



## Black Americans Deeply Committed to Helping their Families and Communities Financially, Leaving a Legacy, U.S. Bank Survey finds

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*Importance of helping local community, leaving a lasting legacy shine through in survey responses from financially comfortable Black consumers*

*Findings will drive additional work to better serve Black community, help close racial wealth gap*

MINNEAPOLIS--(BUSINESS WIRE)--Nov. 9, 2021-- In an effort to better serve Black consumers, U.S. Bank today released the results of its *Building Black Wealth Insights* research, which highlighted the financial needs, goals and challenges of Black Americans with at least \$25,000 in investable assets.\*\*

Key insights from the survey include:

- 61 percent of Black respondents feel better about their current financial situation than they did before the pandemic, compared to 49 percent for Hispanic, Asian and Caucasian respondents.
- 77 percent of Black respondents think the racial wealth gap will either increase or, best-case scenario, remain the same by 2030.
- 79 percent of Black respondents feel there are still institutional roadblocks impeding their ability to accumulate wealth; this number was even higher for Black female single head of household respondents (85%).
- 69 percent of Black consumers, far more than other racial groups surveyed, feel a deep sense of responsibility to help their communities financially; they also are more committed to leaving a financial legacy for the next generation.

"We understand that, as advisors who work every day to help clients achieve better financial outcomes, our industry has an important role to play and much more work to do to reduce the racial wealth gap," said Gunjan Kedia, vice chair of Wealth Management and Investment Services at U.S. Bank. "This research highlights many steps we can take as an industry to better serve the Black community."

The findings from the *U.S. Bank Building Black Wealth Insights* research will be used by the bank as it works to apply its core competencies as a financial institution to help close the racial wealth gap. As part of its [Access Commitment](#), which followed on a [\\$116 million initial commitment](#) to address social and economic inequities, the bank is dedicated to listening and learning so it can best help individuals and communities of color advance economically, support businesses owned by people of color, and enhance career opportunities for employees and prospective employees of color. Many of the bank's initiatives to address social and economic inequities are [well underway](#), including efforts to increase the number of Black financial advisors over the next two years, a total investment of \$208 million in Black-owned and -led businesses since June 2020, and \$25 million in loans and grants to small business run by women of color.

For the research, U.S. Bank surveyed 4,024 people of Black, Hispanic, Asian and Caucasian heritage. Additionally, senior bank leaders held in-depth focus groups with Black consumers. This research specifically focused on those with \$25,000 and up in investable assets\*\* – those more likely to engage with a financial advisor or other investing mechanism to build wealth – to better understand how the financial industry can better meet the needs of Black Americans and what changes could deliver the most value.

"This work is intensely personal to me, and I have my own thoughts based on my life experiences, but it was important to us that we broaden the conversation by listening to consumers to learn about their perspectives, and then further test those learnings in our quantitative research," said Scott Ford, president of the wealth management business that focuses on emerging affluent and affluent consumers. "The bank is continually holding a wide range of additional conversations with consumers across all wealth levels as part of our holistic approach to help address the racial wealth gap."

Additional highlights from the research:

### **Black respondents are far more likely than non-Black respondents to feel a sense of duty to lift their communities financially**

Black respondents are deeply committed to advancing the Black community through the "each one, teach one" concept – the idea of passing knowledge or learnings on to someone else.

- 66% of all Black respondents feel their community is at a disadvantage compared to Hispanics (37%), Asians (17%) and Caucasians (7%) who feel this way about their respective communities in terms of wealth accumulation.
- Nearly 7 in 10 (69%) feel a sense of responsibility to their community (compared to 58% of Hispanic respondents, 35% of Asian respondents and 28% of Caucasian respondents).
- 61% of Black respondents said educating their family or their community on financial matters is important to them, compared to 46% of non-Black respondents.

### **Black Americans want to see themselves reflected in the financial teams helping them**

- Nearly twice as many Black respondents as Hispanic respondents say they have been treated differently by the financial services industry due to their race (23% vs. 13% respectively) – and nearly four times as many compared to white respondents (6%).
- When asked for changes they'd like to see in the financial services industry, Black consumers were twice as likely as their non-Black counterparts to want financial planners who look more like them – gender, age, race, sexual orientation (30% vs.

14% respectively).

- Black Millennial and Gen X respondents find it more important than Boomers for their financial advisor to be the same race/ethnicity: 65% of Millennials and 61% of Gen Xers said they want their financial advisor to be similar to them.

#### **Black women are less likely to work with a financial advisor and feel the Black community is at more of a disadvantage for wealth accumulation than Black males**

- 57% of Black women surveyed work with an advisor vs. 66% of Black men.
- However, nearly 3 out of 4 (72%) Black female single head of household respondents work with a financial advisor.
- Black women (24%) feel more anxiety than Black men (16%) when thinking about financial planning.
- Black women (70%) are more likely than Black men (59%) to feel the Black community is at a disadvantage vs. the general population in terms of wealth accumulation.

#### **Black consumers are committed to building wealth for the next generation**

- Twice as many Black respondents describe financial success as leaving a legacy compared to their white counterparts (20% vs. 10%). They are also more likely than white respondents to define success as being able to help the next generation (26% vs. 16%).
- Black consumers surveyed said they value real estate as part of their wealth portfolio at a high rate; 47% of Black consumers surveyed said they view real estate as a tangible asset to pass along to family, more so than their white counterparts in the survey (39%).
- 16% of Black Americans surveyed said they had achieved a goal of setting aside money to start a business (compared to just 8% of Asian respondents and 12% of white respondents).

Additional resources:

- [Building Black Wealth 2021 Insights study](#)
- [Q&A on the survey results](#) with Gunjan Kedia, Vice Chair, Wealth Management and Investment Services, and Greg Cunningham, Chief Diversity Officer, U.S. Bank.

#### **\*About the survey**

U.S. Bank's *Building Black Wealth Insights* research was conducted online between Jan. 6 and Jan. 26, 2021 by C+R Research on behalf of U.S. Bank of 4,024 Asian, Black, Caucasian and Hispanic consumers in the U.S. All of the respondents were sole, primary or joint financial decision-makers in their households. More than half of the respondents (2,062) had investable assets\*\* greater than \$100,000; 1,008 respondents had investable assets of \$25,000 to \$100,000 and 954 participants were 21-40 years old, had a college degree, were working full time and had household incomes ranging from \$55k-\$90k depending on age.

*\*\*Investable Assets – personal financial investments (taxable, IRAs and Keoghs) including deposits, investments and annuities. Excludes 401(k), 403(b), profit share, IRA-SEP, stock purchase/ESOP, money purchase, life insurance or home value.*

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