



Building on success

Financial insights from the affluent Black/African American community

Putting clients first. It’s a commitment we take very seriously here at Merrill. And it requires a genuine and deep understanding of each and every client — not just as individuals, but as members of larger communities.

Today in the United States, the Black/African American community represents roughly 14% of the nation’s population — a 30% increase since 2000.¹ And with each new generation, the population continues to grow — not just in number but also in purchasing power. According to U.S. Census Quick Facts, the Black/African American community accounts for \$1.3 trillion in annual purchasing power, and that amount is expected to climb to \$1.7 trillion by 2030.² It’s also a younger community, steadily building wealth, with nearly half of the community members under the age of 30.¹

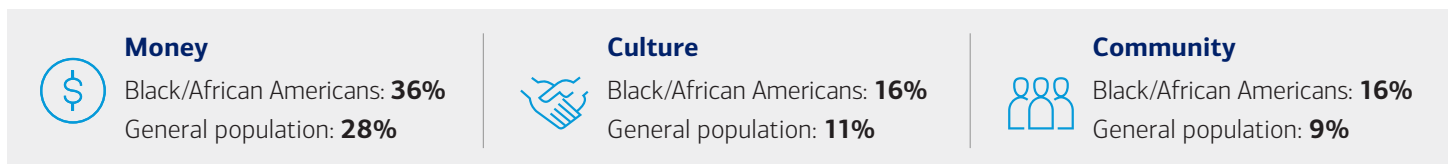
For decades we’ve sought to better understand the experiences, motivations and goals of the Black/African American community. As we continue to track these important trends, we realize that much has changed over the ensuing years — from a once-in-a-lifetime pandemic to rampant inflation, rising interest rates and worsening political tensions. To that end, we conducted a survey in 2023 to identify emerging trends and uncover the most pressing challenges, concerns and successes.

Priorities and motivators



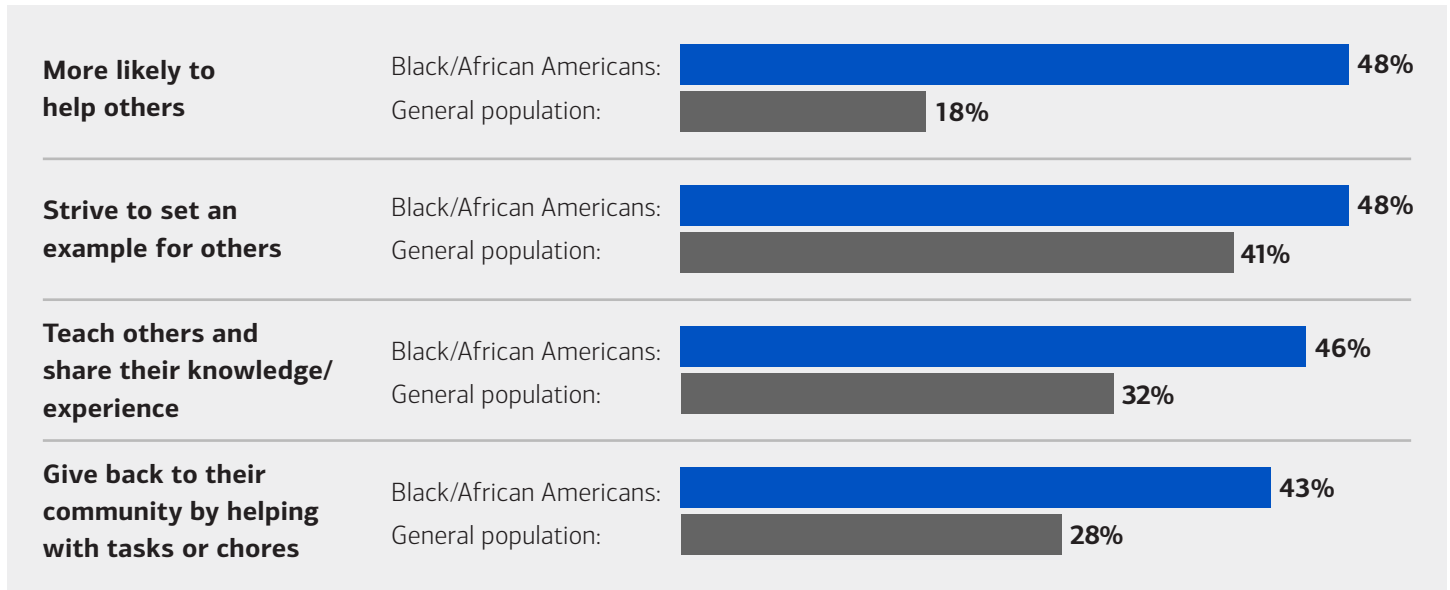
Black/African Americans are more likely to view money, culture and community as important

As was the case in our previous research, the affluent Black/African American community considers the wellbeing of their family and themselves as the two most important aspects of life. Compared to the affluent general population, they are more likely to view money, their culture and community as important life aspects.



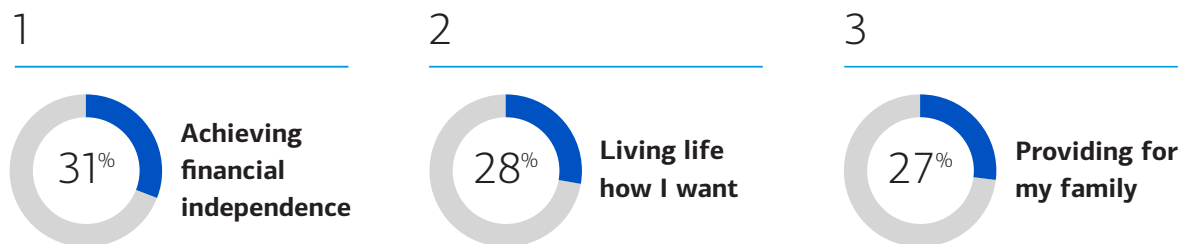
“Each one, reach one”

The Black/African American community feels a far greater sense of responsibility to help others in the community by being a role model, teaching others and giving back.



Achieving financial independence is a top financial motivator

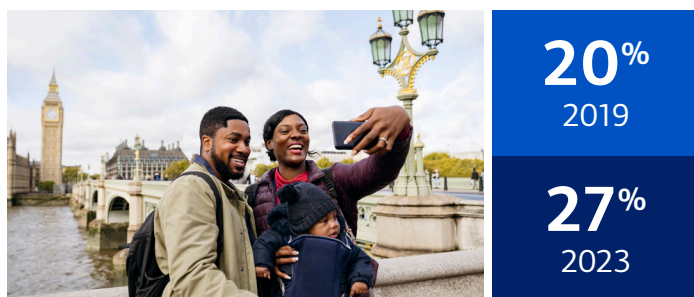
Like the general population, the top three financial motivators for the affluent Black/African American community are achieving financial independence, living life how I want and providing for my family.



Other motivators such as learning new things and starting a family increased in importance

While the top three motivators for the Black/African American community remained consistent from 2019 to 2023, other motivators increased in importance.

Learning new things, seeing new places and having new experiences

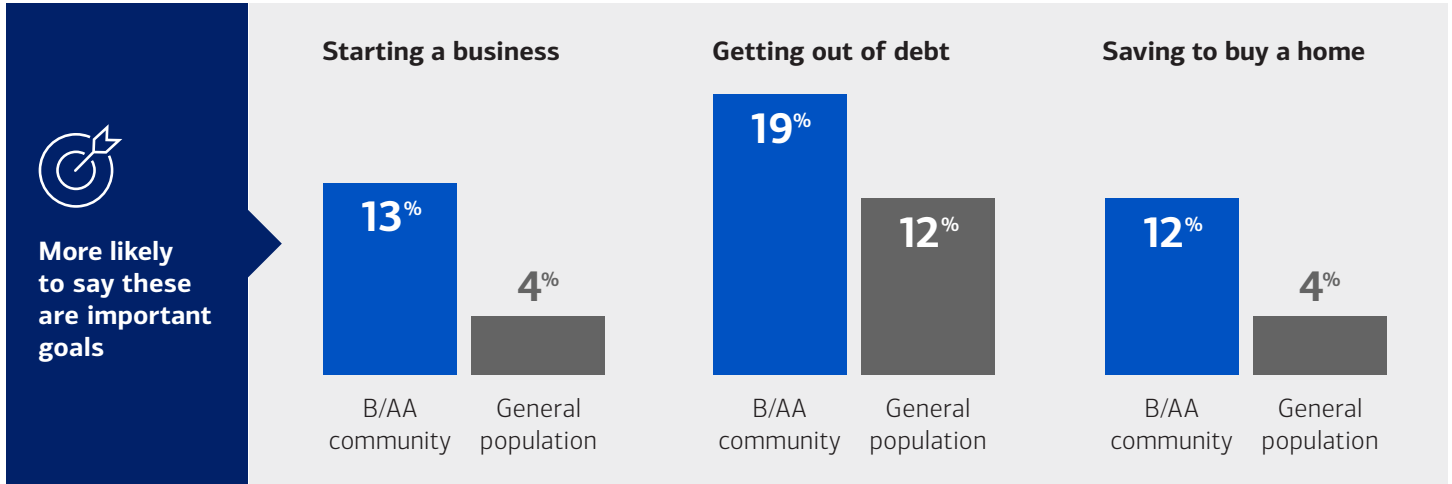


Starting a family




Black/African Americans are more likely to say starting a business is an important goal

The top three goals of the community mirror those of the general population — building savings, saving for retirement and achieving financial security in retirement. But affluent Black/African Americans are considerably more likely to say starting a business, getting out of debt and saving to buy a home are important goals.




Community members have a greater desire to achieve success

Affluent Black/African Americans also have a greater desire to achieve success and prove themselves to others. Compared to the general affluent population, they are more motivated by ambition or desire for personal achievement, pursuing work they love and proving themselves to those who said they wouldn't succeed.




Ambition or desire for personal achievement

Black/African Americans: **16%**
General population: **11%**



Pursuing work they love

Black/African Americans: **16%**
General population: **10%**



Proving themselves to those who said they wouldn't succeed

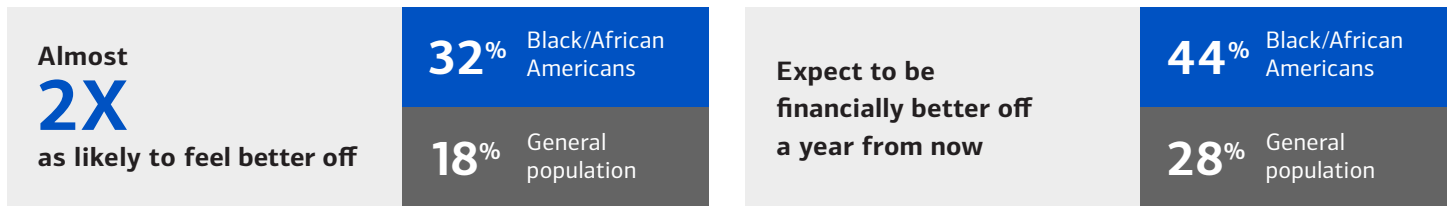
Black/African Americans: **11%**
General population: **4%**

Optimism, financial attitudes and perceived barriers



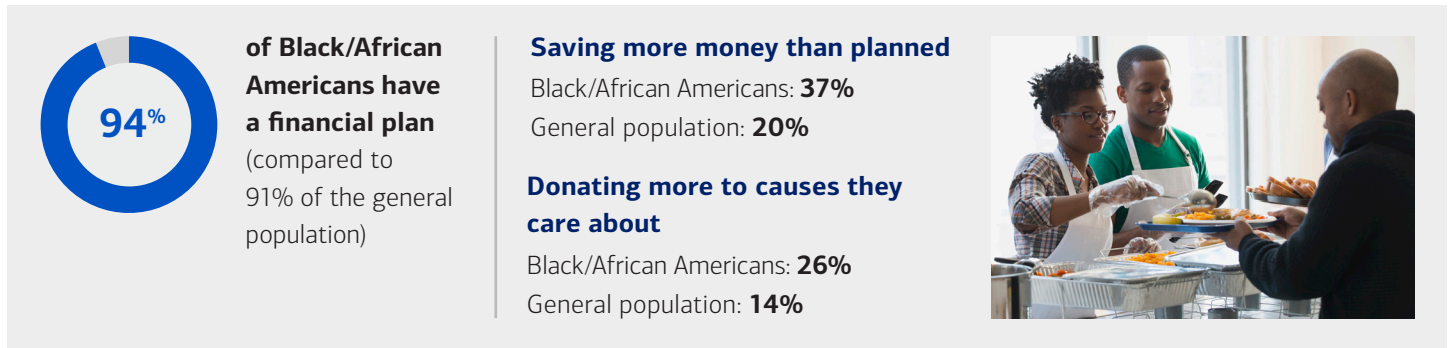
Black/African Americans are significantly more likely to feel better off about the economic outlook

Despite all the challenges of the past few years, members of the affluent Black/African American community are significantly more likely to feel better off about the economic outlook than the general population and are more optimistic about their financial future.



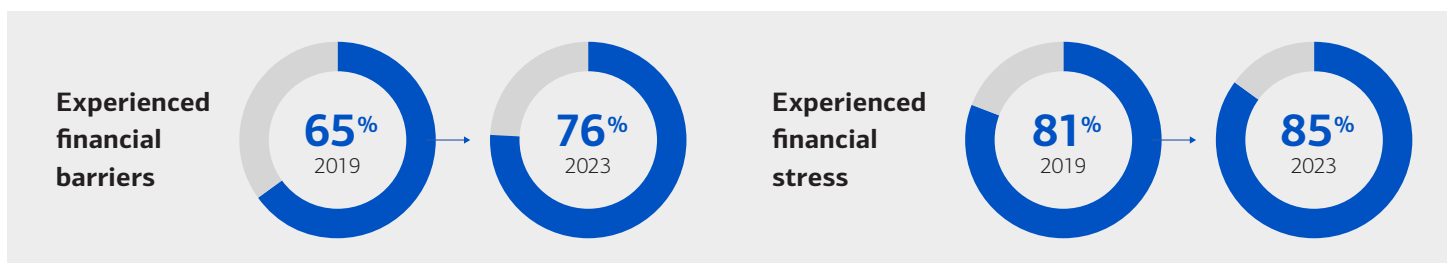
Black/African Americans’ savings outpaced the general population

Over the past three years, affluent Black/African Americans have outpaced the general population in saving more money than planned and donating more to causes they care about. Overall, this level of optimism is reflected by the effort Black/African Americans have put into financially planning for their futures.



There are some lingering barriers and stressors

Despite this optimism and financial momentum, affluent Black/African Americans are still experiencing some financial barriers and stressors. Saving enough for retirement, paying day-to-day expenses and carrying too much debt were the top three stressors in 2023. While in 2019, the affluent Black/African American community expressed less concern about saving for retirement than the affluent general population, that gap has now essentially disappeared.



The affluent Black/African American community also experiences increased financial stressors. For instance, debt-related stress is higher for affluent Black/African Americans compared to the affluent general population (18% vs 12%).

Paying day-to-day household bills and paying back loans or debt continue to be the top financial barriers for the affluent Black/African American community. The community’s strong focus on family also presents a potential challenge — with the financial responsibility of caring for others significantly higher in this community than the general affluent population (15% vs 6%).

Black/African Americans are more receptive to using digital tools for financial services

The affluent Black/African American community is more receptive to using online or mobile apps for various financial services, as well as significantly more interested in making environmentally conscious investments than the affluent general population. And from a financial product perspective, affluent Black/African Americans are nearly twice as likely to say they use loans and credit as part of their overall wealth management strategy.



Receptive to using online or mobile apps for financial services

Black/African Americans: **93%**
General population: **66%**



Interested in making environmentally conscious investments

Black/African Americans: **42%**
General population: **18%**



Use loans and credit as part of their overall wealth management strategy

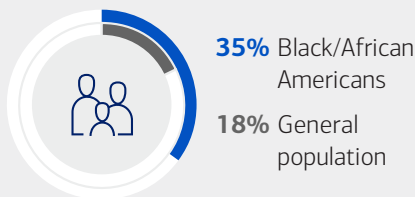
Black/African Americans: **37%**
General population: **19%**

They value financial institutions and advisors who understand their culture and community

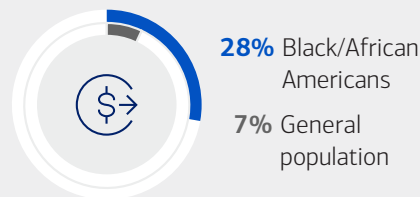
In keeping with the greater importance Black/African Americans place on community and family, they value financial institutions and advisors who understand the culture and community, help lend money to businesses in the community and provide hands-on financial education programs for the community.

Value financial institutions and advisors who...

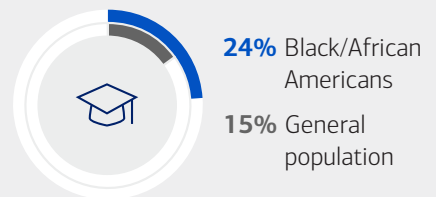
...understand the culture and community



...lend money to businesses in the community



...provide hands-on financial education for the community



The next generation



Black/African Americans want to set up future generations for success

Given affluent Black/African Americans' major focus and priority on family, it's no surprise to see the community more motivated than the affluent general population to set up future generations for success.



2X

as likely to have a strong motivation to set up future generations for success

Black/African Americans are more likely to prioritize...

...setting up one or more trusts for the benefit of the next generation



...purchasing stocks and/or bonds either with or for the next generation



...offering the next generation access to financial magazines or books



However, they see barriers to setting up the next generation

Compared to the general population, the Black/African American community foresees greater barriers to setting up the next generation for success.



Not enough time to teach financial concepts to the next generation

Black/African Americans: **18%**
General population: **8%**



Not sure where to find online tools and resources to teach financial concepts

Black/African Americans: **14%**
General population: **5%**



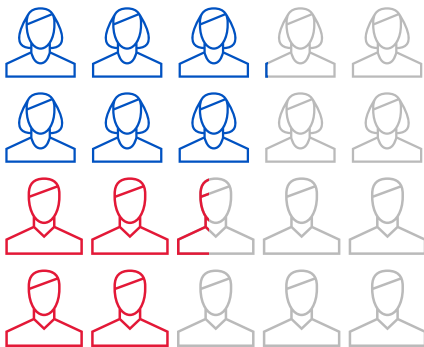
Not enough knowledge of the latest financial tools and topics

Black/African Americans: **22%**
General population: **14%**

Black/African American women are more focused on educating the next generation

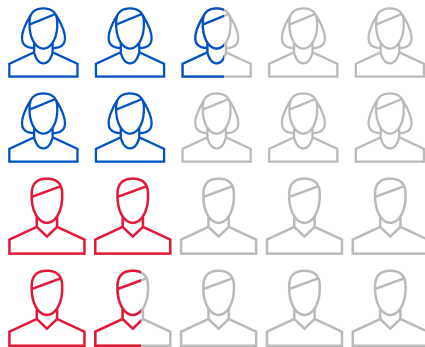
Women in the community are far more likely than their male counterparts to believe next-gen education is the responsibility of parents/family and are more focused on teaching the basics of investing and importance of saving to children.

Believe next-gen education is the responsibility of parents/family



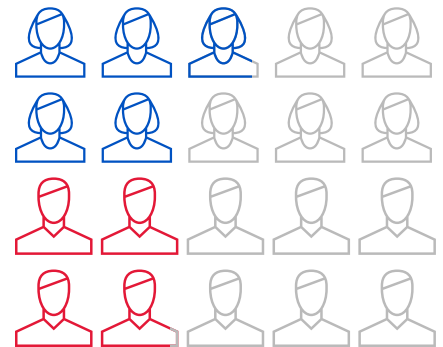
Black/African American Women: **61%**
Black/African American Men: **44%**

Focused on teaching children the basics of investing



Black/African American Women: **46%**
Black/African American Men: **36%**

Focused on teaching children the importance of saving at a young age



Black/African American Women: **49%**
Black/African American Men: **39%**

What we learned

A generally positive financial outlook, combined with a strong focus on future generations, has resulted in a highly cohesive and supportive affluent Black/African American community. Despite some lingering financial challenges and barriers, the drive to achieve financial independence, enjoy new experiences and work towards setting up future generations bodes well for continued financial success.

At Merrill, we value our many differences and are confident we grow stronger when we connect diverse backgrounds and perspectives to better meet the needs of our teammates, our clients and our communities. Words matter but actions speak louder. To that end, we remain committed to actively supporting each of our Black/African American clients and proactively investing in the neighborhoods where you live and work. If you have questions or would like additional information about this research, please talk with your Merrill advisor.

About this research

Our 2023 study conducted in conjunction with Ipsos, a global market research and consulting firm, includes the input of thousands of affluent individuals with investable assets of \$100,000 or more across the Black/African American community. It's part of a larger body of research devoted to furthering our understanding of the diverse experiences and financial paths of the communities in which we live and work, and exploring how our cultural, racial, gender, and sexual identities influence our perspectives on wealth, money, and success.

¹ Pew Research Center, March 2, 2023.

² McKinsey Institute for Black Economic Mobility, "Black consumers: Where to invest for equity," December 2021.

Ipsos is one of the world's largest market research companies, present in 90 markets and employing nearly 20,000 people. Merrill or any of its affiliates are not affiliated with Ipsos. In partnership with Merrill, Ipsos conducted multiple waves of research from 2019 to 2023, employing a variety of research methodologies, starting out by interviewing Merrill stakeholders who serve and represent the diverse communities. In parallel, they synthesized and reviewed an array of publications and academic research on the topics of diversity, wealth and inclusion in financial services and beyond.

The most recent Quantitative research was conducted from February 2023 to March 2023. We surveyed 500 members of each of the three communities (affluent Black/African American, affluent Hispanic-Latino and affluent LGBTQ+) and compared them to a representative sample of the n=1000 respondents from the affluent general population.

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