



UK Millionaires and the Osborne Budget Tulip's Post Budget Poll

Immediately after the budget, and helped, perhaps, by Osborne's presentation of it, millionaire reactions were very positive. The first table shows that over 90% thought it fair and justified by the UK's current economic situation – just one in ten thought it unfair.

Overall Budget Appraisal

Is this first coalition budget fair and justified in the UK's current economic situation?

	All UK Millionaires
	%
Is fair and justified	91
Is not fair and justified	9

Their general view was that it favoured neither the rich nor the poor and underprivileged – though more did think it favoured the rich rather than the poor!

For Richer or Poorer

Has this first coalition budget favoured?

	All UK Millionaires
	%
The richer and better-off	12
The poorer and underprivileged	6
Provided a fair balance to most UK sectors	82

They were almost unanimous that the principal budget tax changes were both fair and justified with the top six listed below all getting 80%+ approval, including the substantial VAT increase. Only the corporation tax and capital gains tax increases attracted significant disapproval, despite the latter being less stringent than anticipated. Their views on the freeze in alcohol and tobacco taxes was more ambivalent, with two thirds approving and a third disapproving - and Tulip may have been at fault in bracketing these two together.

Millionaires' Ratings of the Main Tax Changes

Is each of these changes fair and justified in the UK's current economic situation?

	All UK Millionaires
	% saying fair and justified
1% annual cuts in corporation tax down to 24% by 2014	97
Removal of Tax Credits and child benefit for those on income of over £40k	97
The VAT increase from 17.5% to 20%	94
Linking rises in Old Age pensions to the Earnings and not the Prices Index	86
Freezing the higher rate of income tax till 2014	80
Extending the entrepreneurs CGT Rate to First Five million of qualifying gains	80
Introduction of a Banks and Building Societies levy from 2011	74
No increase in alcohol or tobacco taxes	66
The increase in corporation tax from 21% to 22%	54
The increase in Capital Gains Tax from 18% to 28%	49

This approval stemmed partly from the wealthy doing better than they anticipated: half said they did better than expected and half said "much as expected" virtually none said worse than expected! And multimillionaires, those with three million plus in liquid assets, were the ones most strongly in favour of the budget changes.

The Impact on Millionaire Households

Overall is this budget better for you than expected or about what you expected?

	UK Millionaires	UK Multi-millionaires
	%	%
Better than expected	38	44
As expected	62	56

Given these positive views on the the budget's impact on them personally its unsurprising that most millionaires felt the budget was fair to most UK citizens. Only one in eight (12%) claimed it favoured the rich and better-off, whilst a substantial minority even said it favoured the poor and underprivileged.

The Overall Budget Bias

Has this first coalition budget favoured?

	UK Millionaires
	%
Favoured the richer and better-off	12
Favoured the poorer and more underprivileged	6
Provided a fair balance to most UK sectors	82

And in line with this three out of every four respondents believe Osborne got it right in terms of the balance between public expenditure cuts and tax rises.

The Balance between Public Spending Cuts & Tax Rises

	UK Millionaires
	%
Budget has the balance between public service expenditure cuts and tax rises about right	76
The budget has cut the public services sector too much	12
Not sure	12

Overall Tulip's view is that the results indicate that the budget was well-received by the UK's wealthier private investors, most of whom are themselves business owners, partners in professional practices or public company directors. It was seen as a budget that was positive for business and hence positive for these individuals both personally and professionally. Whether this view will continue to hold across the next twelve to eighteen months remains to be seen – and Tulip plans to mount another similar survey within that time frame.

- 1. Tulip interviewed a cross section of 50 wealthy investors with average liquid assets of £3.9 million sampled randomly from the Tulip database of wealthy UK private investors. 82% were mainly responsible for their households' investment decisions, the remainder being jointly responsible. Interviews were completed online within three days of the budget presentation in parliament.*

Tulip Financial Research Ltd – 89 Kennington Park Road, London SE11 4JJ

Tel: 020 7582 6870 – Fax: 020 7582 6674

Email: mail@tulipresearch.com

Web: www.tulipresearch.com

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