. *[Reuters, June 2026]*

Luxury brands do not open stores in Nashville and Scottsdale based on conjecture. They do it because their own customer data shows the buyer is already there and spending. That is the most direct evidence available that the Wealth Velocity™ spend sequence is operating, and that it is reaching geography the luxury industry has historically ignored. Hermès is also expanding into Wilmette and Williamsburg, Brooklyn. Moncler is opening its largest global flagship on Fifth Avenue and adding locations in Aspen and Dallas. These are not moves driven by existing clientele; they are moves driven by observed new buyer behavior in geographies that did not previously generate meaningful luxury store traffic.

The earnings data backs them up. Richemont posted 18% growth in the Americas in Q1 2026, its ninth consecutive quarter of double-digit Americas growth. Hermès posted 17% growth in the Americas, with leather goods growing 9% at constant rates in the same quarter. The aggregate behavior confirms that the cohort is spending on luxury at scale. *[Richemont Q1 2026 / Hermès Q1 2026 earnings]*

The brand-level data also clarifies a common misreading of the luxury market right now. Bain-Altagamma projects 3 to 5% growth for personal luxury goods in 2026, and the global luxury customer base has shrunk from 400 million in 2022 to 340 million in 2025. Those are stabilization numbers, not acceleration numbers. But the aggregate masks two markets operating within the same brands. The luxury contraction happened in the aspirational tier. The investment-grade tier, which serves buyers at the $30 million-plus net worth threshold, did not contract in the same way. *[Bain-Altagamma Luxury Goods Worldwide Market Study, 2025–2026]*

The Rebag data makes the split explicit. In 2025, Birkin bags appreciated 92% on the resale market over the past decade, more than double the 43% retail price increase over the same period. Hermès outshone all other luxury brands on the secondary market, with average value retention at 138%, a 38% increase from 2024. *[Rebag 2025 Clair Report / Robb Report]*

At the same time, the average resale premium for Birkin and Kelly bags fell from 2.2 times retail value in 2022 to 1.4 times by late 2025. At the individual model level, the correction is more pronounced: the Birkin Togo 30, which carried a resale premium of 1.9 in 2018, was reselling at roughly 1.0 times retail by late 2025, effectively eliminating any resale premium altogether. *[Bernstein Research Secondhand Pricing Tracker / The Fashion Law, Jan 2026]*

These data sets reveal two different markets operating within the same brand. The aspirational buyer, the Gen Z consumer who stretched to buy a Togo 30 as a status signal and an investment, got washed out in the post-COVID normalization. The investment-grade buyer, who bought rare configurations, exotic leathers, and auction-caliber pieces with a real balance sheet, held and appreciated. The 2025 correction did not weaken the investment thesis. It proved it by sorting the market publicly and legibly. The Wealth Velocity™ demand is arriving into a market that has already self-selected for the buyer it was designed to serve.

31.75%	~60%	60-yr
US wealth held by top 1% (Fed Reserve, Q3 2025)	US consumer spending from top 20% (Dallas Fed)	Peak for US Gini coefficient (US Bank, 2026)

The US As The Most Watched Economy In The World

The Wealth Velocity™ is, for now, an American story. The hyperscalers, the AI model developers, the infrastructure builders are almost entirely US-headquartered. The capital is US-denominated and the wealth creation is concentrated in US hands first.

In 2024, US private AI investment reached $109 billion, dwarfing China and the UK as distant runners-up. The US is projected to contribute more than a quarter of worldwide nominal GDP in 2026. *[Stanford HAI AI Index 2026 / Focus Economics]*

Morgan Stanley estimates approximately $2.9 trillion in global AI-related infrastructure investment will flow through the world economy by 2028, with more than 80% of that spending still ahead. AI is no longer a technology sector story. It is a macro variable influencing GDP, earnings, credit markets, and geopolitics at industrial scale. *[Morgan Stanley Research, Mar 2026]*

Barclays Research noted that without tech-driven investment, US GDP growth in 2025 would have been close to contraction. Remove AI capex and output would have flatlined. *[Barclays Global Outlook Q1 2026]*

The rest of the world is tracking US wealth creation in real time. Global family offices, sovereign wealth funds, and UHNW investors are watching The Wealth Velocity as a demand signal for asset categories they already hold or want exposure to. The UAE and Saudi Arabia, now both in the global top 10 investment destination rankings for the first time, are participants, not observers, generating their own version of The Wealth Velocity in the process.

What Would Change
The Trajectory

A credible thesis should be able to name its own falsification criteria. The following four conditions would materially change the Wealth Velocity™ framework.

- **IPO pipeline freeze.** If the major pending liquidity events (SpaceX, OpenAI, Anthropic, Databricks, Klarna, and Stripe) are delayed significantly beyond the current timeline, the $3 trillion in near-term liquidity does not materialize on schedule. The demand signal weakens. Watch: IPO filing activity and lock-up expiration calendars.
- **Hyperscaler capex reversal.** If Microsoft, Amazon, or Alphabet issue meaningful downward revisions to their AI infrastructure spending guidance, the data center wealth creation engine loses momentum. The supply chain wealth effect compresses.
- **UHNWI growth rate reversal.** If the UBS Global Wealth Report shows a contraction in the UHNWI population (as it did in 2022 when the cohort shrank 5.4%), the structural demand expansion narrative requires revision.
- **Prolonged energy shock from the Iran war.** If oil prices remain materially elevated through 2027 and tip the US into recession, hyperscaler capex could be cut, the IPO window could close, and discretionary luxury spending would face direct pressure.

None of these conditions are in evidence as of the date of this paper.

Luxury The First and
The Biggest Beneficiary

When new wealth is created at this scale and speed, it does not flow evenly, but the cascade across luxury categories is observable and consistent. Newly liquid ultra-high-net-worth individuals follow a spend sequence, and luxury sits high in that order. After real estate, luxury allocations are among the first these buyers make. The question is which parts of the luxury market benefit first, which benefit most durably, and which are more exposed to the speculative demand that was corrected post COVID in 2022.

The answer runs across four categories, each with a distinct demand dynamic, each currently in expansion.

1. Ultra-Prime Real Estate: The First Purchase

Real estate is the first major luxury purchase in every documented new-wealth spend sequence. The current cycle is creating buyers at the $30 million-plus threshold at which ultra-prime real estate becomes an allocation decision.

2. Luxury Travel and Private Aviation: The Experience Economy at Its Peak

Luxury travel is entering one of its strongest years on record in 2026, with high-end bookings, private aviation, and yacht charters surging even as geopolitical shocks and rising costs weigh on mass-market tourism. Data from global luxury agency networks shows 2024 luxury travel sales increasing approximately 25% year over year. American Express reported a double-digit profit increase for Q4 2025, driven in part by strong outlays on travel and dining among affluent cardholders. *[The Traveler / American Express Q4 2025]*

The global luxury travel market was valued at $2.4 trillion in 2025 and is projected to reach $2.56 trillion in 2026, expanding to $4.8 trillion by 2036 at a 6.5% CAGR. *[Future Market Insights, 2026]*

Private aviation is its own story. McKinsey analysis found that people aged 30 to 40 will spend an estimated $54 billion on luxury travel by 2028. Flexjet reported significant increases in bookings from young tech entrepreneurs flying further and requesting larger aircraft. The Wealth Velocity™ buyer is not the legacy private aviation customer. They are younger, newer to the category, and spending for the first time.

3. Ultra-Premium Experiences: The Category That Did Not Exist at Scale Before

The shift from conspicuous consumption to experiential luxury is among the most documented structural changes in the luxury market. Bain-Altagamma's 2025 annual study described it as a tectonic shift toward hospitality, fine dining, wellness, and curated experiences. This is real, but it is misread in parts of the luxury press as evidence of weakness in physical luxury goods. It is evidence that the luxury market is expanding in scope.

The Wealth Velocity™ buyer is the primary driver of this expansion. The experience economy at the ultra-high-net-worth level is additive, not substitutive. As total luxury spending grows, the allocation across categories shifts.

4. Investment-Grade Physical Luxury: The Store of Value

Within the physical luxury goods market, not all categories benefit equally from a new-money wealth cycle. The 2021 and 2022 data proved the point definitively. Rolex secondary prices surged and then collapsed, because Rolex watches, while prestigious, are not investment-grade in the structural sense. They are aspirational status goods with a secondary market that tracks sentiment. When the sentiment reversed, the market corrected.

Investment-grade physical luxury, the category that held through the 2022 correction, through 2008, and through the 2001 bust, has three properties that distinguish it. First, supply is structurally fixed by design, not by market conditions. Second, the buyer is the ultra-high-net-worth individual, not the aspirational consumer who stretches to participate and retreats first. Third, it functions simultaneously as a status signal, a store of value, and a category with documented secondary market liquidity.

The 2025 data makes the aspirational vs. investment-grade distinction legible without requiring inference. Aggregate Birkin resale premiums compressed as aspirational buyers exited. Simultaneously, Hermès achieved 138% average value retention across its full secondary market portfolio, with rare configurations selling at multiples of retail. The correction was not a category story. It was a buyer-quality story. The market sorted itself.

The Wealth Velocity™ demand is arriving into the top of this market, not the aspirational middle of it. The new entrants to the global UHNW population are not the buyer who stretched to acquire a Togo 30 as a pandemic investment. They are the buyer who builds a relationship with a specialist, allocates a portion of a real balance sheet, and expects the asset to hold through cycles, because it always has.

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Two Forces One Moment

The Great Wealth Transfer and the Wealth Velocity™ are both real, structurally different, and currently converging. Their combined effect on the luxury market is additive.

	Great Wealth Transfer	The Wealth Velocity™	Combined Effect
Nature	Redistribution of existing wealth	Creation of new wealth	Both happening simultaneously
Speed	Decades	Quarters	Near-term demand surge
Buyer profile	Heirs, already proximate to luxury	First-gen, entering spend sequence	Broader, deeper buyer base
Scale	$84T by 2045	$3T+ liquid by Q1 2027	Demand running ahead of supply
K-shape	Preserves existing concentration	Deepens the upper arm	Strongest luxury signal in a decade
Luxury impact	Sustains existing buyer base	Adds net-new first-gen buyers	Structural demand expansion

The Signal Nobody Is Publishing

Financial media covers IPO pipelines as equity stories. Luxury media covers trend cycles and brand heat, but nobody is connecting all of it. Few, if any, are mapping the full compounding effect of what happens when a single technology cycle generates wealth at this speed, across this many sectors simultaneously, backed by corporate cash flow and private market dry powder rather than debt, and puts it into the hands of people spending for the first time across the entire luxury stack. Luxury offers a unique lens to illuminate both forces, their structure and their trajectory.

The Great Wealth Transfer tells you wealth is moving. The Wealth Velocity™ tells you it is being created right now, fast, predominantly in the US, by people who have not yet bought the house, the plane ticket, the suite, or the bag, and that the structure of this particular cycle makes that demand more durable than anything we've witnessed previously.

Luxury is not just the beneficiary of the Wealth Velocity™, but is the primary destination. The only constraint is supply. And for the most exclusive categories across real estate, travel & hospitality, luxury cars and physical art and collectibles, supply is structurally fixed. That gap between accelerating demand and fixed supply is where value accumulates.