

American Millionaires Show Tough Love to Heirs: Here's Help, But Make Your Own Way

Leaving a legacy includes money, but it's about much more than that, PNC survey finds -

PHILADELPHIA, Jan. 10, 2013 /[PRNewswire](#)/ -- More than four in five (82 percent) of American millionaires agree that each generation should be responsible for creating its own wealth, up significantly from the 65 percent who said the same thing in 2007, according to a new survey from PNC Wealth Management.

In another post-recession scenario, one third (31 percent) of millionaires anticipate a decline in the wealth they expect to pass on to the next generation, according to the ninth annual Wealth and Values Survey. This number has more than doubled since this topic was addressed in a previous Wealth and Values survey in 2007. However, 49 percent report that they expect to pass on at least \$500,000 of wealth to their heirs. More than eight in 10 (84 percent) say raising successful, hard-working children is their most important goal, an increase from 75 percent from five years ago.

"It is human to want your children to have a better life than you have had, but too much financial support might, at some point, have negative longer term consequences," said Steve Pappaterra, senior vice president and managing director of wealth planning for PNC Wealth Management. "It is important to communicate early and often with children and grandchildren about their goals and expectations, both in terms of financial and life achievements. Ultimately, parents want their children to make their own way in life."

In addition, the survey examined the notion of leaving a legacy, which goes beyond the simple step of transferring financial assets to the next generation. Nearly half (46 percent) of American millionaires said it means being remembered and passing on important family traditions. About two in 10 (19 percent) mention property as the biggest part of their legacy while 15 percent say the idea of leaving a legacy is an outdated notion.

The *Wealth and Values Survey* by PNC, which is among the nation's top 10 bank-owned wealth management firms, also revealed insights about the following issues:

- **What, me wealthy?** Three quarters (75 percent) said their financial situation growing up was "average," while 12 percent said they grew up poor and an equal number said they grew up well off or wealthy.
- **Leaving a financial legacy:** Millionaires expect financial aspects to be a significant component of their personal legacies. Nearly nine in 10 (86 percent) intend to leave something tangible for the next generation. They intend to do this in a variety of ways: passing on property, family heirlooms, or ownership/participation in a business. More than four in 10 (46 percent) millionaires expect to pass on assets through a trust fund.
- **Help is there:** Millionaires acknowledge they received some help (67 percent) from their own parents and they are doing more for their own children (91 percent). Not surprisingly, in light of the rising cost of education more than eight in 10 (84 percent) say they have or expect to provide financial support for higher education. Millionaire parents also strongly support basic purchases such as a car (61 percent) and down payments on homes (45 percent), as well as other general expenses.
- **Transfer of wealth:** A vast majority of wealthy households have taken some steps to plan for their ultimate transfer of wealth. Most have wills (82 percent) and some have established trusts (52 percent) and/or estate managers (52 percent). But nearly one in five (18 percent) do not have a will and seven in 10 (70 percent) do not have a formal financial plan. Among wealthy business owners, surprisingly few, only 15 percent, have a formal succession plan in place. Among those who already have set up a will, estate or trust plans, few have gone so far as to put in place any stipulations on how heirs access that inheritance (20 percent of millionaires).

An online media kit containing survey highlights and background information are available on PNC's website at <http://www.pnc.com/pncpresskits>.

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Survey Methodology

The *Wealth and Values Survey* was commissioned by PNC to identify attitudes about wealth among high-net-worth individuals, how it affects their lives and their needs in managing wealth. Artemis Strategy Group conducted the online survey in August and September 2012, 1,115 interviews were completed nationally including 560 millionaires with assets of \$1 million or more. Sampling error for 560 respondents is +/- 4.1 percent at the 95 percent confidence level. DISCLAIMER: This report was prepared for general information purposes only and is not intended as specific advice or recommendations. Any reliance upon this information is solely and exclusively at your own risk.

The survey was designed and managed by HNW, Inc. (www.hnw.com), an integrated marketing and technology firm with a focus on financial services and understanding and connecting with the affluent. The survey was supported by Artemis Strategy Group (www.ArtemisSG.com), a communications strategy research firm specializing in brand positioning and policy issues.

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