



NEWS RELEASE

8 in 10 Investors Are Taking Steps to Build Generational Wealth, and 1 in 5 are Making Substantial Financial Gifts to Loved Ones While They're Still Alive, According to New Ameriprise Money & Family Study

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Despite their plans to pass on wealth, fewer than 20% are completely transparent with relatives about their finances or giving plans

MINNEAPOLIS--(BUSINESS WIRE)-- Seventy-eight percent of respondents in a new survey issued today by Ameriprise Financial, Inc. (NYSE: AMP) have taken at least one step to build generational wealth, and 67% say passing it on to their heirs is important to them. But while they may be feeling generous with their money, they're tight-lipped about their intentions to give it away. Only 19% of respondents are completely transparent with relatives about their finances or giving plans. The Ameriprise Money & Family study surveyed more than 3,000 Americans between the ages of 30-70 with at least \$100,000 in investable assets, revealing how money moves from one generation to the next.

What exactly is "generational wealth?" That's up for debate.

More than 4 out of 10 (44%) survey respondents believe generational wealth is defined as having \$500,000 or more in total assets to pass down to loved ones. That said, a similar percentage (39%) say they are not sure what dollar amount constitutes generational wealth. Despite the lack of consensus on what the term means, there's a feeling of confidence among almost half of survey respondents that they will have enough to achieve it. Forty-five percent of



survey participants say they are on track to transfer generational wealth to members of their family.

The Money & Family survey also uncovered:

- Steps to build generational wealth vary. Nearly 8 out of 10 respondents (78%) are taking at least one of the following steps to build generational wealth:
 - Nearly two-thirds (62%) are saving money strategically
 - More than half (52%) are invested in stocks
 - More than a quarter (27%) are invested in real estate
 - 10% are building a business that they intend to pass down to heirs.
- Some have started “giving while living.” While most people plan to have their assets disbursed to loved ones after they die, a small but noteworthy population is giving away sizable portions of their estates while they’re still alive. Seventeen percent of those surveyed in the Money & Family study say they have already given what they consider a substantial amount of money to their heirs. Among respondents who are “giving while living,” almost a third (30%) have bestowed more than \$100,000 to their heirs.

“People want the best for their family, so it’s no surprise that many Americans are determined to pass generational wealth to their loved ones,” said Marcy Keckler, Senior Vice President of Financial Advice Strategy at Ameriprise.

“Our study points to an emerging trend of investors giving away assets while they’re alive, which may appeal to those who wish to see the impact that their gifts make in the lives of their heirs. A financial advisor can help determine the amount they can comfortably afford to give without putting their own financial security in jeopardy.”

Communication breakdowns

The Money & Family study also reveals why many investors – even those who plan to leave money to loved ones – are reluctant to talk about their finances with family.

- “It’s None of Their Business”. When asked what keeps them from discussing their finances and estate planning with family members, the most common reason was “it’s none of their business” (33%), followed by “I have shared some information, but don’t feel it’s necessary to be completely transparent” (32%), and “I don’t want to deal with any conflicts that might result” (18%).
- The real estate conundrum. The study found 68% of respondents plan to leave real estate – such as a home, vacation home, or land – that they own to their heirs, but more than half (56%) have not told their heirs about their intentions to do so – a trend that hints at the financial and emotional complexities of transferring real estate, particularly when multiple heirs are involved.
 - Among investors who plan to leave real estate to loved ones, 40% have some concerns:

- 15% say they worry their heirs won't be able to afford the upkeep and taxes.
- 14% say they are concerned it will go to more than one heir, and they'll have conflicts about it.
- An additional 13% fear their heirs will sell the property quickly.

"Whether their fears are founded or not, the concern we have is that these investors are avoiding topics of conversation that can have major impacts on the legacy of their estates and cause confusion and hurt feelings down the line," said Keckler. "We understand that money can be a stressful topic, especially among family members whose shared histories and financial situations may be complicated. That said, keeping everyone in the dark can exacerbate tensions."

For investors who may not be comfortable providing full transparency to their families, Keckler says it's critical to have their intentions clearly documented so there is no ambiguity as to where they intend for their assets to go after they've passed away.

Passing on financial values

One topic that investors aren't shying away from discussing is their financial values. In fact, a strong majority of survey respondents (80%) say passing their financial values to the next generation is important to them.

- 77% of parents say they take time to help their children understand the reasons behind their financial decisions.
- Another two-thirds (67%) say they talk to their children about how their values shape their financial decisions.

"Investors are clearly more comfortable talking about their values as it relates to money than they are about the specifics of their estates," said Keckler. "Instead of thinking of it as an 'either/or', we encourage people to use their values as a starting point in the conversation. This will make it easier to have an ongoing dialog and determine their comfort level with sharing more information as they make decisions and solidify their estate plans."

About the survey

The Money & Family study was created by Ameriprise Financial Inc. and conducted online by Artemis Strategy Group in January and February 2022 among 3,325 Americans ages 30–70 with \$100,000 or more in investable assets. The full sample of 3,325 is weighted on age, gender and race/ethnicity. To ensure sufficient response sizes for additional analysis, Ameriprise also oversampled investors who identify as Asian (340), Black (351) and Hispanic (403) (oversample not reflected in this document). For further information and details about the study, including verification of data that may not be published as part of this report, please contact Ameriprise Financial or go to www.ameriprise.com/family.

About Artemis Strategy Group

Artemis Strategy Group (www.Artemissg.com) is a communications strategy research firm specializing in brand positioning, thought leadership and policy issues.

About Ameriprise Financial

At Ameriprise Financial, we have been helping people feel confident about their financial future for more than 125 years. With extensive advisory, asset management and insurance capabilities and a nationwide network of approximately 10,000 financial advisors, we have the strength and expertise to serve the full range of individual and institutional investors' financial needs. For more information, or to find an Ameriprise financial advisor, visit ameriprise.com.

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