2018
Affluent Family Finances Report
We asked affluent families to get real with us about their finances.

From where they keep their money to how they spend it on their families and themselves. From what their children expect them to pay for, to what they actually plan on covering. In this report we'll have a look at how affluent parents balance the needs and expectations of their families with their ability to live comfortably in retirement and leave a legacy.
Here’s what today’s average affluent family in America looks like:

- **$231,100**
  2017 average pre-tax household income

- **$1,622,000**
  Average approximate total investable assets

- **88%**
  Are married or living with a partner

- **77%**
  Have a net worth of $1 million or more

- **90%**
  Said their wealth was self made

- **71%**
  Don’t financially support aging parents

**How many children?**

- 27%
- 49%
- 15%
- 8%

**METHODOLOGY:** This report presents the findings of an online study conducted by Engine, among a sample of 500 parents ages 18 and older who have total household investable assets of $500,000 or more. These online interviews took place September 27-October 7, 2018.
Where do affluent families put their money to work?

- **86%** checking account
- **76%** Roth IRA/IRA
- **74%** stock market
- **72%** savings account
- **62%** employer-sponsored retirement account
- **41%** high-yield savings account
- **27%** trust
- **22%** employee equity
The Department of Agriculture reported that as of 2017, the average cost of a child over their lifetime is $233,610, and 65% of affluent families reported planning to spend that much or more.

Those in the Northeast expect to pay more for their child over the course of their lifetime than respondents in any other region.
From grade school to graduation

70% of parents reported paying or planning to pay for their child’s college.

36% of parents reported not spending or not planning to spend anything on their child’s kindergarten through 12th grade education.

Of those that did report spending or planning to spend on their child’s grade school education, Affluent parents in the Northeast reported having spent or planning to spend significantly more on average for their child’s grade school education, with $96,800 on average versus $57,400 and $64,200 in the Midwest and West, respectively.
“Cutting the purse strings”

50% of affluent parents reported that they stopped, or planned to stop, supporting their children once they graduated from college.

39% said they planned to help or helped their child get their first job.

81% didn’t, or don’t expect to, change their retirement plans in order to support their child.
Leaving a legacy

For affluent families, leaving a legacy is not just handing over cash, but also mentally preparing their child for success. Affluent parents have high expectations of their children’s success and they are talking the talk to make sure those expectations are met. For the most part, the days of staying mum about money are in the past.

72% of affluent parents expect their children to be as, or more wealthy than they are.
When it comes to money, these are the topics affluent parents discuss with their children:

- **Saving & investing**
- **Earning & working hard**
- **Budgeting & spending**
- **Family's net worth**
- **Philanthropy & giving**

**TOPIC POPULARITY VARIED BY REGION**

Affluent parents in the Midwest and the South were significantly more likely to have talked to their children about saving and investing or budgeting and spending than their counterparts in the Northeast and the West.
When it comes to their financial legacies, more affluent parents are focused on living well in retirement than passing their wealth to their children.

66% of affluent parents surveyed say they would choose to spend on themselves in retirement over passing on an inheritance to their child.

How affluent parents plan on dividing their estate:

- Plan to leave something for their children: 98%
- Plan to leave something to their grandchildren: 39%
- Plan to leave something to charity: 32%
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