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# My life, my finances, my future

Rising Gen insights to help you  
navigate family wealth



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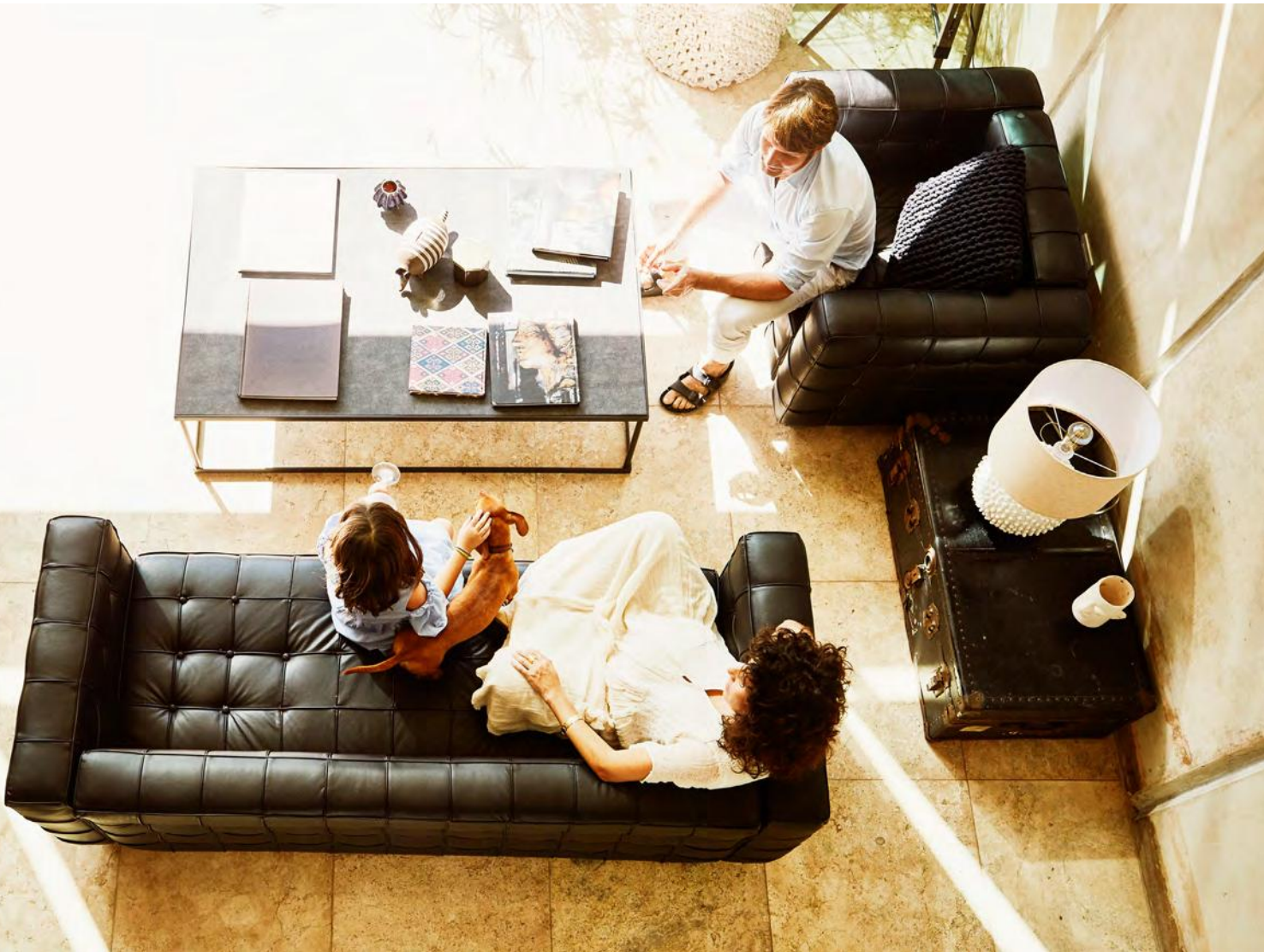
# Rising Gen views on family wealth

What does the future of wealth look like in the hands of the Rising Generation, those currently in their 20s and 30s? If you stand to inherit generational wealth, what do you need to help you navigate the path from rising to thriving to stewardship of your family legacy?

To help understand the views and needs of Rising Gen members, in early 2022, Wells Fargo Wealth & Investment Management (WIM), conducted two research studies with Rising Gen members who stand to inherit significant wealth from their parents. The national survey included 551 individuals, ages 20-39, who expect to receive at least \$1 million from their parents.

## **IYKYK: If you know, you know**

Rising Gen gets it. Children of parents with wealth are confident in what they know but are looking for more conversations about their specific family situation. They'd like to know what they stand to gain financially, but also what their family stands for, how they share wealth with others, and how they can find fulfillment within a multigenerational family.





For a deeper dive into the opinions and thoughts of Rising Gen members, 10 one-on-one interviews were conducted with current WIM clients in the same age group whose parents have upwards of \$50 million in assets. These open-ended conversations each lasted approximately one hour.

**These two research studies explored topics including:**

- Money and the impact it can have
- Communication with parents and family dynamics related to finances
- Thoughts on family values, lifestyle, and charitable giving
- Feelings about a potential inheritance and other financial support from parents

What the research studies revealed has profound implications for families, including the wealth creators and sustainers, as well as the future stewards of family wealth. The insights can help drive and deepen conversations among you, your parents and grandparents, and your advisors.

**Our research reveal focuses on four key findings:**

1. Rising Gen is appreciative of what they've been given but know it comes with responsibility.
2. They want to open the channels of communication to make better decisions for the long term.
3. They are more likely to want to live, work, and invest in line with a broader world view.
4. They want to learn more, and seek the help of advisors to understand their family's financial values and goals.

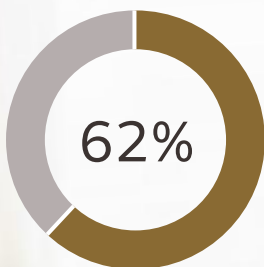
Versta Research conducted a national survey on behalf of Wells Fargo Wealth & Investment Management (WIM). Survey participants were drawn from national online research panels. Assuming no sampling bias, the maximum margin of sampling error is  $\pm 4\%$ . In addition, 10 interviews of WIM Rising Gen clients were conducted by Ipsos. In-depth interview subjects were identified and recruited with the assistance of WIM advisors in various regions across the U.S. All research — quantitative and qualitative — was conducted in January and February of 2022.

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# Rising Gen is aware and appreciative

Members of the Rising Generation who come from families with wealth understand and appreciate the opportunities and financial support they received growing up. Even into adulthood — and beyond just educational assistance — many receive ongoing financial support and have mixed feelings about that. They appreciate the freedom the money has given them, but also interpret financial support as a means for control or pressure from their parents or embarrassment in front of friends or peers.

As far as inheritances and trusts, most have a general idea of what they stand to gain but lack specifics. Given the tendencies of this generation, some seek out online information to learn more — business revenues, property values, donations, and the like.



Recognize that financial support from their parents has given them freedom to do what they want



## RESEARCH STUDY REVEAL

Most Rising Gen members show maturity about the financial gifts they receive and consider their own independence:

- Nearly all Rising Gen inheritors (94%) say it is important to earn their own living versus relying on their parents for financial support
- The majority (57%) feel pressure to live up to their family's standards of wealth and success
- More than a third say that financial support from their parents feels like a burden to them (37%) and their parents overdo it when it comes to giving them things (36%)
- One in five report that their current lifestyle is below what they grew up with — but almost half say they prefer this to what they grew up with

### How it started

Do you feel your parents earned their way?

91% YES

Rising Gen recognizes accomplishments of parents

### No filter

Direct quotes from one-on-ones with Rising Gen clients

*"Having money has provided me with so many experiences I wouldn't have had otherwise, and the amount of time I have not had to spend worrying about money is almost priceless."*

*"I don't want to just take my parents' money. I want to be able to contribute my part to it."*

*"It is a strange sense of immense privilege and also this weird thing where I feel guilt — that it isn't mine and I didn't create or earn it."*

### How it's going

Do you feel you earned your own way in the world?

43% NO

Rising Gen recognizes the financial leg up they've been given

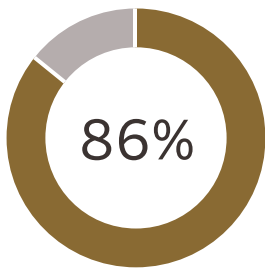


# Let's talk (more)

Rising Gen is in nearly constant contact with their parents — 93% communicate weekly and 48% daily. Conversations focus more on work and family, though, not on finances. Rising Gen understands the importance of family values related to making decisions about money, but they don't want to be the ones to bring it up. Families also are not talking about charitable giving as much as Rising Gen would like.

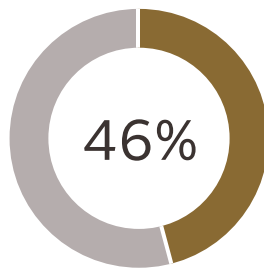
## How important is understanding family values related to money?

Rising Gen wants to know



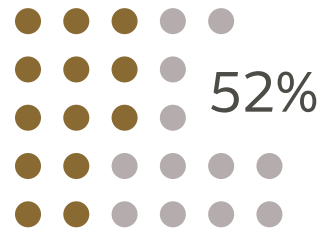
Say the most important thing they will inherit from their parents is their values, not their money

But their parents aren't talking about it



Report their parents rarely or never have conversations with them about money values and the roles that money plays in their lives

And they don't want to seem greedy



Worry that talking about money would make it seem like they want their parents' money

## How to get the convo started

Talking about money with your parents isn't easy. However, based on our experience, there are ways to enter into these conversations in a relaxed way that helps parents and children understand where the other is coming from.

Access two helpful articles: First, "[Bridging the gaps in family conversations about money](#)" provides a broader view of how to have fruitful conversations. Second, "[Conversation starters](#)" provides a quick download of practical advice — helpful hints and specific questions — to get your family talking.



**One in four see family dynamics as a threat**

- Rival siblings or potential heirs
- Making parents angry
- Parents getting a divorce
- A parent remarrying
- Divorce among younger generations

**What Rising Gen wants related to family communication and finances:**

- Regular meetings to discuss family finances would be valuable — 80%
- More transparency about money — 54%
- Information about an inheritance to help plan better for the future — 72%

**No filter**

Direct quotes from one-on-ones with Rising Gen clients

*“Talking about wealth with my parents can be a little uncomfortable, but it is a relief and illuminating at the end.”*

*“What’s encouraging to me is I think I’m actually on a really good path of knowing more than I ever have.”*

*“Just having those conversations and getting started early, I feel like we’re set up much better for success.”*

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# Using wealth for the greater good

Rising Gen members with trusts or inheritances want to use at least a part of their wealth to make the world a better place. They commonly say they want to use their money to improve the world or share it with others, while they see their parents placing more emphasis on helping their children or leaving a legacy.

## Making an impact

Interested in values-based or impact investing



2 out of 3

Want to share their wealth with others

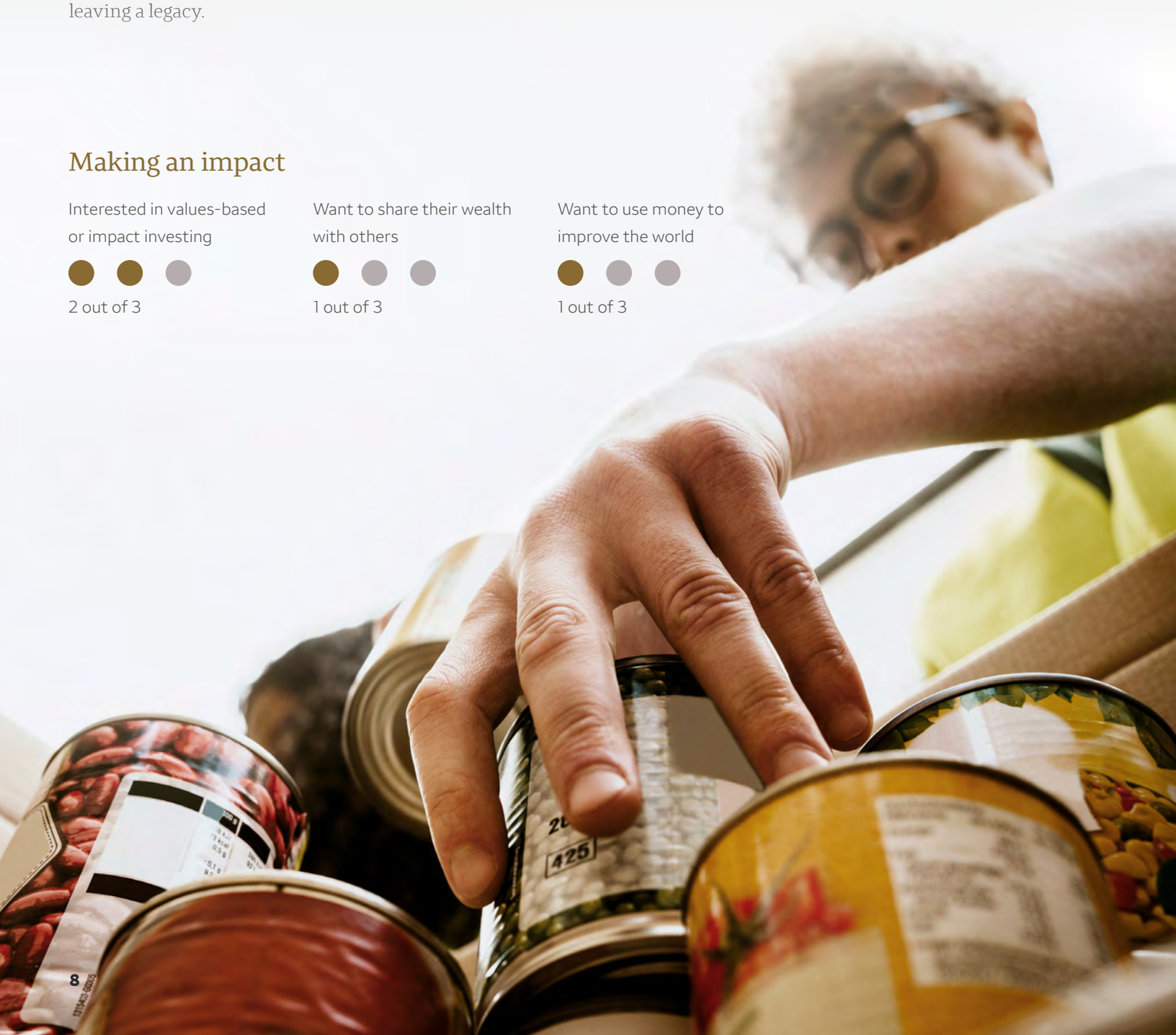


1 out of 3

Want to use money to improve the world



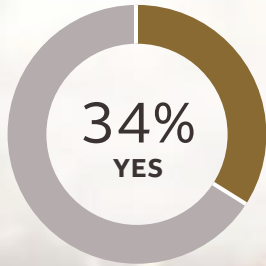
1 out of 3





## Across the generations

Does Rising Gen see improving the world as a goal?



Do they feel their parents have a similar goal?



Two-thirds rarely or never talk to their parents about charitable giving, yet research shows this as an important aspect of how Rising Gen finds fulfillment in their lives. Having conversations around charitable giving can:

- Help Rising Gen understand the level of charitable giving in place today within their family
- Engage Rising Gen in financial matters of importance to them
- Help the family identify unifying goals and values
- Improve family dynamics by including a broader group in conversation
- Provide a pathway to other more personal conversations that benefit the whole family

### No filter

Direct quotes from one-on-ones with Rising Gen clients

*“Continuing to find the right avenues for philanthropy and donations is big for me.”*

*“I’m very passionate about social equity, and what I do professionally bleeds over into personal places where I do volunteer work.”*

*“I’m way more focused on what I’m going to do that will make me fulfilled, rather than chasing the most money.”*

*“Every generation is going to want to live their values in tighter and tighter integration with their work or passions.”*

# In a word: Savvy

When it comes to financial matters, Rising Gen understands a great deal but also realizes there is much they don't know. They are already on a path to making good decisions, and they're willing to work with advisors to help.

Most Rising Gen members say they will invest some of their inheritance and spend some. Even their potential spending habits are informed and admirable, focusing on buying a house, paying for education, and using the money for experiences rather than materialistic items.

## Crushing it

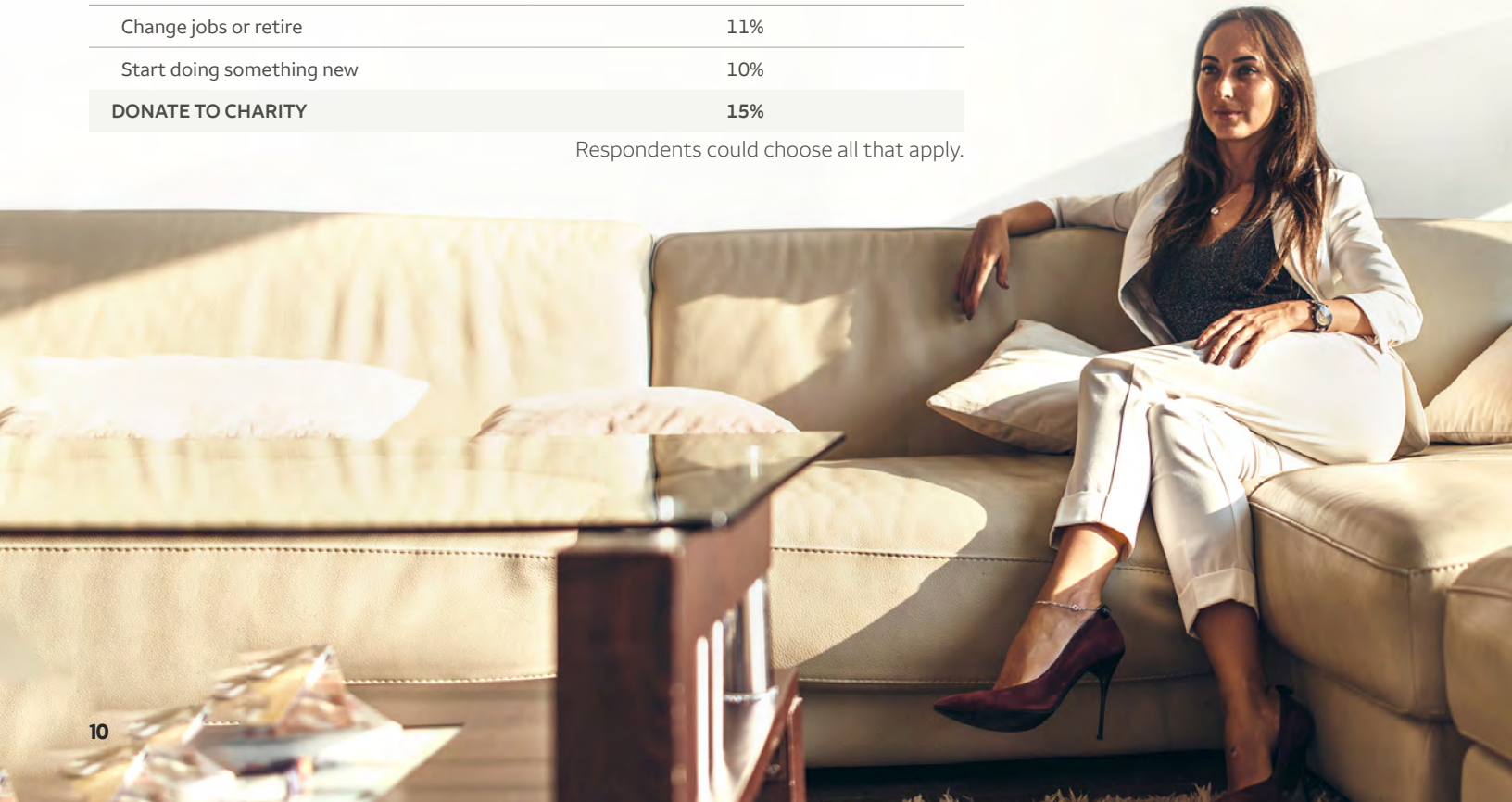


Three out of four give themselves a grade of A or B on their overall financial literacy

## What will Rising Gen do with their inheritance?

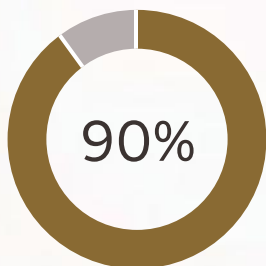
|                             |            |
|-----------------------------|------------|
| <b>INVEST IT</b>            | <b>80%</b> |
| <b>SPEND IT</b>             | <b>78%</b> |
| Buy a house or property     | 37%        |
| Pay for children's college  | 34%        |
| Pay off debt                | 33%        |
| Travel                      | 33%        |
| Spend in other ways         | 10%        |
| <b>EMBARK ON A NEW PATH</b> | <b>25%</b> |
| Open a business             | 11%        |
| Change jobs or retire       | 11%        |
| Start doing something new   | 10%        |
| <b>DONATE TO CHARITY</b>    | <b>15%</b> |

Respondents could choose all that apply.



## RESEARCH STUDY REVEAL

Rising Gen has a solid grasp on financial literacy but want to learn more — whether it is about family finances, new types of investments, or opportunities for the future. Just one in four (24%) want to make decisions themselves.



Feel it would be valuable for them to meet with their parents' financial advisor

### No filter

Direct quotes from one-on-ones with Rising Gen clients

*"Ultimately, it is best to stay at a [financial] firm that understands our whole family and our family dynamic, and they can tailor their guidance to us."*

*"Before we got into talking about all the financial planning and how the trusts work, we talked about our family values and what matters to us."*

*"For several generations now, we've seen what they've done to perpetuate their legacy, so we just want to continue that."*

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# Sharing family values around money

We heard from you loud and clear: Rising Gen wants to talk more about family financial matters, values, goals, and opportunities. Understanding what's going on in real life and real time is a necessary part of planning for your future.

Family conversations can help bring generations closer together, working toward the same goals. We can help you and your family:

- Talk through these findings to explore your thoughts and opinions, as well as those of your parents.
- Provide age-appropriate information about finances and wealth goals to promote success for all generations — starting early to provide a foundation for better decision-making.
- Facilitate conversations about family money values and how they impact finances, spending, investments, lifestyle, and charitable purpose.
- Empower the Rising Generation with information to make financial decisions — big or small, simple or complex.
- Sync financial objectives with personal aspirations and values using the LifeSync® experience which encompasses the many stages of life.

As the research studies show, it is not always easy to talk about money — but the stakes are high. Both children and parents can benefit from the conversations and either can start the discussion. It's never too early or too late to start talking or learning more about family finances! Please reach out if you'd like us to help.



**Stephanie Duignan**

Head of Family Wealth and Culture Services, Wells Fargo Wealth & Investment Management

*“Having family discussions related to financial matters promotes long-term multigenerational success. These conversations offer abundant opportunities to share values and goals that can lead Rising Gen to make meaningful decisions for their lives.”*

## Hooked on podcasts?

Here's one to add to your list: [Wells Fargo About Money](#). Short, fascinating conversations with insight into how to make better money decisions and work toward your financial goals.

## Learn more about Lifesync

