



**Northern Trust**

## **News Release**

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### **For Immediate Release**

## **Northern Trust Survey “Wealth in Black America” finds Generational Differences *Attitudes about Wealth Preservation and Wealth Transfer Differ***

**CHICAGO** – October 8, 2008 – Young affluent Blacks are more worried about wealth preservation than their older counterparts, according to “Wealth in Black America,” Northern Trust’s first annual survey of affluent Black households in the United States, including African-Americans and Blacks of other origins. Three in four Generations X & Y wealthy respondents (ages 18-42) said they are concerned about preserving their wealth, while less than half of respondents in the Boomer and Silent Generations (ages 43 and above) shared this concern.

“In this first survey, we found that the younger respondents are generally more concerned about what will happen to their wealth,” said Shundrawn Thomas, Senior Vice President and Head of Corporate Strategy for Northern Trust. “Many individuals at this phase of their life are in the ‘sandwich generation’ -- they are simultaneously caring for children as well as aging parents. Trends such as rapidly rising health care and education costs in concert with longer life spans exacerbate their concerns. They want to ensure that their wealth can provide for family needs.”

Generations X & Y respondents are also more worried about how their wealth will impact their children and future generations. Approximately 80 percent said they are concerned with ensuring the next generation of family members will lead productive, meaningful lives amidst affluence, and that they will pass on family values. In contrast, less than half (47 percent) of Boomer and Silent Generations respondents are concerned about how their heirs will use their affluence and 37 percent worry about upholding values.

“There is a common concern among wealthy families that if their children grow up with a certain level of privilege, they may not learn the responsibility that comes with affluence,” said Thomas. “Most wealthy individuals have created their wealth in their own lifetime, contrary to popular belief. This is particularly true of wealthy Black Americans, with younger generations especially interested in teaching their children about fiscal responsibility and the importance of giving at a young age.”

According to “Wealth in Black America,” compared to older affluent respondents, nearly twice as many younger affluent Blacks think it is important to leave an estate to heirs; 71 percent think it is very or

extremely important, compared to 37 percent of older generations who feel it is very or extremely important to pass on their wealth. Yet, only approximately half of the younger respondents (54 percent) have developed a will, 30 percent plan to have one in the next year and 17 percent never plan to establish one.

Overall, respondents felt responsible for the financial needs of family members, with younger generations feeling the most responsible. More than half (59 percent) of Generations X & Y survey participants said they feel very or extremely financially responsible for the needs of family members, compared to 38 percent of older generations who said they feel strongly about supporting their family members.

“In working with wealthy families of all backgrounds, regardless of asset levels, we find that Black Americans are generally deeply inclined to support their family members financially,” said Thomas. “Their family’s needs factor prominently into their long-term financial objectives.”

Younger and older respondents share the same concerns about providing financial support for family members. The cost of long-term care or disability is of highest concern, cited by nearly half of participants (46 percent). Other top concerns include covering general living expenses (42 percent of respondents), and medical emergencies (33 percent of respondents). Six out of 10 currently provide financial support to parents and two out of five support adult siblings.

#### ***Additional Survey Highlights:***

- Respondents said they most frequently invest in cash-equivalent products (56 percent), real estate (44 percent), private equity (36 percent), and domestic large-cap equities (31 percent).
- The majority (64 percent) consider themselves as moderate investors when assessing their risk. They are more focused on total return than after-tax return; 65 percent compared to 27 percent, respectively.
- Sixty-two percent prefer to give money away during their lifetime, compared to only 3 percent who prefer to give money away through their will. The most frequent goal in charitable giving reported was to “support a cause I personally believe in,” cited by 70 percent of respondents, followed by “making a difference in the community/world,” cited by 50 percent of respondents.
- Respondents said they tend to donate more often to domestic organizations; 64 percent gave to religious organizations in 2007, followed by educational institutions (55 percent) and community organizations (47 percent). On average, Generation X & Y respondents gave \$49,100 to charitable organizations, while their older counterparts gave \$19,300.

#### **About “Wealth in Black America”**

Northern Trust’s first annual nationwide survey of affluent Black households, including African-Americans and Blacks of other origins, seeks to provide insight into their financial attitudes and preferences. The survey was conducted online within the United States by Harris Interactive between

July 2 and July 25, 2008 among nearly 200 Black, U.S. residents, age 18 or older with household incomes of \$250,000 or more, or \$1 million or more in investable assets.

**About Northern Trust:**

Northern Trust Corporation (Nasdaq: NTRS) is a leading provider of investment management, asset and fund administration, fiduciary and banking solutions for corporations, institutions and affluent individuals worldwide. Northern Trust, a multibank holding company based in Chicago, has a growing network of 85 offices in 18 U.S. states and has international offices in 15 locations in North America, Europe, the Middle East and the Asia-Pacific region. As of June 30, 2008, Northern Trust had assets under custody of US\$4.0 trillion, and assets under investment management of US\$751.4 billion. Northern Trust, founded in 1889, has earned distinction as an industry leader in combining exceptional service and expertise with innovative products and technology. For more information, visit

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