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10/20/10 at 11:10 AM | 19

## Analyst Places \$2.7 Billion Value on Michelle Obama's Public Wardrobe Choices

BY AMY ODELL

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In their latest *Business Review*, Harvard, that [fashion-obsessed](#) place a quick private plane ride north of us, had an analyst assess the monetary value Michelle Obama has on fashion labels she wears publicly. Apparently when Michelle wears something, that company's stock spikes upward. If it's not the label seeing a gain, stores that carry the labels, like Saks, stand to benefit. From November 2008 to December 2009, David Yermack counted that Michelle made 189 public appearances, and wore items by or sold at 29 publicly traded companies, including J.Crew, the Gap, Dillard's, and DSW. The total value generated by those appearances for those companies was \$2.7 billion, while Yermack estimates the total value of a single public appearance at \$14 million.

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It seems there can be no bad time for Michelle Obama to be seen wearing a label's clothing, and the best places for her to do it are probably overseas. When Michelle went to Europe last year, the companies affiliated with her wardrobe enjoyed an average gain of 16.3 percent — meanwhile, the S&P 500's average gain was only 6.1 percent. Michelle also might hurt the companies she doesn't wear: Yermack analyzed 27 apparel competitors not worn by the FLOTUS and found that they lost 0.4 percent in value. Also, he says that Michelle's returns are not affected by the president's approval rating, and that companies like Saks that sell labels she wears frequently have enjoyed long-term gains. So when the *Times* and so many others wondered if Michelle Obama could save the fashion industry when she got to the White House, it seems that yes, she can, but she's also slightly hurting part of it.

But why does Michelle have this effect? Plenty of famous people wear things without producing such dramatic line graphs, after all.

### **How do the returns compare with those generated by other brand endorsers**

Few models or celebrities make the kind of impact on company stock price that Michelle Obama does. The First Lady's astonishing influence may be tied to the fact that consumers know she's not paid to wear what she does, whereas they may subconsciously discount models' endorsements as inherently corrupt.

### **Have all First Ladies had this effect?**

No. Even fashion icons such as France's Carla Bruni-Sarkozy do not. Bruni-Sarkozy, like many First Ladies, dresses mainly in one brand: Dior. Obama mixes couture with items anyone can buy at a mall—she famously wore J. Crew gloves while holding the Lincoln Bible at the Inauguration. Consumers flock to the stores, and even if they don't buy what she wears, they often leave with something else.

Oh, oh, you hear that? Models are "inherently corrupt." He knows — he's in the *Harvard Business Review*!

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