

🖨 [Click to print](#) or Select '**Print**' in your browser menu to print this document.

Page printed from: <https://www.thinkadvisor.com/2018/2018/06/28/young-wealthy-americans-want-to-leave-a-socially-r/>

Young, Wealthy Americans Want to Leave a Socially Responsible Legacy

High-net-worth investors are thinking more critically about how to deploy their assets, RBC says.

By Michael Fischer | June 28, 2018

Wealthy Americans are increasingly thinking about the effects of their money throughout their lives and beyond, according to a recent survey commissioned by [RBC Wealth Management](https://www.rbcwealthmanagement.com/)



(<https://www.rbcwealthmanagement.com/>).

The poll found that high-net-worth Gen Xers and millennials are in the vanguard leading to a notion of American legacy influenced both by socially responsible spending and investing and by charitable giving.

“Americans have witnessed vast social and economic change in recent decades, and as a result they are thinking critically about deploying their assets in ways that will make the greatest impact,” [Ann Senne](https://www.rbcwealthmanagement.com/us/en/p/ann-senne/detail/) (https://www.rbcwealthmanagement.com/us/en/p/ann-senne/detail/), head of the U.S. advice and solutions group at RBC Wealth Management, said in a statement.

“Increasingly, they are turning to their advisors to help build a wealth plan that aligns with their values throughout their lives and sets the tone for the legacy they leave behind.”

The findings were based on a survey [The Economist Intelligence Unit](https://www.eiu.com/home.aspx) (https://www.eiu.com/home.aspx) conducted this spring among 1,051 high-net-worth individuals, including 365 respondents in the U.S., with minimum investable wealth of \$1 million.

EIU researchers asked the American respondents how they defined “legacy.” Sixty-eight percent named relationships with family, six percentage points ahead of the global average. Only 42% of the Americans cited what they were able to do for their families financially.

The American sample more than twice as often considered social impact on the world to be an important part of their legacy as opposed to financial impact on the world. Other key components of their vision of legacy were relationships with friends, for 33%; professional accomplishments, for 27%; and both relationships with and financial impact on their local community, for 12% and 9%.

A recent [study](https://www.thinkadvisor.com/2018/06/27/5-topics-wealthy-clients-are-clamoring-to-discuss/) (https://www.thinkadvisor.com/2018/06/27/5-topics-wealthy-clients-are-clamoring-to-discuss/) found that a growing number of high-net-worth American investors are basing investment decisions on companies’ environmental, social and governance track records.

Even as wealthy Americans in the EIU survey prioritized personal relationships over material assets, 61% recognized that wealth was the chief enabler of their legacy.

They were fairly optimistic about wealth building, with 90% expecting to acquire more wealth than their parents over the course of their lifetime. At the same time, only 51% expected the next generation to accumulate even more wealth than they will.

The survey found that the concept of wealth carries personal and complex meanings. Seventy-two percent of the American respondents defined it as financial security and independence, compared with 62% for the global average.

Fifty-five percent of the Americans said wealth was a measure of total financial asset value, about on par with the global sample.

According to the survey, 61% of Americans considered investments as the main factor that allows people to generate wealth. Fifty-six percent said it was better education, 55% new technologies and 52% greater access to information.

Nine in 10 Americans surveyed said financial instrument-based investments were among the top three ways in which they had accumulated their wealth, followed by 41% who cited real assets and 22% inheritance from their parents.

While more than a third of the U.S. sample said increasing their own wealth and creating a path to wealth for their children were important life goals, many cited nonfinancial ones: improving mental and physical well-being, 53%, and strengthening their relationship with their family, 43%.

Making a Difference

Socially responsible financial activities are becoming hallmarks of wealth planning for high-net-worth Americans, according to the survey. Two-thirds of younger Americans said they felt a personal responsibility to use their wealth to benefit broader society, compared with 39% of their older counterparts.

Younger U.S. respondents were also much likelier to agree that societal causes had become more important than wealth accumulation in defining a legacy.

Forty-nine percent of the younger U.S. cohort said they planned to distribute their wealth through giving or spending mostly while they were still alive, versus 22% of older Americans.

Nearly two-thirds of Gen Xers and millennials said they had an obligation to transfer wealth to the next generation, and three-quarters said they had a duty to transfer values.

While keeping an eye on the future, younger wealthy Americans are also thinking about how their day-to-day money moves can make a difference. Thirty-nine percent said they aligned spending with social causes, compared with 32% of their older counterparts.

And 29% of the former said they aligned their investments with their charitable giving goals, versus just 12% of the latter.

“As we assist the next generation in mapping out their wealth plan and ultimately their legacy, we are keenly aware that our clients want to feel good about how they’re deploying their assets, even how they make their spending decisions — both within their families and communities as well as in society at large,” [Angie O’Leary \(https://www.rbcwealthmanagement.com/us/en/p/angie-oleary/detail/?p=e\)](https://www.rbcwealthmanagement.com/us/en/p/angie-oleary/detail/?p=e), head of wealth planning at RBC Wealth Management in the U.S.

“While in many ways deeply personal, notions of wealth and legacy can also define a generation. The data suggests that millennials and Gen Xers know the power of wealth in improving the world for those who succeed them.”

— ***Check out [Here's How Much Money Americans Need to Be 'Wealthy'](https://www.thinkadvisor.com/2018/05/17/heres-how-much-money-americans-need-to-be-wealthy/) (https://www.thinkadvisor.com/2018/05/17/heres-how-much-money-americans-need-to-be-wealthy/) on ThinkAdvisor.***

Copyright 2018. ALM Media Properties, LLC. All rights reserved.