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# Boston area has 3rd-highest share of millionaire households in major US cities

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By [Matt Rocheleau](#)

GLOBE STAFF AUGUST 29, 2017

Greater Boston has the third highest share of households with \$1 million or more in wealth among major metropolitan areas.

About 7.5 percent of all households in the region, a total of about 139,000, held seven-figure fortunes in 2016, according to estimates compiled by the financial research firm Phoenix Marketing International.

Nationally, only the [Washington](#) and [San Francisco](#) areas had higher percentages of households with that much wealth last year, at 8.6 percent and 7.9 percent, respectively.

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The analysis considered “investable assets,” including: cash, investments (such as stocks, bonds, and personal retirement savings), and the cash value of life insurance policies. Notably, it did not include real estate or employer-sponsored retirement accounts, like 401(k)s.

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Professor Steven Neil Kaplan from the University of Chicago Booth School of Business said each of the cities at the top of the list have a large presence of top-paying industries.

In D.C., “there’s a lot of money in government and a lot of people who are getting that money,” including defense contractors and lawyers, he said. In San Francisco, “there’s a lot of technology firms and finance and a very large amount of wealth has been created in the Bay Area.”

And in Boston “you have the very strong educational institutions with Harvard, MIT, and others,” said Kaplan, adding “you’ve got big financial service companies and a highly-educated workforce and a lot of doctors.”

The Boston metropolitan area used for the analysis, a [geography](#) defined by the federal government, covers the city and includes a wide swath of Eastern Massachusetts, and parts of New Hampshire.

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Perhaps surprisingly, New York, the country's most populated metro area, ranked lower on the list (6.7 percent), in part because the city is both so large and so economically diverse.

“The number of very wealthy people in New York is high, but the number of people in general there is also high,” said Kaplan.

Beyond what it found in major cities, the survey's findings offered several illuminating details, including the following:

- For the entire United States, more than 6.7 million households, or about 5.5 percent, had at least \$1 million in wealth.
- The region of the United States with the highest share of millionaire households? The affluent Fairfield County [area](#) in the southwestern corner of Connecticut where 8.7 percent of households had at least \$1 million. The area included a cluster of high-end New York City suburbs collectively dubbed the “Gold Coast,” such as Greenwich, Stamford, Norwalk, and Darien.

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■ Greater Boston had nearly the same share of millionaire households as the heart of California's wine country in and around the [Napa Valley](#) (7.7 percent).

■ Other than the Boston area, the highest share of millionaire households in Massachusetts was on [Cape Cod](#), (7.6 percent) followed by the [area](#) that includes Martha's Vineyard and the Elizabeth Islands (7.4 percent).

The research firm developed its estimates using data from several sources, including financial and demographic figures from the Federal Reserve's Survey of Consumer Finances, Nielsen-Claritas, and the US Census Bureau. It also relied on about 10,000 surveys the firm conducts each year of "affluent people," whom they define as those with more than \$100,000 in assets.

The firm's analysis also broke down the sources of wealth for what it calculated to be the average US household with \$1 million or more. Based on that data, one-third of that wealth was in personal retirement accounts, one quarter was in equities, 11 percent in cash accounts, 9 percent in the cash value of life insurance policies; 9 percent in fixed income; 7 percent in fixed and variable annuities; and the rest in other places.

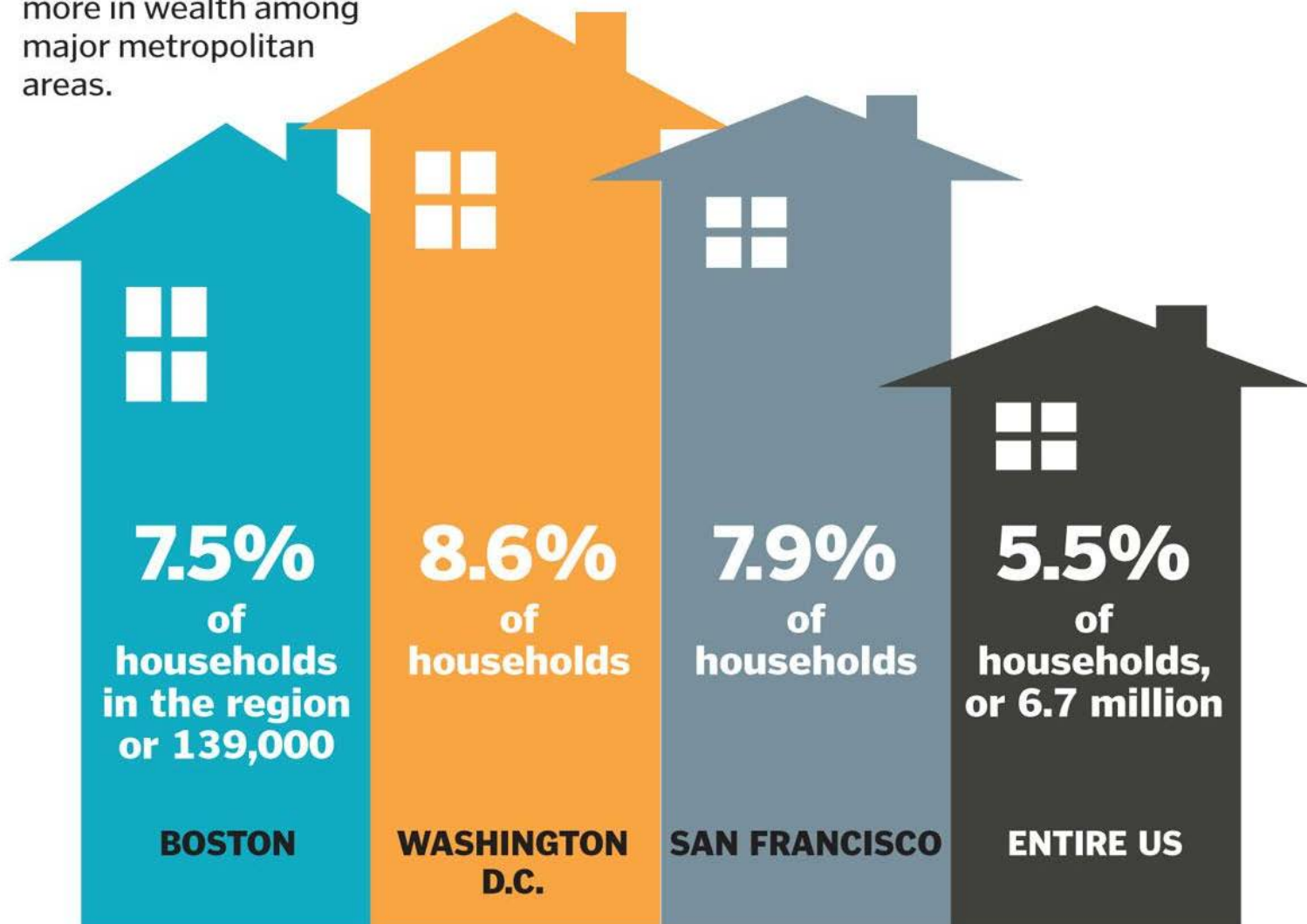
The same breakdown was not available for households in specific metro areas, such as Greater Boston.

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## Where the millionaires live

Greater Boston has the third highest share of households with \$1 million or more in wealth among major metropolitan areas.



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