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The Morgan Stanley Private Wealth Management/Campden Wealth Next Generation Wealth Report 2014 examines in detail the preferences, needs and challenges faced by the new inheritors as they step into roles as stewards and wealth creators and re-creators. It is a follow-up to last year’s research piece, which compared the concerns of the Next Generation and those of their elders as they face the responsibilities, benefits and challenges of wealth transition. The research is based on both qualitative and quantitative data from North America-based ultra-affluent individuals between the ages of 18-40 years old conducted in the second half of 2013.

About Morgan Stanley Private Wealth Management

Morgan Stanley Private Wealth Management (PWM) is an established global leader in wealth management, dedicated to serving ultra-high-net-worth individuals, families and their foundations. Founded in 1977, Morgan Stanley PWM has been committed to helping its clients preserve and grow their financial, family and social capital for over 35 years.

Today Private Wealth Management oversees approximately $200 billion in assets and is the division exclusively focused on ultra-high-net-worth clients within Morgan Stanley. With over 350 private wealth advisers working out of over 40 offices, PWM maintains a presence in most metropolitan areas throughout the United States. The scale of Morgan Stanley PWM’s business allows it to provide a broad range of institutional-level services, delivered through the highly personalized experience of a small financial boutique.

Morgan Stanley PWM clients include many of the world’s most prominent and successful individuals and families—including 20% of the Forbes 400*. Some are entrepreneurs whose wealth is closely tied to the companies they founded, and others are executives whose companies Morgan Stanley has helped take public. Morgan Stanley PWM also serves artists, athletes, entertainers and families whose fortunes were created generations ago.

The breadth and depth of PWM’s personal client relationships have given Morgan Stanley PWM extensive experience in dealing with the complex and unique needs of the wealthy, and this insight is embodied in the team assembled to serve them. Drawing on a deep understanding of Morgan Stanley PWM’s clients’ financial lives, the firm helps them manage investments with an unwavering focus on their financial strategy and personal goals. Morgan Stanley PWM helps them structure their wealth and customize solutions based on an objective view of their needs.

* As of 12/31/2013
About Campden Wealth

Campden Wealth is the leading independent provider of information, news and education for generational family business owners and family offices globally in person, in print, via research and online.

Campden Wealth supplies market insight on key sector issues for its client community and their advisers and suppliers. Through in-depth studies and comprehensive methodologies, Campden Wealth provides unique and proprietary data and analysis based on primary sources. For more information about Campden Wealth and to see all previous reports please visit campdenresearch.com or email research@campdenwealth.com.

Campden Wealth also publishes the leading international business titles CampdenFB, aimed at members of family-owned companies in at least their second generation and CampdenFO, the international magazine for family offices and private wealth advisers. Campden Wealth further enhanced its international reach and community with the acquisition of the Institute of Private Investors (IPI), the leading membership network of private investors in the United States, founded in 1991.

For more information please visit www.campdenwealth.com

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Foreword

Dear Reader,

Over 30 years ago, we created Morgan Stanley Private Wealth Management to help a very exclusive group of clients address the complex and diverse challenges associated with significant wealth. From the beginning, we viewed this mission as a multi-generational endeavor. We provide the full range of products, services and intellectual capital needed to help our clients build enduring family legacies, generation after generation. We offer this study in that spirit.

The Next Generation Wealth Report 2014 is based on research conducted among young people from ultra-high-net-worth families. We endeavored to understand how the younger generations were preparing themselves to act as effective stewards of family wealth and as wealth creators in their own right. We were heartened to see that they overwhelmingly share their parents’ core values, and we were fascinated by the ways in which attitudes towards financial matters are evolving from generation to generation. We hope that you will find this study to not only be interesting, but also helpful in bringing the generations of your family together in productive conversation.

Since our inception, we have strived to live up to our promise of “doing first class business in a first class way” because our clients deserve no less. As you read through the following pages, I invite you to explore the opportunities Morgan Stanley Private Wealth Management can make available to you and your family.

Sincerely,

Douglas J. Ketterer
Head of Strategy and Client Management
Dear Reader,

The long-term success of a family ultimately rests with the ability of the younger generation to find its place and voice so that it can continue the family legacy while also stewarding and creating wealth. To do this, the ultra-affluent must determine a way to provide the Next Generation with the opportunity, tools and encouragement to develop.

During the spring and fall of 2013 Campden Wealth and Morgan Stanley Private Wealth Management conducted surveys and interviews of 87 ultra-high-net-worth individuals under the age of 40 to determine their views, challenges and needs on an array of topics, including investments, philanthropy, adviser relationships and family values. This research is a companion piece to the Morgan Stanley Private Wealth Management/Campden Research Next Generation Study 2012, which compared the Next Generations with older generations to determine where they aligned and diverged on issues of sustaining long-term wealth.

We would like to thank all of the study's participants for their willingness to share their personal experiences and time so that all families of affluence can better navigate the challenges of transition.

We would also like to thank Morgan Stanley Private Wealth Management for its continued and generous support of this valuable research project.

Additionally, I would like to thank the Campden Wealth/Institute for Private Investors team for their dedication and commitment to this research project.

It is our hope that the research will provide a stronger understanding of the Next Generation so that families and the financial services professionals who support them can better assist future generations in becoming the stewards, leaders, entrepreneurs and guardians of their family wealth and legacy.

Mindy Rosenthal

President, Institute for Private Investors
Managing Director, N.A., Campden Wealth