Atlanta Residents Say They Rely on Outside Sources for Financial Independence

Merrill Edge® Report Finds Shifting Priorities and Emerging Tech Are Changing How Atlanta Residents Seek Financial Guidance and Stability

Atlanta

Nearly one in three Atlanta residents says their financial stability is dependent on receiving an inheritance. In line with their national counterparts, they are most likely to depend on financial assistance from their parents (19 percent, respectively), significant others (9 percent, compared to 8 percent nationally), children (7 percent, compared to 4 percent nationally) and grandparents (6 percent, respectively).

This reliance on others mirrors national trends from the latest Merrill Edge Report, which found 33 percent of Americans are looking to others to bolster their financial future. Merrill Edge releases this biannual report to take an in depth look at the financial concerns and priorities of mass affluent Americans. The biannual survey of 1,000 mass affluent Americans oversampled 300 Atlanta residents between April 9 and April 20, 2018.

“In Atlanta and all across the country, a surprising number of people are redefining what it means to be financially independent,” said Aron Levine, head of Merrill Edge, who is based in Atlanta. “According to our latest report, evolving life priorities and an uncertain future are causing people to look to others for stability and guidance. Whether or not an inheritance is the key to your financial independence, it’s important to work toward a goals-based plan in the short term to pursue financial freedom in the long term.”

The survey also shows that beyond an inheritance, Atlanta respondents are more likely to rely on input from others than trust their own instincts when making major life decisions, such as investing money (34 percent) and retiring (22 percent).

Merrill Edge is committed to empowering its clients and helping them plan for their financial futures, whether that's with the help of an advisor, through online channels or some combination of both.

A moral compass, but a penchant for profits

While Atlanta residents are most likely to describe the stock market as "volatile" (29 percent), many still view it favorably and describe it as "opportunistic" (24 percent) and "accessible" (13 percent). In fact, a majority (54 percent) of Atlanta investors say they made money in the stock market in the past year.

Investors in Atlanta are also part of a growing number of Americans who prioritize supporting companies that share their values and demonstrate social responsibility[1]. When choosing where to invest, Atlanta respondents say they are more likely to invest in companies that:

- Pay women and men equally (90 percent, compared to 87 percent nationally).
- Demonstrate a commitment to environmental sustainability (84 percent, compared to 82 percent nationally).
- Promote diverse senior leadership (83 percent, compared to 85 percent nationally).
- Provide three or more months of family leave (74 percent, compared to 78 percent nationally).
- Share their religious beliefs (67 percent, compared to 62 percent nationally).
- Support the LGBTQ community (60 percent, compared to 61 percent nationally).

However, Atlanta investors still value financial gains over social values, as they are most likely to invest in stocks based on market performance (92 percent), closely followed by their ability to pay dividends (88 percent). Further, 58 percent of Atlanta respondents say they would be more likely to invest in a profitable company whose values they disagree with than a struggling company whose values they agree with (42 percent).

The future of financial guidance is a hybrid of high tech and high touch

According to the report, notably, Atlanta investors are more comfortable embracing emerging technologies like artificial intelligence (AI) than their national counterparts. They expressed a clear willingness to use AI in their daily lives, including helping them schedule appointments (67 percent, compared to 62 percent nationally) and order groceries (54 percent, compared to 49 percent nationally).

Atlanta residents are also comfortable consulting AI for financial guidance, including spending and savings guidance (52 percent, compared to 45 percent nationally) and making investments (36 percent, compared to 32 percent nationally).

Emerging technologies are also drastically shaping how, where and when investors seek financial guidance. Twenty-four percent of Atlanta respondents are more likely to rely on digital than in-person advice, and 72 percent believe all financial decisions will be made with the help of technology in their lifetime.

But despite embracing new technologies, in-person advice is overwhelmingly preferred. When it comes to making financial decisions, 84 percent of Atlanta investors would turn to a financial advisor over their wealthiest friends (71 percent), parents (67 percent) and even finance apps (55 percent).

For more in-depth information about the financial behaviors and priorities of mass affluent Atlanta residents and Americans, read the entire spring 2018 Merrill Edge Report here.

[1] Impact investing and/or environmental, social and governance (ESG) managers may take into consideration factors beyond traditional financial information to select securities, which could result in relative investment performance deviating from other strategies or broad market benchmarks, depending on whether such sectors or investments are in or out of favor in the market. Further, ESG strategies may rely on certain values based criteria to eliminate exposures found in similar strategies or broad market benchmarks, which could also result in relative investment performance deviating.

Merrill Edge Survey Methodology
Convergys (an independent market research company) conducted a nationally representative, panel-sample online survey on behalf of Merrill Edge April 9-20, 2018. The survey consisted of 1,000 mass affluent respondents throughout the U.S. Respondents in the study were defined as aged 18 to 40 (Gen Z/millennials) with investable assets between $50,000 and $250,000 or those aged 18 to 40 who have investable assets between $20,000 and $50,000 with an annual income of at least $50,000; or aged 41-plus with investable assets between $50,000 and $250,000. For this purpose, investable assets consist of the value of all cash, savings, mutual funds, CDs, IRAs, stocks, bonds and all other types of investments such as a 401(k), 403(B), and Roth IRA, but excluding primary home and other real estate investments. We conducted an oversampling of 300 mass affluents in Atlanta. The margin of error is +/- 3.1 percent for the national sample and about +/- 5.6 percent for the oversample market, reported at a 95 percent confidence level.

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