Wilmington Advisors @ M&T

M&T Bank 2021 U.S. Emerging Affluent Survey

Americans Ramp Up Post-COVID Spending and Wealth Planning, Focusing on Retirement, Lifestyle and Education

Consumer survey commissioned by M&T Bank finds that this segment is coming out of the pandemic looking to put its money to work via retirement and education planning, as well as lifestyle upgrades.

SURVEY RESULTS

Some Americans enjoy financial stability but are concerned about the tax landscape.

More than one-third (37%) of respondents said their financial situation has significantly or somewhat improved. However, they also share financial concerns, including tax increases (46%), rising inflation (41%), paying for retirement (35%) and getting trustworthy financial advice (20%). Almost three-quarters (73%) said they are very or somewhat concerned about current proposed federal tax increases.

Spending on the rise for retirement, home improvements, travel.

Retirement planning has become a critical component since the pandemic, with nearly half of respondents (44%) saying they have increased or are planning to increase savings/investments and just under one third (29%) considering early retirement. Other major areas of planned spending include home improvement (33%) and travel (27%). Meanwhile, 38% of respondents are giving to new charities or more to legacy charities they've supported in the past.

College planning has become more complex.

Overall, 20% of those surveyed said they have increased/are planning to increase college savings. Meanwhile, 36% of respondents with children are investing more to help their children prepare. Key shifts in college financial planning include saving for college over saving for retirement (27%), considering alternatives to pay for college other than savings/loans (26%), and reevaluating school choices due to the high cost of college (25%).

Low interest rates continue to entice lifestyle spending, but regrets abound.

Americans are taking advantage of low interest rates, with just over half of those surveyed (55%) saying it offers them a great opportunity to take on more debt or refinance. Many respondents planned to make lifestyle upgrades, including increased investments/savings to pay for new real estate, recreational purchases or travel (63%). However, one-third (33%) are already having regrets about these purchases.

Many still choose not to work with an advisor, but those that do reported significant benefits.

Of those surveyed, a little less than half of respondents (45%) are currently working with a financial advisor. The main reasons for this include wanting to plan/invest on their own (59%) and not wanting to pay fees (43%). Conversely, two-thirds (67%) of those who work with a financial advisor do so to get help reaching their financial or life goals, and exactly half (50%) report that they feel their advisor could earn them better returns than they could achieve on their own.

For more information, please visit www.mtb.com/wilmingtonadvisors

METHODOLOGY

M&T Bank and Wilmington Trust commissioned Engine Insights to run the 2021 U.S. Emerging Affluent Survey from May 26 – June 2, 2021. Conducted online, the survey questioned 500 investors between the ages of 35 and 55, with household income of $125K+ and investable assets of $100K+ to gain a deeper understanding of their financial situation, priorities and challenges coming out of the COVID-19 pandemic.