

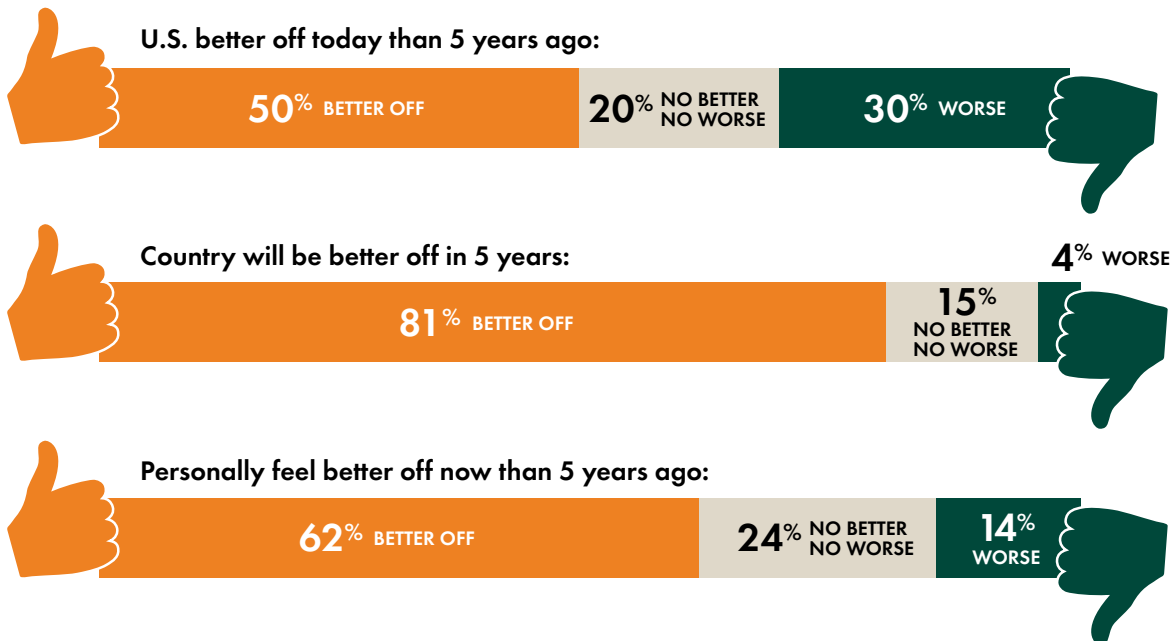
INSIGHTS INTO THE FINANCIAL ATTITUDES AND BEHAVIORS OF BLACK INVESTORS

Northern Trust's 2012 *Wealth in America Survey* provides insights into the financial attitudes and behaviors of wealthy Americans, including Black investors. The findings of the survey highlight what is important to wealthy Black households: financial concerns, approach to investing and the need for financial advice. Participants of the study were selected based on their total household investable assets.

Overall Sentiment

Wealthy Black investors are very optimistic about the future of the country and their personal finances. This positive sentiment can be partially attributed to the return of market stability from the financial turmoil of the past few years.

- Half of wealthy Black investors (50%) say the U.S. is better off today than 5 years ago.
- Approximately 8 out of 10 are confident the country will be better off in 5 years while only 4% say it will be worse off.
- When it comes to their personal finances, 62% of wealthy Black Americans feel better off now than 5 years ago while only 14% feel worse off.
 - Reasons wealthy Black respondents say they feel better off today include:
 - An increase in earned income, better pay
 - An increase in net worth, savings
 - Good investments, improved returns

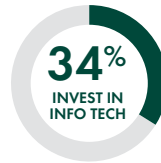


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Business Owners

While Black business owners are concerned about increasing revenue, they are also looking ahead to continued recovery.

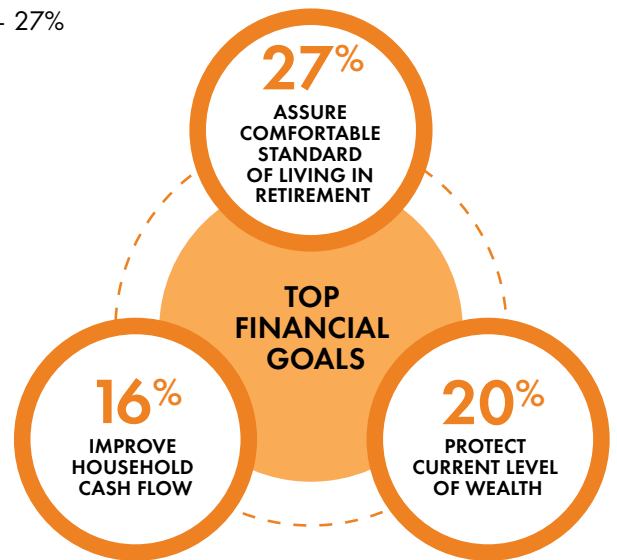
- Black business owners are optimistic about the future of the country. Nonetheless, they express the following concerns for their business:
 - Increasing revenue – 60%
 - Tax increases – 30%
 - Investing in the business for future growth – 28%
 - Succession planning – 21%
- In the next 18–24 months, Black business owners plan to:
 - Hire more staff – 47%
 - Keep staff levels stable – 37%
 - Invest in information technology – 34%
 - Look to expand overseas – 16%



Financial Goals

Wealthy Black households rely predominantly on their saving habits and investment diversification to achieve their financial goals.

- The majority of wealthy Black investors (56%) are confident they will be able to achieve their financial goals.
 - Interestingly, 63% are more confident today compared to 5 years ago.
- Wealthy Blacks say their most important financial goals include:
 - Assuring comfortable standard of living in retirement – 27%
 - Protecting current level of wealth – 20%
 - Improving household cash flow – 16%
- In order to achieve their financial goals, Black investors have taken the following steps:
 - Save more – 32%
 - Investment diversification – 28%
 - Work with a financial advisor – 18%
 - Establish a financial plan – 11%
- Not surprising 63% of their household total assets come from earned income from their occupation while only 11% comes from their investment returns and 8% from their business ownership.



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Financial Advisors

Wealthy Black investors prefer a collaborative approach when working with a financial advisor and often make the final decisions on their own. Nonetheless, they still feel a need for more guidance and continue to seek financial advice.

- Almost half of wealthy Black investors (48%) rely on an advisor for some or all financial decisions they make.
- 34% indicated they don't spend enough time managing their finances.
- Over half of wealthy Black investors (54%) say they need more financial advice.
- 64% are willing to pay for advice regarding their financial investments.

Investment Attitudes and Behaviors

Black survey respondents indicate they are in the wealth accumulation stage and are willing to take calculated risk to meet their financial goals.

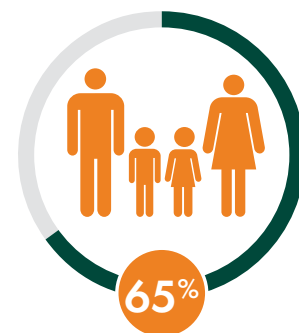
- Wealthy Black investors say their primary investment objective is to grow wealth (51%).
- 56% feel a need to take more control over their investment decisions.
- To increase their savings, 67% of wealthy Black investors are willing to take calculated risk when investing.
- Almost half (40%) are more interested in alternative investments compared to 5 years ago. Specifically they are interested in:
 - Private equity - 37%
 - Managed futures - 33%
 - REITs - 26%
 - Venture capital - 25%
 - Hedge funds - 24%
- 17% of wealthy Blacks hold jewelry, art, coins and other collectibles in their portfolios.



Role of Family in Financial Decisions

Wealthy Black investors frequently involve their spouse/partner in the household financial decisions. They also include their children in their conversations about wealth as one of their goals is to transfer their knowledge to the next generation.

- Majority of wealthy Black investors (80%) are inclusive in their financial decisions and involve their spouse/partner.
- When it comes to discussing financial matters with their spouse/partner, they frequently discuss (at least once a month):
 - Plans for their business - 68%
 - Vacations plans - 67%
 - Financial goals - 65%
 - Personal values in the way they use/manage their wealth - 59%
 - Charitable contributions - 53%
- More than half (65%) say it's important to speak to their children about their wealth.
 - 72% already had conversations with their kids.



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Philanthropy

Charitable giving continues to be a major component of wealthy Black investors' financial planning who value giving back to their community.

- Wealthy Black investors' main objective in donating their time and money is to contribute to a cause in which they personally believe (93%) and to donate to organizations helping the less fortunate (94%).
 - In addition, they also donate to create a lasting legacy (51%) and reduce tax exposure (60%).
- 83% say charitable giving allows them to help their children develop an appreciation of helping others.
- In 2011, wealthy Black investors contributed to nonprofit or religious organizations an average of \$89,000 and 87 hours.

For More Information

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