

BUILDING ➡ GENERATIONAL WEALTH WITH LIFE INSURANCE

Helping Black Americans
Protect Their Life's Work for
Future Generations

ISSUE 2
JUNE 2025



Prudential

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TO BLACK WEALTH

INTRODUCTION

Building generational wealth is the concept of passing down family resources and financial assets from one generation to the next. The goal is to provide future generations with financial stability and help ensure peace of mind.

While most people are familiar with investment assets such as retirement funds, stocks, mutual funds, and real estate, **a large segment of the general U.S. population is not aware of the ways in which life insurance can be part of an overall plan to build generational wealth.**

Therefore, as part of its long history to drive financial inclusion, Prudential engaged a third-party research firm to conduct a new study entitled, *American Views on Generational Wealth Building*. The study uncovered key findings about wealth-building motivations and barriers; knowledge gaps regarding life insurance and its benefits; and the ways in which Americans perceive the role of financial professionals in helping them build multi-generational wealth.



PREVIOUS ISSUE

Issue 1: *Empowering Black Families: Turning Taboo Topics into Dinner Conversations*



THE PURPOSE OF THE RESEARCH INCLUDED THREE PRIMARY OBJECTIVES:

- Understand the current beliefs, actions, and barriers of Black consumers vs. general population consumers regarding generational wealth building.
- Provide financial professionals with the latest information and thought leadership to convey to their clients **the benefits of life insurance as a part of a generational wealth-building strategy.**
- Offer financial professionals actionable insights regarding how to best facilitate education and clear, helpful conversations about life insurance as a key component of generational wealth-building.

The following article illustrates the key findings and guiding principles of the Prudential study, *American Views on Generational Wealth Building*.

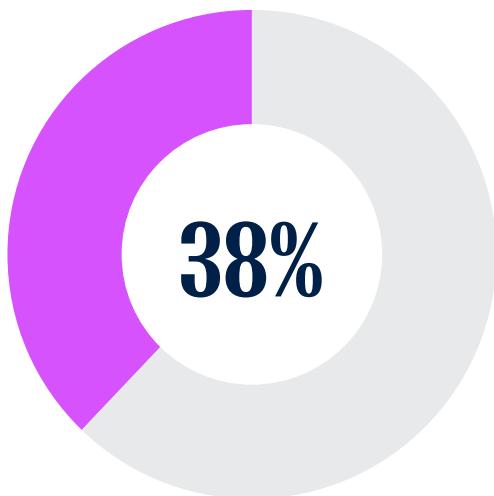
PART 1

4 KEY FINDINGS ABOUT GENERATIONAL WEALTH BUILDING

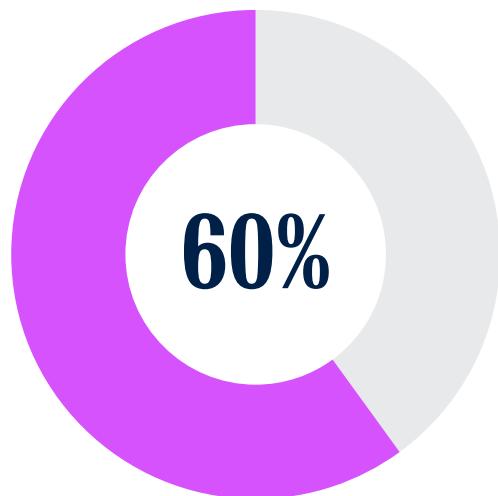
1

GENERATIONAL WEALTH BUILDING MATTERS MORE TO BLACK AMERICANS, REGARDLESS OF INCOME LEVEL.

Black Americans are more committed to ensuring a better future for their family, motivated by the desire to break the cycle of economic hardship. This applies even more strongly among Black Americans with higher incomes. Saving, investing, owning a home, and reducing expenses are the most common steps they are taking toward building wealth. Other actions Black Americans are taking include managing debt better, earning more, and learning more about building generational wealth.



GENERAL POPULATION



BLACK CONSUMERS

SAY THAT BUILDING GENERATIONAL WEALTH IS EXTREMELY OR HIGHLY RELEVANT TO THEM.

2

BLACK AMERICANS ARE MORE LIKELY TO BELIEVE THAT GENERATIONAL WEALTH CAN BE BUILT OVER TIME THROUGH ONE'S OWN ACTIONS – NOT LUCK.

While a majority of the general population also holds the belief in one's own actions, it tends to be stronger among Black Americans. More Black Americans (versus the general population) also believe that financial literacy, open family discussions, and **having life insurance can be helpful in building generational wealth**.



50%

Of Black Americans believe that having life insurance is a helpful step to building generational wealth



62%

Of Black Americans believe that becoming more knowledgeable is a helpful step to building generational wealth

Important for financial professionals to know, the study shows that 75% of Black Americans (and 67% of the general population), believe that with careful planning, wealth can be passed down and last through generations.



75%

Of Black Americans believe that generational wealth can last through generations with careful planning



63%

Of Black Americans believe that generational wealth is built over time through perseverance and good advice



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PART 1

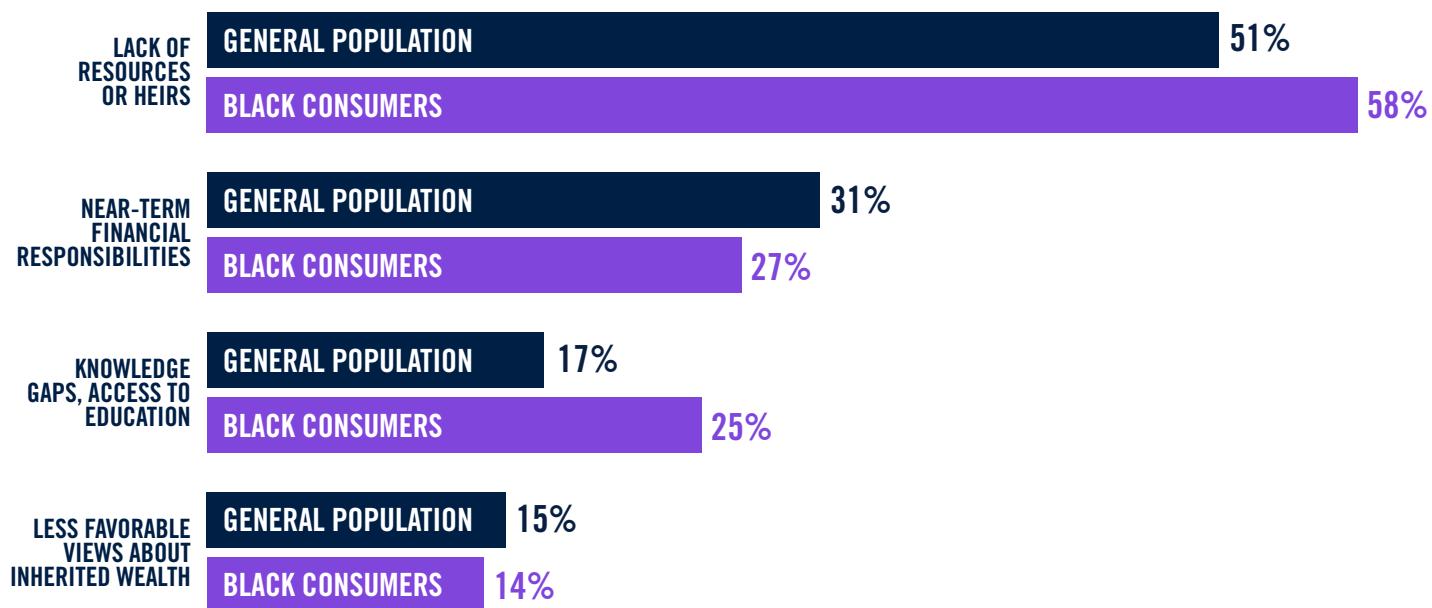
4 KEY FINDINGS ABOUT GENERATIONAL WEALTH BUILDING

3

LACK OF FINANCIAL KNOWLEDGE AND ACCESS TO FINANCIAL INFORMATION ARE KEY BARRIERS AMONG BLACK AMERICANS.

Near-term financial challenges and the need to secure one's own future first are the top barriers among Americans overall. However, Black Americans cite three additional distinguishing barriers to generational wealth: a lack of financial knowledge; the inability to access information and trusted advice; and complicated family dynamics. Providing access to educational opportunities such as workshops and unbiased informational sessions, as well as facilitating one-on-one advisement and family conversations, are vital steps for financial professionals in helping Black consumers overcome their barriers.

THOUGHTS ABOUT PERSONAL RELEVANCE OF GENERATIONAL WEALTH-BUILDING



4

BLACK AMERICANS BELIEVE THAT FINANCIAL PROFESSIONALS CAN HELP THEM BUILD GENERATION WEALTH.

A majority of Americans in both populations feel uneducated or overwhelmed about how life insurance can help them build generational wealth. However, according to the research, it is Black Americans who are significantly more interested in learning about it. This is a noteworthy opportunity for financial professionals, as the study reveals that Black Americans are more likely to believe that financial professionals can help them build generational wealth by simplifying the process; advising them about prioritizing goals, and providing them with clear, accurate product information and education.



66%

Of Black Americans believe that FPS can help equip them with information about products that can help build generational wealth. (vs. 52% Gen Pop)



40%

Of Black Americans believe that FPS can help facilitate more open family discussions about generational wealth. (vs. 30% Gen Pop)



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PERSONAL ➡ MOTIVATIONS AND BARRIERS ➡

The survey also collected hundreds of personal thoughts around motivations and barriers to generational wealth building. These are significant insights that financial professionals can use to support their clients' goals and help them provide for the future of their families.



MOTIVATIONS

- Securing a better future for my family
- Peace of mind and less stress for my family
- Breaking the cycle of financial hardship

BARRIERS

- Scarcity of resources and information about products
- Taking care of current financial responsibilities first
- Lack of knowledge and access to education

63%

Of Black Americans point to the lack of knowledge about how to build generational wealth as a key barrier to achieving it.

PART II

LIFE INSURANCE AS PART OF AN OVERALL PLAN TO BUILDING GENERATIONAL WEALTH

The research study takes a closer look at how Americans view life insurance and their level of knowledge regarding how it can be used as a tool for generational wealth building. This guide provides actionable insights for financial professionals to support clients with clear education, trusted advice, and expanded access to information.

While life insurance can be an essential part of a family's financial plan, it is particularly important for Black Americans working to build wealth and pass it down to future generations. Unfortunately, the overriding research shows that Americans have only a surface-level understanding of life insurance, essentially covering these two components:

1 DEATH BENEFITS

- Life insurance offers a safeguard for families in the event of the policyholder's death.
- Helps provide for surviving loved ones and ensure that their financial goals will not be derailed.

However, most Americans do not know that the death benefit from a life insurance policy can provide immediate financial support to the family, covering expenses such as mortgage payments, education, and daily living costs.

2 PEACE OF MIND

- Reduces policyholder's stress and anxiety by helping to secure their family's financial future.

However, the study further revealed that nearly 75% of all Americans are unfamiliar with using life insurance for building generational wealth.



74%

Of all Americans are unfamiliar with using life insurance for building generational wealth.

PART II LIFE INSURANCE AS PART OF AN OVERALL PLAN TO BUILDING GENERATIONAL WEALTH

CLOSING THE KNOWLEDGE GAP

Further analysis shows that Americans **lack knowledge regarding the broader benefits of Life Insurance, and its impact on generational wealth building.** For both the general population and for Black Americans, life insurance can serve a number of beneficial purposes:

WEALTH ACCUMULATION

Life insurance policies with cash value accumulation can serve as a valuable asset for future generations.

- **Cash Value:** Permanent life insurance policies accumulate cash values over time, which can be assessed through loans or withdrawals. This cash value can be used for various financial goals, such as funding education, starting a business, or supplementing retirement income.
- **Tax Advantages:** The cash value of a life insurance policy grows tax-deferred, and withdrawals up to the amount of the premiums you have paid are tax-free.

ESTATE PLANNING

Aids in the efficient transfer of wealth to heirs, minimizing tax liabilities and legal complications.

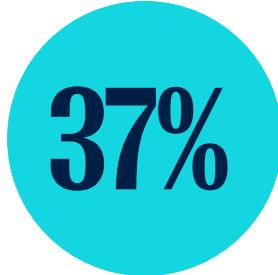
- **Wealth Transfer:** Life insurance is a powerful tool for creating a legacy—by making sure your wealth is passed on to your heirs in a tax-efficient way.
- **Estate Liquidity:** The death benefit can provide liquidity to pay estate taxes and other expenses, preventing the need to sell assets at a loss.

It is notable, however, that Black Americans have more interest than the general population in **getting education around the topic.**



52%

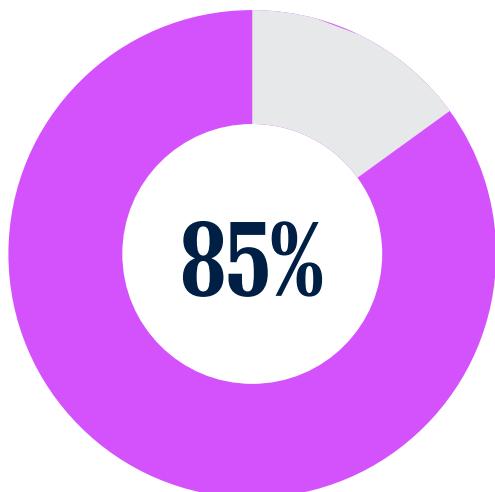
Of Black Americans want education about how life insurance can help build generational wealth.



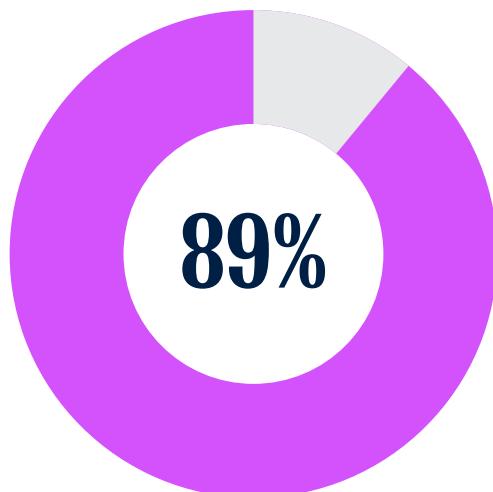
37%

Of all Americans want education about how life insurance can help build generational wealth.

The study also points to the positive reputation and influence of financial professionals, citing that most Americans believe that financial professionals can help them build generational wealth. That belief is quite strong among Black Americans, regardless of income level.



GEN POP



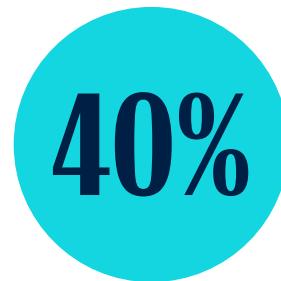
BLACK CONSUMERS

BELIEVE FINANCIAL PROFESSIONALS CAN SIGNIFICANTLY HELP SOMEONE TRYING TO BUILD GENERATIONAL WEALTH

On a similar note, Black Americans also stated that they believe **financial professionals can equip them with the right information** about products to help build generational wealth, as well as in **their ability to facilitate family conversations on the topic**. This data underscores opportunities for trusted financial professionals to take steps to increase education, improve accessibility, and foster reliable, open communication.



Of Black Americans believe that FPS can help equip them with information about products that can help build generational wealth.



Of Black Americans believe that FPS can help facilitate more open family discussions about generational wealth (vs. 30% Gen Pop)

PART II
**LIFE INSURANCE AS PART OF AN OVERALL
PLAN TO BUILDING GENERATIONAL WEALTH**

LIFE INSURANCE EDUCATIONAL NEEDS

In the study, respondents were forthcoming in sharing the most confusing aspects of using life insurance for building generational wealth (listed below). This data suggests key educational areas where financial professionals can have the most impact in guiding and supporting their clients:

- Lack of clear guidance, jargon-free education, and basic direction about how to confidently buy a policy.
- Unclear about “living benefits” – how to leverage life insurance beyond a standard death payout.
- Skepticism that insurance can truly build wealth, as compared to other investments.
- Confusion about the different policy types – term, whole, universal – and how they differ in features, costs and benefits.
- Mistrust around policies, such as claims being denied or benefits being taxed.
- Concerns about net value or depleting the eventual inheritance.

HOW FINANCIAL PROFESSIONALS CAN HELP

Life insurance continues to overwhelm and frustrate consumers across demographics, causing significant barriers to consideration and conversion. The study found that financial professionals should essentially become educators, and outlined several key elements they can provide their clients, based on respondents' answers:

“I GET LOST IN THE JARGON; EXPLANATIONS FEEL CONTRADICTORY”

“IT’S TOO COMPLEX”

“I DIDN’T REALIZE THAT LIFE INSURANCE CAN BE USED FOR OTHER EXPENSES”

“I DON’T REALLY UNDERSTAND HOW OR WHEN TO ACCESS THIS MONEY”

“HOW DOES THIS EFFECT THE END VALUE OF MY POLICY?”

“HOW DO I ENSURE I DON’T DEPLETE THE POLICY?”



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CONCLUSION

Life insurance can be a powerful tool for building generational wealth. But most Americans are confused, uneducated, misinformed, or skeptical as to whether it truly contributes to creating wealth, versus other investments such as stocks, mutual funds, or real estate. There is a strong need for proof that policies can generate real value over time. Black Americans, even more so than the general population, find the topic of building generational wealth highly relevant; they are also significantly more interested in learning more through trusted education, accurate information and simplified comparisons. By understanding these results of the American Views on Generational Wealth Building research, financial professionals have a clear path for helping Black Americans determine how life insurance can help them protect their life's work and pass it on to future generations.

Our mission is to empower our clients and help them build a more secure and prosperous future.

Prudential is a global leader in investment, insurance, and retirement security that helps millions of people around the world plan for their financial future, build generational wealth and protection, and ensure that they are able to live a more secure and better life. In an ever-changing world, it's important that we continuously listen to understand changing consumer needs, behaviors and attitudes, so we can deliver innovative financial solutions that support future generations.

RESEARCH STRUCTURE

An online quantitative and qualitative survey was conducted in April 2025 among the U.S. general population, with a total of 2,500 respondents and more than 10 percent Black Americans, whose demographics included ages 25-54 with a household income (HHI) of 1) \$80k+ and 2) <\$80k.

An AI-assisted platform was used to assist in conducting the research and performing qualitative data analysis.

COMING UP

ISSUE 3: *Guiding Legacy Conversations with Black Americans*

About Prudential

Prudential Financial, Inc. (NYSE: PRU), a global financial services leader and premier active global investment manager with approximately \$1.6 trillion in assets under management as of September 30, 2024, has operations in the United States, Asia, Europe, and Latin America. Prudential's diverse and talented employees help make lives better and create financial opportunities for more people by expanding access to investing, insurance, and retirement security. Prudential's iconic Rock symbol has stood for strength, stability, expertise, and innovation for 150 years.

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The Prudential Insurance Company of America, Newark, NJ.

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