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Growing Up Wealthy: Spoiled and Extravagant or Responsible and Hard Working?

-- Affluent Teens Don't Fit Tabloid Stereotype, PNC Survey Reveals --

PITTSBURGH, Feb. 20 /PRNewswire-FirstCall/ -- The portrayal of today's wealthy teenagers as spoiled, irresponsible and extravagant is refuted by the results of a first-of-its-kind survey of affluent youths and parents across the United States by PNC Wealth Management, a member of The PNC Financial Services Group, Inc. (NYSE: PNC).

The new "Growing Up Wealthy" study by PNC depicts an affluent youth culture that is privileged yet more responsible, hard working and ambitious than the perception fueled by the antics of young celebrity socialites.

The survey, which polled 210 wealthy teenagers (ages 14 to 20) and 272 affluent parents of children under age 18, found parents are instilling strong values, but many fail to practice what they preach in terms of meaningful money management with their offspring.

"The results demonstrate that, even if these teens were born with a silver spoon in their mouths, they don't expect life to be handed to them on a silver platter," said Bruce Bickel, PhD, senior vice president, who provides financial counseling to families for PNC Wealth Management. "We see a generation of wealthy young people who are generally well-grounded, willing to work hard and see eye-to-eye with their parents on important values like education and earning a living."

Highlights: Attitude, Jobs, Golden Rules

The survey was commissioned by PNC to identify attitudes among high-net-worth individuals, how it affects their lives and needs in managing wealth. Highlights from the "Growing Up Wealthy" survey findings include:

Attitude: Although one in five (22 percent) wealthy teens said, "I deserve to be rich because my parents are rich", more than half (55 percent) said this was not the case. When asked if they should be able to buy anything they want, nearly half (45 percent) of wealthy teens said no while 25 percent said yes, and 29 percent said they were unsure.

Get to Work: The results clearly undercut the most popular myth that these youngsters are complacent. Nine in 10 (90 percent) wealthy parents believe it is important for children to learn the value of money through hard work. And that message is being heard: 8 of 10 teens (80 percent) said they are willing to work for the things they want to purchase. Meanwhile, nearly two-thirds (63 percent) of those between ages 18-20 have a full-time or part-time job, which accounts for their spending money.

"Five Golden Rules": Despite the best of intentions, wealthy families are often not practicing what Dr. Bickel calls his "five golden rules" of meaningful money management -- earning, saving, spending, giving and budgeting.

Most of the teenagers surveyed said they have discussed family wealth with their parents, and 39 percent said their parents had a serious discussion with them on the subject before 8th grade. But only 28 percent of parents said they had discussed the meaning of the family's wealth with their children. One in 10 (11 percent) said their family avoids the topic of family wealth altogether.

"It is important to talk to teens about family wealth, but that conversation has to address the fact that wealth is not a right but a responsibility," Dr. Bickel said. "This is not happening as much as it should, as only half of our surveyed parents (56 percent) said they give a 'regular allowance,' which is the first most basic tool to begin teaching children about money and responsibilities. An allowance should not be seen as an entitlement but as a means of enlightenment -- a tool for teaching the 'five golden rules'."

When it comes to savings, there's a disconnect between good intentions and reality: 63 percent of the wealthy parents said they have set up basic bank or investment accounts for their children. But only 21 percent of the teens surveyed said they actually put any of their money into savings while 9 percent make investments with their money.

For budgeting, nearly three-quarters of teens (73 percent) said they feel a strong sense of responsibility to manage wisely whatever money they receive from their family. When the adults were asked what steps have been taken to teach their children about money, only 27 percent said they have shared or discussed the family budget.

Meaning of Life: The teens' priorities for having a "Perfect Life as an Adult" are enough to make many parents proud -- 89 percent cited "having a high-paying job," and 78 percent said "a job helping others," while 56 percent said "having a rich lifestyle."

Nearly half of teens surveyed (48 percent) expect to have a tougher time making it financially than their parents did compared to 31 percent who don't feel that way. A similar level of concern is shared among parents as six in 10 (59 percent) say their children will have a tougher time than they did while 23 percent disagreed.

The teens and adults also see eye-to-eye when it comes to long-term support. One in five parents of a child under 18 (20 percent) expect to support their children into adulthood. Among the teens, only 10 percent said they would try to live off family money for as long as they could.

A PNC Growing Up Wealthy Study media kit containing survey highlights, audio expert commentary and b-roll is available through PNC's website at <http://www.pnc.com/webapp/unsec/ProductsAndService.do?siteArea=/PNC/Home/About+PNC/Media+Room/Media+Information/Press+Kits>.

Survey Methodology

The survey, commissioned by PNC, was conducted online within the United States by Harris Interactive(R) in October and November 2006 among 210 wealthy teenagers (ages 14 to 20) and 272 affluent parents with children under the age of 18. Figures for age, sex, race,

education, region, income, asset level and propensity to be online were weighted where necessary to bring them into line with the actual proportions in the population. Findings are significant at the 95 percent confidence level with a margin of error of +/- 2.9 percent for the adult results and +/- 6.8 percent for the teen results.

Harris Interactive is the 12th largest and fastest-growing market research firm in the world. The company provides research-driven insights and strategic advice to help its clients make more confident decisions, which lead to measurable and enduring improvements in performance. Harris Interactive serves clients worldwide through its United States, Europe and Asia offices. More information about Harris Interactive may be obtained at www.harrisinteractive.com.

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