

# Personal Capital Releases New Survey Revealing How Affluent Americans Handle Family Finances

PERSONAL CAPITAL

Millennials Expect to Give Their Children More Financial Support Than Prior Generations; One in 10 Parents Overall Plan to Continue Supporting Their Children for Their Entire Lives

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SILICON VALLEY, Calif., Sept. 26, 2017 /PRNewswire/ -- Today, Personal Capital, the leading digital wealth management firm, released its Affluent Family Finances Survey. The findings were taken from a survey of 1,001 parents in the U.S. with household investable assets of \$500,000 or more and reveal how affluent mothers and fathers across generations – Millennial, Gen X and Baby Boomer – have supported and expect to support their children financially.

The survey presents new findings within four areas critical to the finances of affluent families. The takeaway? More money comes with many more demands.

## **Super Mom and Super Dad: Millennial Parents and Their Gen Z Children**

Millennial parents expect to do more financially for their children than prior generations of parents - and think their kids expect them to.

- Nine in 10 Millennial parents say their child/children will expect them to pay for big-ticket items like college, a wedding and/or a home, compared to 69 percent of parents overall.
- Seventy percent of Millennial parents (vs. 48 percent overall) say they would prioritize saving for their child's college education over their own retirement.
- Fifty-six percent of Millennial parents expect to pay \$100,000 or more for their child's college education, compared to 42 percent of Gen X and 23 percent of Baby Boomer parents.
- Parents from the Northeast feel the most pressure in this regard, with 46 percent who have paid or expect to pay \$100,000-plus for their child's undergraduate education, compared to just 31 percent of parents overall.
- Millennial parents are three times more likely to cover the entire cost of their child's house, and twice as likely to contribute a full down payment, compared to parents overall.

## **To Children of Affluent Parents, Money Does Grow on Trees**

- Among affluent parents, nearly two in 10 (19 percent) plan to support their children into the child's 30s or beyond, with 12 percent of parents planning to continue supporting their children into the child's 40s and beyond.
- More than half (54 percent; 68 percent for parents with \$3 million or more in investable assets) of parents have helped or plan to help their child financially when their child buys a home.
- Forty-five percent of parents have paid or expect to pay some or all of their child's rent, with 18 percent paying or expecting to pay for all of it.

## Let's Ask Mom

Across almost every age and income demographic, female parents are more generous when it comes to financially supporting their kids.

- Seventy-two percent of women vs. 66 percent of men say their children expected or will expect them to pay for big ticket purchases, from college to a house.
  - **College:** 64 percent (female) vs. 55 percent (male)
  - **Wedding:** 46 percent (female) vs. 42 percent (male)
  - **House:** 29 percent (female) vs. 26 percent (male)
- Mothers are more likely to give children extra money than fathers (38 percent vs. 31 percent).

## We Need to Talk - About Our Finances

- Ninety-seven percent of affluent parents plan to leave an inheritance to their children, with 91 percent planning to leave their children \$100,000 or more.
- Twenty-two percent never plan to tell their children their net worth. Of those planning to leave an inheritance, six in 10 think their children will be very responsible with the money.
- Half of affluent parents say their children know their salary, and just under half (47 percent) say their children know their net worth.

"Affluent parents, across generations, are feeling increasing pressure from their children to provide longer term support, yet they are still uncomfortable talking about their finances," said Personal Capital CEO Jay Shah. "The first step is for families to start conversations about family finances and legacy planning."

Personal Capital's state-of-the-art personal finance tools enable real-time financial visibility and management for 1.4 million registered users. The firm manages more than \$5 billion in assets on behalf of its clients and tracks over \$400 billion for registered users.

Shah added, "The next step is to engage with our financial tools, which provide a comprehensive view of all the family accounts in one place. We help get families all on the same page about finances, literally and digitally. We are looking to spark eye-opening conversations among families to help them navigate difficult topics about legacy planning and wealth preservation."

To download the full report, which includes, among other findings, regional differences throughout U.S. affluent parents' educational expectations for their children, their spending plans on big-ticket items like college and weddings, and when they want their kids to get jobs, please click [here](#).

## About Personal Capital

Personal Capital is the smart way to track and manage your financial life. Personal Capital combines award-winning online financial tools that provide unprecedented transparency into your finances with personal attention from registered financial advisors. The result is a complete transformation in the way you understand, manage and grow your net worth.

## Methodology

Personal Capital's Affluent Family Financial Support Survey presents the findings of an online study, conducted by ORC International, among a sample of 1,001 respondents ages 18 or older who are parents, and have total household investable assets of \$500,000 or more. The sample for the study came from an online panel. Invitations to participate in the study were sent beginning on September 7, 2017 and data collection continued through September 13, 2017.

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