

THE RISE OF GENERATIONAL WEALTH: UNLOCKING NEW POSSIBILITIES

QUINTET | BLACKROCK
2024 EUROPEAN WEALTH INSIGHTS



ABOUT QUINTET AND BLACKROCK



BlackRock

Quintet Private Bank, founded 75 years ago, is headquartered in Luxembourg and operates across Europe and the UK, managing over €90 billion in client assets.

Quintet operates under the following names: Brown Shipley in the UK, InsingerGilissen in the Netherlands, Merck Finck in Germany, Puilaetco in Belgium, and Quintet in the rest of Europe.

Brown Shipley, founded in 1810, is the UK subsidiary of Quintet Private Bank, providing wealth planning, investment management and lending services from its eight UK offices.

Amsterdam-headquartered **InsingerGilissen**, founded in 1779, is the Dutch branch of Quintet Private Bank, serving wealthy families and entrepreneurs with a long-term, multi-generational approach from six offices across the Netherlands.

Merck Finck, founded in 1870, is the German branch of Quintet Private Bank, offering holistic wealth management services from 10 German cities.

Puilaetco, the Belgian branch of Quintet Private Bank, is a wealth manager founded in 1868 that has served local families for five generations, combining innovation and tradition.

BlackRock is the world's leading asset manager, with assets under management of \$11.5 trillion as at the end of September 2024.*

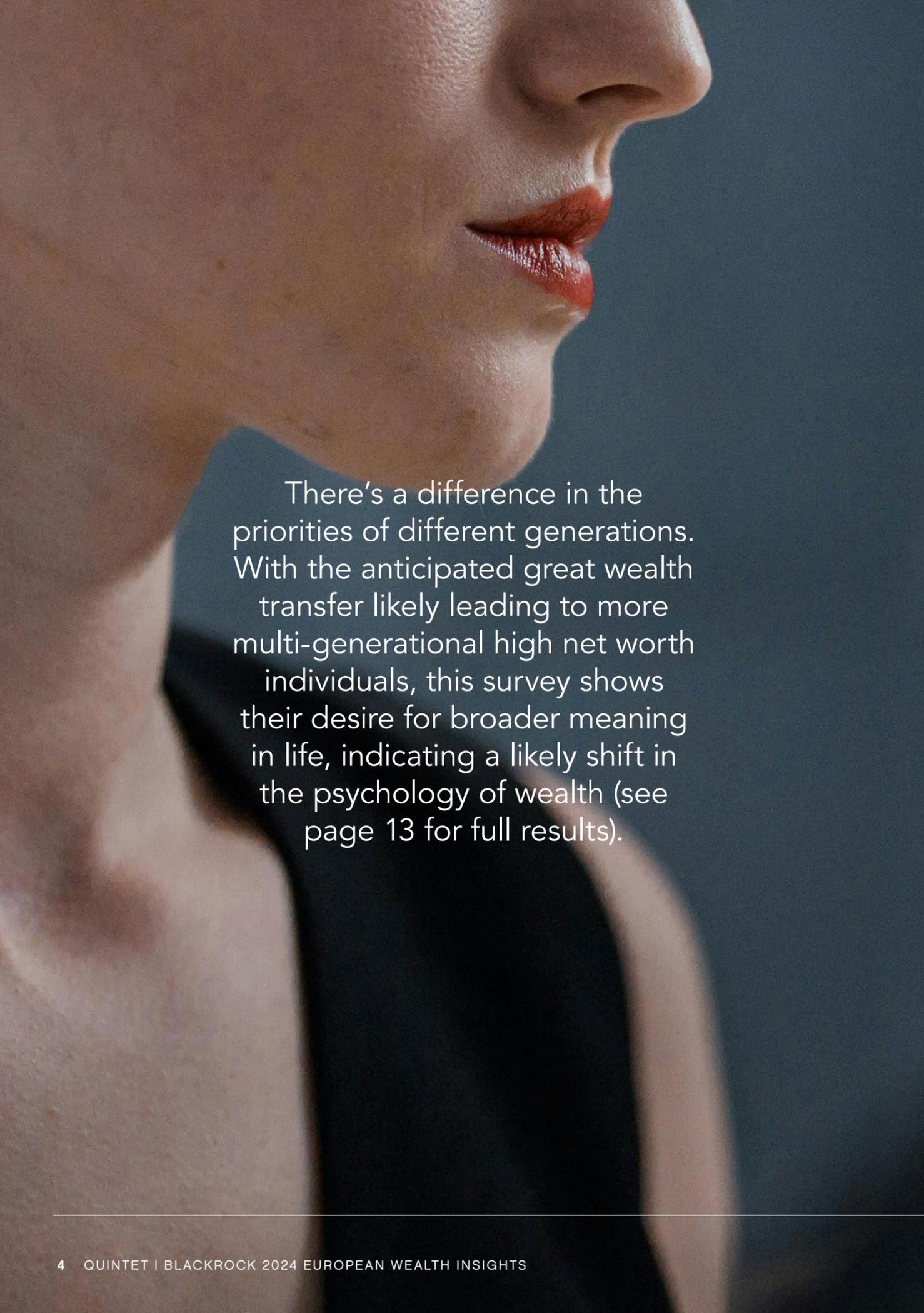
In 2023, Quintet and BlackRock signed an agreement to extend Quintet's investment capabilities. This collaboration aims to leverage BlackRock's scale and investment expertise.



*Source: Bloomberg, October 2024.



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There's a difference in the priorities of different generations. With the anticipated great wealth transfer likely leading to more multi-generational high net worth individuals, this survey shows their desire for broader meaning in life, indicating a likely shift in the psychology of wealth (see page 13 for full results).

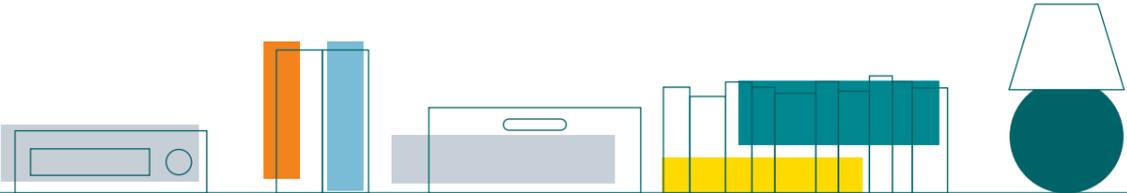
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WELCOME

It is our pleasure to share with you **The rise of generational wealth: Unlocking new possibilities**, which highlights the key findings of the first Quintet | BlackRock survey of European high net worth individuals.

As you will discover, we surveyed 595 high net worth individuals, asking a variety of forward-looking questions about their confidence in the future, retirement planning and wealth transfer preparations. Additionally, we explored what being wealthy means to them and how it influences their concerns and aspirations.

In the pages that follow, you will find our analysis of the results, including some surprising comparisons between those with significant inherited wealth and first-generation high net worth individuals.

Amidst the greatest wealth transfer of private wealth in history – with some \$18.3 trillion expected to be transferred by 2030¹ – we believe that understanding generational drivers and differences is more crucial than ever for organisations that help individuals and families in protecting, growing and passing down wealth.

On behalf of Quintet and BlackRock, we hope you find this report interesting and that it sparks discussions about your family's investment strategy and future plans – including from one generation to the next.

Regards,



Chris Allen

Group CEO
Quintet Private Bank



Ivan Pascual

Head of EMEA Wealth Client Business
BlackRock

¹ Source: Wealth-X. Preservation and succession: family wealth transfer 2021.



High net worth individuals appear confident about managing their wealth but not always sure that they've made the right decision.

METHODOLOGY

Research was conducted by Ipsos UK on behalf of Quintet and BlackRock between 19th August and 27th September 2024. An online self-completion survey conducted in four countries, with a total of 595 adults aged 30 plus completing the survey: 165 in the UK, 147 in Germany, 169 in the Netherlands and 114 in Belgium. Quota sampling was applied, and respondents were required to have at least £1 million (UK) / €1 million (DE, NL, BE) in liquid/investable assets. Data has not been weighted and is not nationally representative of any market to the known adult population on any demographics. More details can be found [here](#).

Adults referred to as coming from 'generational wealth' are defined as those who selected 'I come from a family, going back at least one generation, that has been successful in creating, preserving and/or growing wealth' when asked which answer option best describes their wealth background. Adults who are referred to as 'first-generation wealthy' have been defined as those who selected: 'I am the first-generation in my family to have created wealth' in the same question.

EXECUTIVE SUMMARY

High net worth individuals are optimistic about the outlook for their wealth

More than three-quarters of the high net worth individuals taking part in our survey believe their wealth will increase over the next five years. Those aiming primarily to grow rather than preserve their wealth are investing in risk assets such as equities, real estate and businesses.

Multi-generational wealthy creating a meaningful life

Our snapshot of attitudes to wealth among multi-generational individuals in our survey suggests that they place greater emphasis on creating meaning in life and living life to the full. With the 'great wealth transfer' over the coming decades expected to lead to many more multi-generational high net worth individuals, this suggests there will be a likely shift in the psychology of wealth.

The wealthy see both opportunities and stresses

Most high net worth individuals (80%) surveyed agree that their money brings them responsibilities but also opportunities. Attitudes among younger high net worth individuals under 45 in particular, suggest they are more sensitive to both the upsides and downsides of wealth, relative to older high net worth individuals.

Postponing planning for the future

While the high net worth individuals surveyed state that they think it's important to plan for retirement and inheritance, a high proportion haven't made such plans. For instance, one in three of those not already in retirement don't yet have a plan in place for their retirement. This potentially suggests they are at risk of not succeeding in their goals.

A wealth management paradox

There's a contradiction around the management of wealth. While high net worth individuals say they're confident in their ability to make smart financial decisions, they're not always certain that they've made the right decision. The majority (61%) fully trust their banks and financial advisors.

National nuances in culture, confidence and caution

Broadly speaking, UK high net worth individuals in our survey are more confident about their wealth than those in Germany, the Netherlands and Belgium. 88% of UK respondents say that their wealth is the result of hard work, notably higher than 68% of Belgians.



SURVEY THEMES AND FINDINGS

THE PSYCHOLOGY OF WEALTH

HIGH NET WORTH INDIVIDUALS ARE OPTIMISTIC ABOUT THE OUTLOOK FOR THEIR WEALTH

There's a strong sense of optimism expressed by the high net worth individuals in our survey about their personal wealth. Over the next five years, more than three-quarters (78%) of respondents believe their wealth will increase.

What's more, almost a third (31%) think the value will increase significantly, with just under half (47%) believing it will increase slightly.

The reasons for such a positive outlook? Mainly the likely performance of their investment portfolios (52%) and respondents' confidence in managing their wealth (51%).

Notably, UK high net worth individuals in our survey appear the most confident in these areas. They were more likely than their Belgian peers to cite the performance of their investment portfolios as a reason, and more likely than both their Belgian and Dutch peers to cite their confidence in managing their wealth.

Growth investors focus on risk assets

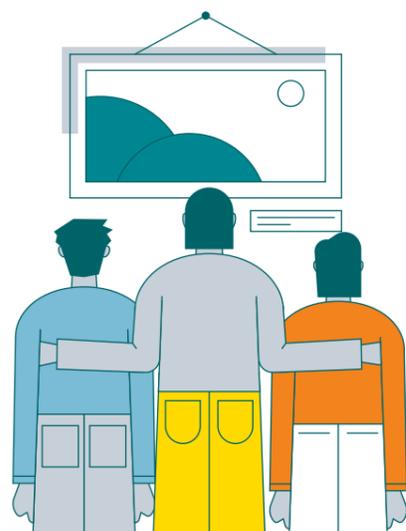
When it comes to investing, those surveyed looking to grow (51%) rather than preserve (25%) their wealth over five years are taking the most investment risk.

For instance, more than half of those looking to grow their wealth have invested in equities (53%) and real estate (52%). Additionally, more than four in 10 (43%) are invested in businesses.

By comparison, just under four in 10 (39%) of the respondents aiming primarily to preserve wealth invest in equities or real estate to achieve this goal. And under a fifth (17%) invest directly in businesses, notably fewer than those looking to grow wealth.

Seeking gains in alternatives, currencies and commodities

Growth seekers are also commonly investing in alternative investments (e.g. private equity, venture capital, hedge funds, etc) (30%), currencies (25%) and commodities (24%). Again, these are notably higher percentages than for respondents aiming primarily to preserve wealth.



MULTI-GENERATIONAL WEALTHY PRIORITISE CREATING A MEANINGFUL LIFE

There's a difference in the priorities of different generations of wealth. With the anticipated 'great wealth transfer'² likely leading to more multi-generational high net worth individuals, this survey shows their desire for broader meaning in life, indicating a likely shift in the psychology of wealth.

It's unsurprising that first-generation high net worth individuals have all the hallmarks of driven and single-minded people. For instance, 83% of them agree that they're motivated to grow their wealth, which is somewhat (but not notably) higher than 77% of the generational wealthy. What's more, 40% agree they value having the freedom to make their own decisions without interference, compared with a notably lower 27% of the generational wealthy.

By contrast, multi-gen high net worth individuals prize creating more meaning in life. They believe the purpose of their wealth is to enable them to live life to the full (34%), improve their health and the family's health (31%), and to act for the benefit of people and planet (22%). All are notably higher than for first-generation high net worth individuals (where agreement is 25%, 23% and 14% respectively).

Further, 69% of multi-gen high net worth individuals agree that their financial status allows them to connect with inspiring and influential people (notably higher than first-generation high net worth individuals at 62%).

² Source: Wealth-X. Preservation and succession: family wealth transfer 2021.

Today's multi-generational wealthy also prize personal achievement.

30%

30% agree with the statement that 'achieving personal success through demonstrating competence is very important to me'.

That's notably more than 19% of the first-generation wealthy.

When to tell heirs they're wealthy?

Disclosing to children or heirs that they're wealthy is a subject that's handled with care. According to respondents in our survey, the average ideal age for telling them about their wealth is 24, although in fact on average those with children/heirs made the disclosure when their children were 21.

Perceptions of the ideal age of heirs for disclosing wealth vary between countries. It's notably lower in the UK compared to all respondents and notably higher in the Netherlands compared to all respondents.

Returning to the differences between generations of wealth, the multi-generational wealthy who have children/heirs tend to tell their heirs about their wealth at a younger age than the first-gen wealthy do (at the ages of 20 and 22 on average, respectively).

THE WEALTHY SEE BOTH OPPORTUNITIES AND STRESSES

While wealth is naturally viewed positively by respondents for its opportunities, it also brings responsibilities. Attitudes among younger high net worth individuals, in particular, suggest they are more sensitive to both the upsides and downsides of wealth, relative to older high net worth individuals.

There's broad agreement that having money brings new possibilities but also new obligations.

80%

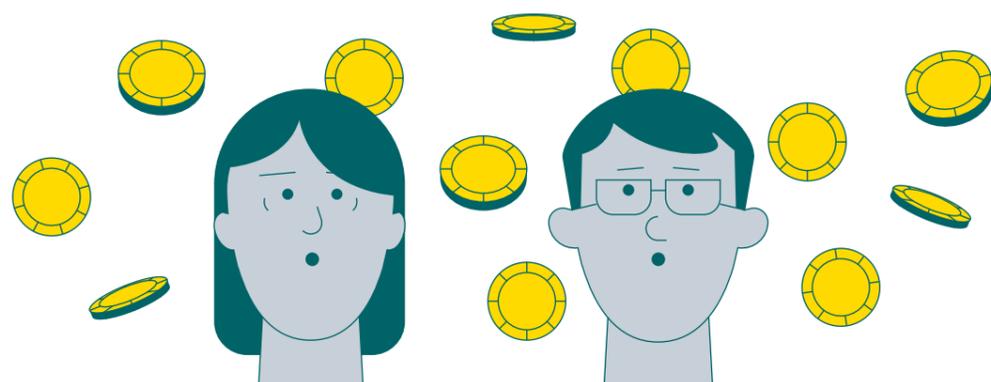
Most (80%) high net worth individuals surveyed agree that their money brings them responsibilities but also opportunities.

The benefits of wealth are evident in the answers to a question where respondents could select up to three statements about what is most important to them. Notably, **41%** of respondents value security – saying that safety and stability, for themselves and their loved ones, is paramount. Meanwhile, **37%** acknowledge that they believe in enjoying life and seeking pleasure, and **33%** value having the freedom to make their own decisions without interference.

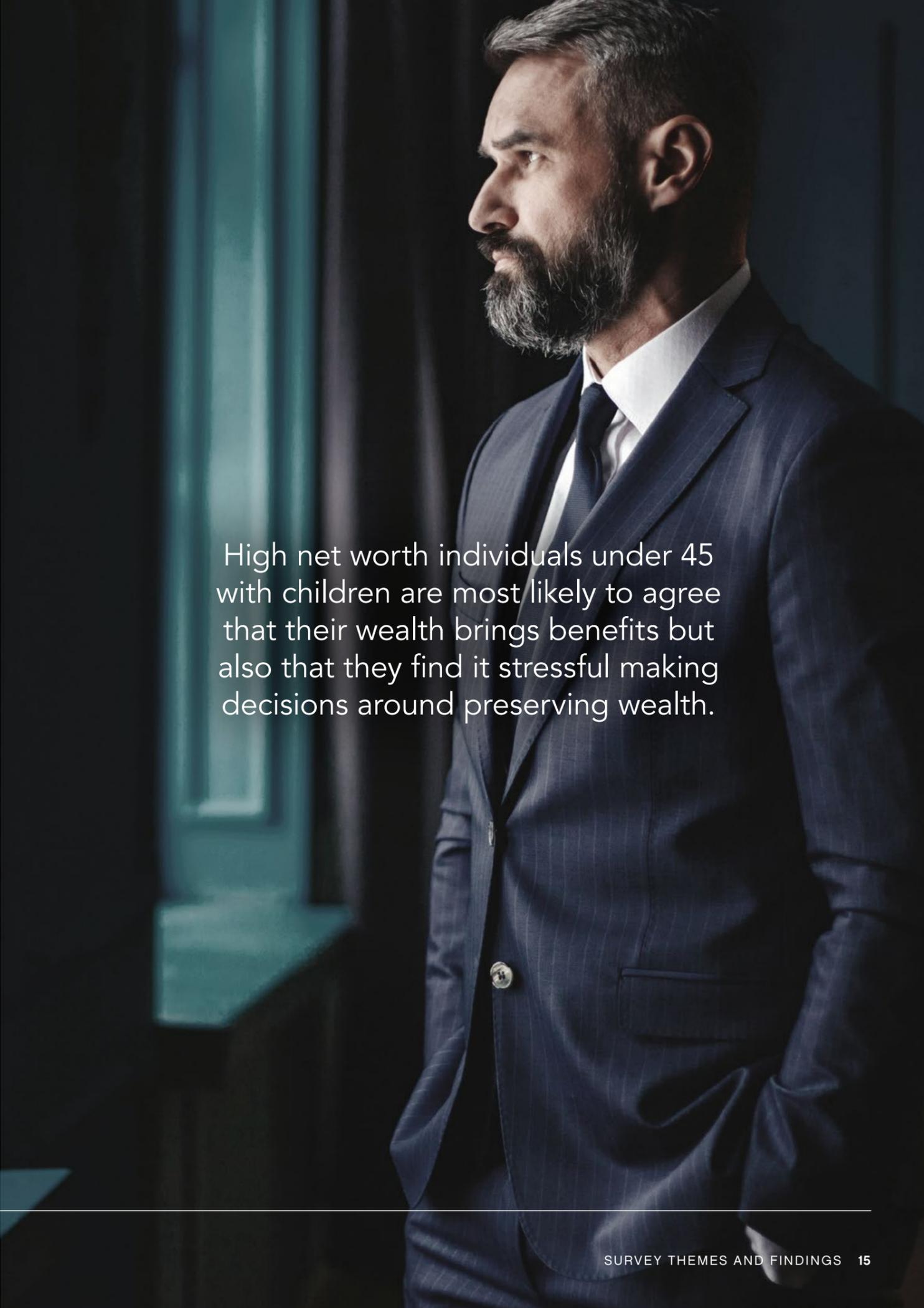
However, wealth does not make the world an entirely trouble-free place, as many agree that they worry their wealth could easily disappear (**41%**). Similarly, **44%** agree it makes them feel more exposed than protected.

Under 45s feel benefits and responsibilities most

Younger high net worth individuals could be viewed as both appreciating the benefits of wealth and feeling its stresses most acutely. High net worth individuals under 45 with children are notably more likely to agree that their wealth allows them to pursue more meaningful and fulfilling work, and that their successes spur them on to pursue other goals. However, they also find it stressful making decisions around preserving wealth. The under 45s surveyed are also more likely to see their wealth as a foundation for personal achievement.



High net worth individuals under 45 with children are most likely to agree that their wealth brings benefits but also that they find it stressful making decisions around preserving wealth.





It's notable that the people who have made plans to pass on their wealth appear more settled in their lives.

POSTPONING PLANNING FOR THE FUTURE

While the high net worth individuals surveyed state that they think it's important to plan for retirement and inheritance, a high proportion of them have yet to make specific plans. This could suggest they are at risk of not succeeding in their goals.

Postponing pensions...

It's widely believed that a purpose of wealth is to ensure a comfortable retirement, with **39%** of respondents saying this is the case. Yet a minority, **33%**, of those not already in retirement have yet to make retirement plans, and **16%** of them haven't even started to think about it.

Those who haven't made retirement plans tend to be younger, (under 45), have a lower net worth (between £/€ 1-10 million) and less ready to pass on wealth. Those without retirement plans give the following top three reasons for not having a retirement plan:

- 1 **It's too early for me to think about this (57%)**
- 2 **I don't intend to ever stop working or fully retire (23%)**
- 3 **I don't know where to start (18%)**

That said, **65%** of those not already in retirement have a full plan in place or have started making plans. This includes, **36%** of respondents who have started making plans, with a higher proportion of UK high net worth individuals doing so. Among those saying they haven't started making plans because they don't know where to start, a notably higher proportion are Dutch.

And delaying inheritance plans

Turning to inheritance, **80%** of individuals intend to pass on their wealth to their children/heirs, yet **27%** of those intending to don't yet have a plan in place. Those who don't have a plan are mainly, **72%**, employed by companies, and are notably less likely to be self-employed, entrepreneurs or those who have suddenly come into money. They also tend to be the less wealthy (with a lower net worth and lower value of investable assets).

It's notable that the people surveyed who have made plans to pass on their wealth appear more settled in their lives.



81% of them agree with the statement that wealth is 'comparable to a garden that requires ongoing care and nurturing to flourish'.

Those who have started to make plans tend to rely on their wealth managers. **64%** agree that they have full trust in their banks/financial advisors, which is notably higher than all respondents. However, **48%** agree that they find it stressful making decisions about preserving their wealth.



A WEALTH MANAGEMENT PARADOX

There's an apparent paradox in the management of wealth. High net worth individuals appear confident about managing their wealth, but are not always sure that they've made the right decision. The majority (61%) fully trust their banks and financial advisors.

Survey respondents appear confident in their abilities.

76%

More than three-quarters (76%) agree that they trust their ability to take smart financial decisions and recover from setbacks.

Yet almost one in two (49%) agree they are not always certain whether they've made a good financial decision or not.

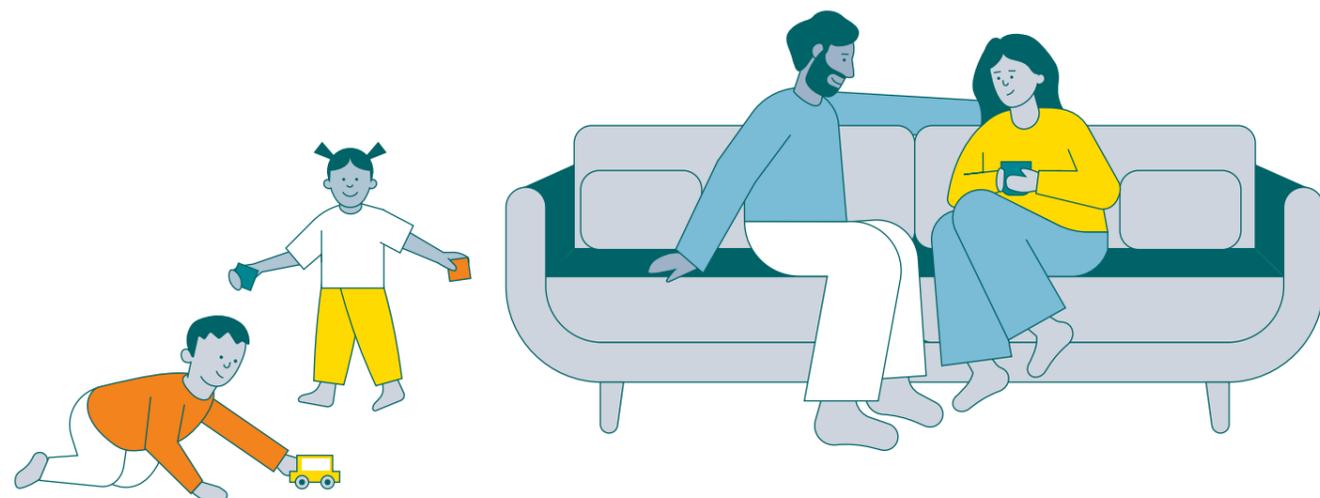
Uncertainty is higher among Dutch respondents.

High levels of trust in banks and financial advisors

It's clear, though, that there's trust in banks and financial advisors. 61% of respondents agree that they fully trust them, and consequently don't have any worries about preserving wealth. That percentage rises to 65% among younger respondents, aged 30-44.

However, the less wealthy are less trusting. 50% of those with a lower value of assets agree that they find it hard to let go and trust others with their finances.

Multi-gen high net worth individuals are most prepared to delegate to the family. While 67% of respondents with children/heirs agree they have clear guidelines and principles in place for their children/heirs to follow when managing the family wealth, this proportion is highest among multi-gen respondents with heirs (72%). They're also most likely to agree that they regularly review their plans around wealth management (70%), compared to all respondents with heirs (65%).



NATIONAL NUANCES IN CULTURE, CONFIDENCE AND CAUTION

There are market nuances in attitudes to wealth. UK high net worth individuals stand out as more confident about their wealth. Meanwhile, those in Germany, the Netherlands and Belgium appear to be more cautious.

There's a British saying that 'you make your own luck,' and it certainly seems the UK high net worth individuals surveyed believe this is the case for them. They're more likely to think their wealth is the result of their hard work and commitment. 88% of them agree with this, notably higher than just 68% of Belgians.

What's more, UK high net worth individuals are less worried about their wealth disappearing, with just 22% agreeing with this. For comparison, 51% of German and 49% of Dutch high net worth individuals agree that they worry about this.



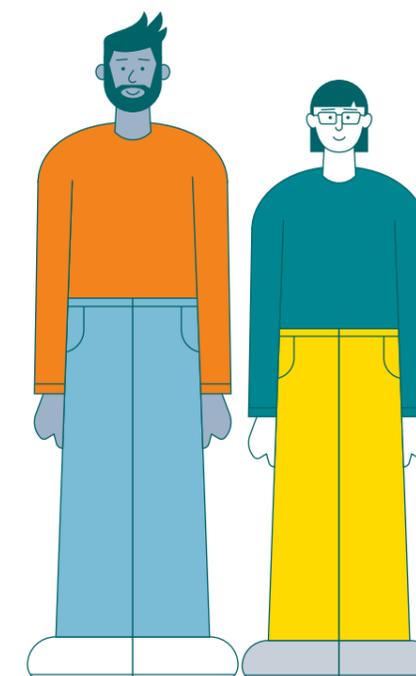
“ There's a British saying that 'you make your own luck,' and it certainly seems the UK high net worth individuals surveyed believe this is the case for them. ”

Turning to luck, Dutch (63%) and German (66%) respondents especially agree that it has played a part in their financial situation in life, which is notably higher than for UK high net worth individuals (46%) surveyed.

Confident British, cautious Belgians

Broadly speaking, this could all be taken to indicate that UK individuals are most likely to feel confident about managing their wealth – whether that's managing it themselves or trusting others.

However, Belgians could be generally interpreted to be more cautious with their ambitions and have less confidence in their abilities related to wealth and finance.



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