Headline

Purses as a hedge: how designer handbags perform relative to inflation, the S&P 500, and other collectibles.

Pitch description

The pitch explores luxury handbags as an asset class, presenting them as alternative investment sources to stocks, and collectibles. The historical pricing of Hermes Birkins, Chanel Quilteds, and other iconic models will be used as part of the dataset, and their overall performance will be measured with the rate of inflation (both the percent rate and Consumer Price Index - CPI), the pricing of essential goods, the S&P 500, and other asset classes over time.

Purchasing designer handbags can be seen, at best, frivolous considering inflation and the rising cost of living. However in 2022, Deloitte and Credit Suisse released a joint collectibles report that posits investing in handbags as a hedging strategy. The report analyzes the low volatility of designer purses in the luxury asset class, citing the Birkin and Quilted retaining and appreciating in value over time. Notably the Chanel Quilted was found to be the top performing asset, relative to value retention, when compared to stocks, crypto and NFT's, watches, and fine art.

While the report was released two years ago, the value in designer bags appears to still hold — the Wall Street Journal and Yahoo Finance reports that prices of the most coveted bags continue to rise in 2023 and 2024; The Real Real's sales summary also reports strong resale value in designer handbags sold second-hand on the platform. These findings suggest the legitimacy of luxury goods as a low-volatility asset worth investing in, as inflation continues. It would be interesting to analyze designer handbags in this context, subverting the conventional lens of the style zeitgeist using the rigor of data.

The story would benefit from interactivity, where readers can toggle and compare between different metrics and models using a dropdown menu. An interactive line-chart would update the main chart's data as the reader scrolls through the article, and the reader would be able to hover over the different lines. I would also include little custom details, such as a bespoke header with raining handbags (Dior Saddle, Hermes Kelly, Louis Vuitton Pochette, etc.) as a catchy hero

graphic, and custom images throughout the article as needed. Ultimately, this story would illustrate the relationship that material goods have with money and each other, while touching on the mutability of wealth and, ultimately, the shifting nature of what we collectively need and value.

Development process.

- Ideation
  - Pen and paper sketching
  - mood-boarding and mock-ups

- Prototyping
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- Implementation
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Sketches, mock-ups, and timeframe.

All work was completed within a 4 day (96 hour) timeframe, beginning Tuesday July 9th @ 5pm with a deadline of Saturday July 13th @ 5pm. For a high fidelity demo, please refer to the interactive prototype [here](). Additional code and datasets are also hosted on github and can be found [here]().

Researching and finding the data or other necessary elements for the story.

Inflation would be obtained using the Consumer Price Index — this information is readily available from the government, namely through the U.S bureau of labor statistics and federal reserve both of which produce statistics on inflation and CPI.

S&P 500

A sample CSV has been attached

Any challenges you would potentially anticipate with your concept and how you would overcome them.

The graphical execution of this story is straight-forward, where the principal challenge of this story lies in obtaining a reliable source of data for the historical pricing of handbags. This data is owned by the corporations that release them, and is therefore private. Additionally, resale

pricing data is also owned by the platforms they are sold on and aren't publicly released. Please refer to the above section for the process and caveats in obtaining the data.

References:

- https://www.wsj.com/finance/stocks/why-prices-for-the-worlds-most-expensive-handbags-keep-rising-ef49c014
- https://www.theatlantic.com/technology/archive/2023/03/luxury-fashion-handbag-trends/673558/
- https://finance.yahoo.com/news/inflation-luxury-handbags-unaffordable-aspirational-buyer-140243863.html
- https://the-realreal.cdn.prismic.io/the-realreal/88351e3e-1c67-46de-90e8-6b9d95c8f648_Resale+Report+2023-Final.pdf
- https://www.deloitte.com/lu/en/services/financial-advisory/research/collectibles-amid-heightened-uncertainty-inflation.html
- https://www.bls.gov/opub/ted/2024/consumer-price-index-2023-in-review.htm