



Younger wealth aspirers less confident than their parents about reaching their financial goals

- 74% of UK's younger affluent individuals are confident in reaching their financial goals, however 64% are concerned about their long-term financial well-being
 - Meanwhile 84% of older respondents are confident they'll realise their financial goals
- 71% of younger respondents think that their beliefs about wealth are very different to those of their parents. Just 46% of older respondents felt the same
- Just 32% of older respondents felt that future generations will have greater opportunities to generate wealth
- 42% younger respondents see having enough funds for retirement as the most important financial goal

London, 11 September 2019 – Younger affluent individuals in the UK are less confident in reaching their financial goals of creating, preserving and managing wealth compared to their older cohort, according to a new study¹ released today, commissioned by RBC Wealth Management and conducted by The Economist Intelligence Unit ('the EIU').

The research showed that despite three-quarters of younger affluent individuals believing that they have enough time to accumulate a 'significant amount of wealth', nearly two-thirds are worried about securing their long-term financial well-being. More than half of the respondents have concerns that their family will not be able to pass on any inheritance, which appears justified as only a third of their older cohort believe that they had an obligation to leave one.

Seven in ten younger affluent respondents think that their beliefs about wealth are very different to those of their parents; with a similar percentage, 78%, believing that wealth is less easily attained or preserved today. Only a third of older affluent respondents believe that future generations will have more opportunity to generate wealth than their generation.

When asked about the greatest obstacles they have faced in reaching their financial goals, the rising cost of living, not being born into wealth and poor investment performance were the three biggest challenges. Competing financial priorities, having to take care of family, health/healthcare expenses and change in marital status were also high on the list of challenges, ranking fourth, fifth, sixth and seventh respectively.

Despite having less confidence than older generations, this research shows that sensible financial aspirational goals seem to have been adopted by younger respondents. 42% of the younger affluent respondents felt that saving for retirement was the most important financial goal. Increasing wealth,

¹Commissioned by RBC Wealth Management, The Economist Intelligence Unit (EIU) undertook a global study of 1,051 affluent individuals which included 205 respondents from the UK in May and June 2019. The survey looked at UK affluent individuals with a minimum income of £770,000 in investible assets and how explored how the meanings of legacy and wealth are being redefined across regions, genders and generations. Younger affluent individuals are defined as those in Gen Z, Millennials or Gen X (18-54 years old). Older affluent individuals are those born in 1964 or earlier (Baby Boomer or Silent Generation)

being able to retire at an earlier age and having enough to support a particular lifestyle were close second, third and fourth in priority. Protecting wealth for future well-being and saving for children's education were also important priorities for one in five of the respondents.

Commenting on the findings, Ross Jennings, Head of Sales & Relationship Management, RBC Wealth Management said: "We are seeing a notable shift in the inter-generational dynamics and this is reflected in the way different peer groups approach wealth accumulation and preservation. While younger generations are confident about their ability to generate wealth – thanks in part to greater entrepreneurial opportunities offered by technology and education – they are showing a high degree of sensibility in prioritising saving for retirement among their most important financial goals. At the same time, older generations are challenging long-held beliefs around inheritance obligations as cost inflation and longer life expectancy makes them reconsider their legacy transfer.

"It is for this reason we are putting significant resources to ensure we are ahead of these changing dynamics and that we understand the needs, goals and obstacles that are faced by our clients across multiple generations so that we can provide them with the best possible advice and meet their financial goals, grow, preserve and leave a legacy for the next generation."

What have been/are your greatest obstacles to reaching your financial goals?	Older financially aspirational respondents
Rising cost of living	26%
Did not come from a wealthy family	25%
Poor investment performance	18%
Competing financial priorities	17%
Having to take care of my family	14%
My own health/healthcare expenses	14%
Change in marital status (eg, divorced or widowed)	12%
Funding my business	8%
Not in a high earning career	8%
Level of spending on non-necessities	6%
Having to take care of my or my spouse's parents	6%

Source: *The Economist Intelligence Unit (EIU)*

Which of the following are your most important financial goals?	Younger financially aspirational respondents
Saving for retirement	42%
Increasing my wealth	30%
Being able to retire at an earlier age	30%
Having enough to support my lifestyle	25%
Protecting my wealth for my future well-being	22%
Saving for my children's education	20%
Advancing my career	16%
Leaving an inheritance for my children	15%
Being able to start/own a business	13%
Having enough to buy another home	12%
Growing my business	7%
Increasing the impact of my giving	7%
Passing my business on to heirs	5%

Source: *The Economist Intelligence Unit (EIU)*

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About RBC Wealth Management

[RBC Wealth Management](http://www.rbcwealthmanagement.com) is one of the world's top five largest wealth managers*. RBC Wealth Management directly serves affluent, high net worth and ultra high net worth clients globally with a full suite of banking, investment, trust and other wealth management solutions, from our key operational hubs in Canada, the United States, the British Isles, and Asia. The business also provides asset management products and services directly and through RBC and third party distributors to institutional and individual clients, through its RBC Global Asset Management business (which includes BlueBay Asset Management). RBC Wealth Management has C\$981 billion of assets under administration, C\$682 billion of assets under management and more than 4,800 financial consultants, advisors, private bankers, and trust officers. For more information, please visit www.rbcwealthmanagement.com.

*Scorpio Partnership Global Private Banking KPI Benchmark 2018. In the United States, securities are offered through RBC Wealth Management, a division of RBC Capital Markets, LLC, a wholly owned subsidiary of Royal Bank of Canada. Member NYSE/FINRA/SIPC.

About the Study

Commissioned by RBC Wealth Management, The Economist Intelligence Unit (EIU) undertook a global study of 1,051 high-net-worth individuals (HNWIs; those with at least US\$1MM (£768K) in investable assets), 522 adult children of HNWIs and 521 respondents who are not yet HNWIs but who have a minimum income of US\$100,000 (£77K). The study took place from May to June, 2019 and included 411 respondents in the UK. The margin of error on the UK sample is 4.8% with a 95% confidence level. The survey explored the shifting landscape of global wealth looking at where wealth will be, what it will be invested in, how it will be invested and who is investing.