Most Affluent Americans Earn Their Wealth, Feel More Secure During Economic Downturns, PNC Survey Reveals

- 'Earners' Worry Less Than Heirs, Take Greater Risks With Investments -

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PHILADELPHIA, April 10 /PRNewswire-FirstCall/ -- An overwhelming number of affluent Americans earned their wealth and are more likely to feel secure during challenging economic times compared to peers who inherited their money, according to findings by PNC Wealth Management, a member of The PNC Financial Services Group, Inc. (NYSE: PNC).

PNC's fourth annual Wealth and Values Survey revealed that 69 percent of Americans with $500,000 or more in investable assets accumulated most of their fortune by earning it through work, business ownership or investments. This compares to the 6 percent who attained their wealth primarily through inheritance. The remaining 25 percent gained their wealth through a combination of inheritance and earnings.

Earned Wealth -- Why Worry?

The "earners" are more likely to be concerned about the likelihood of a recession, yet are more confident they can manage through a downturn, PNC found. When asked about a recession, 36 percent of earners said it was a concern, yet 77 percent agreed with the statement "I feel I have a lot of control over my financial future."

Meanwhile, 27 percent of heirs expressed concern about a recession. Yet, 10 percent fewer -- 67 percent -- expressed confidence about control of their finances in the future.

The earners also have a higher risk tolerance than heirs. Thirty-nine percent of earners rate themselves as moderate to risky investors compared with 21 percent of heirs.

"Among the earned wealthy there is a strong correlation between their willingness to take risks and confidence that they can recover from a major negative financial event," said Thomas P. Melcher, executive vice president and managing director of Hawthorn, PNC Wealth Management's ultra high net worth division. "Those who inherited their wealth often view themselves as stewards for future generations. As a result, they tend to be more conservative in their approach to investing.

"By understanding the psychology of wealth, wealth managers are better able to deliver holistic advice, the success of which is measured both through investment returns and appreciation for the lifestyle that wealth allows," he added.

Other survey highlights include:

-- Happiness is Relative: Three quarters (76 percent) of earners agree "My financial success lets me feel less stress and worry" as opposed to 50 percent of heirs. And 51 percent of earners agree "As I have accumulated more money in my life I have become happier" vs. 33 percent of heirs.

-- More Not Necessarily Merrier: Heirs are more than twice as likely to say "Having a lot of money brings about more problems than it solves" (20 percent vs. 9 percent among earners).

-- As Luck Would Have It: More people who have earned their wealth (37 percent) agree with the statement "The money I have made so far has come from being in the right place at the right time" compared with 25 percent of heirs.

-- Passing it On: Far more earners (68 percent vs. 28 percent) agree with the statement "Every generation should be responsible for creating its own wealth." In addition, 25 percent of earners vs. 14 percent of heirs agree with the statement "I am concerned my children will grow up entitled." And more earners believe "It is important for children to learn the value of money through hard work" (92 percent vs. 71 percent).

Survey Methodology

The Wealth and Values Survey is well established as a measurement of the pulse of the attitudes and thoughts of America's affluent. Previous surveys have focused on the children of the wealthy in the Growing up Wealthy survey of 2007; relationships in the Love and Money survey in 2006 and handing down legacies to future generations in 2005.

The Wealth and Values Survey was commissioned by PNC to identify attitudes about wealth among high-net-worth individuals, including how it affects their lives and their needs in managing wealth.

The survey was conducted online within the United States by Harris Interactive® in September and October 2007 among a nationwide cross section of 1,509 adults (age 18 or older), with annual incomes of $150,000 or above (if employed), at least $500,000 of investable assets (unless retired) or at least $1 million of investable assets (if retired).

Data are divided on responses to a question pertaining to the best descriptions of how respondents accumulated the majority of their financial assets.

"Earned Wealth-Only" respondents are those who obtained their wealth exclusively from at least one of the following sources: Occupation, employee stock options, investments (other than residential real estate), entrepreneurship, business ownership or sale of a business.

"Inherited/Other Wealth-Only" respondents obtained their wealth exclusively from at least one of the following sources: inheritance, trust fund, marriage, legal settlement, residential real estate or another way.

Respondents who indicated that their wealth was from both an "earned wealth" and an "inherited/other wealth" source are not included when making comparisons between the Earned Wealth-Only and Inherited/Other Wealth-Only groups

All data were combined and reweighted when calculating national statistics. The sampling error for national results is +/- 2.5 percent, for Earned Wealth-Only +/-3.0 percent, and for Inherited/Other Wealth-Only +/- 10.0 percent, at the 95 percent confidence level

The survey was designed and managed by HNW, Inc. (http://www.hnw.com/), a leading provider of wealth marketing software and solutions to financial services companies and intermediaries seeking to capture and serve the high net worth market.

The PNC Financial Services Group, Inc. (http://www.pnc.com/) is one of the nation's largest diversified financial services organizations providing consumer and business banking; specialized services for corporations and government entities, including corporate banking, real estate finance and asset-based lending; wealth management; asset management and global fund services.

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SOURCE: PNC Financial Services Group, Inc.

CONTACT: Alan Aldinger of PNC Financial Services Group, Inc.,
+1-412-768-3711, alan.aldinger@pnc.com

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