

Merrill Edge Report

Local Market Executive Summary



Merrill Edge Report is a new semi-annual study from Bank of America which offers an in-depth look at the financial concerns and priorities of the mass affluent, consumers with \$50,000-\$250,000 in total household investable assets. The research contained in the report reveals that this group believes they will never be wealthy, indicating a lack of confidence in ability to meet long- and short-term financial goals.

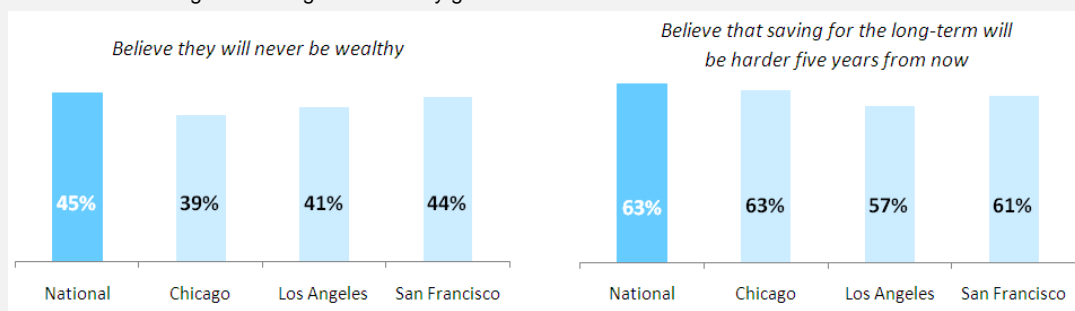
In addition to a nationally representative sample of 1,000 mass affluent Americans, the research also includes an oversampling of 300 mass affluent in each of the following markets: Chicago, Los Angeles, and San Francisco.

Below please find national and local highlights from the *Merrill Edge Report*.

Key Findings

Lack of Confidence in Their Ability to Meet Financial Goals and Sacrifice Long-Term Saving for Short-Term Needs

- Nearly half (45%) of the mass affluent believe that they will never be wealthy. Additionally, the majority (63%) believe that saving for the long-term will only get harder in the future.



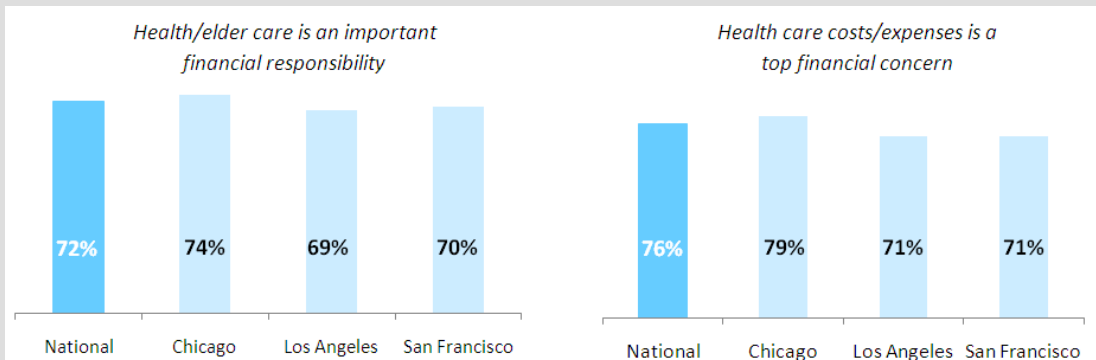
- One of the biggest challenges facing the mass affluent population both nationally and locally is balancing short- and long-term financial responsibilities, such as:

	National	Chicago	Los Angeles	San Francisco
Tracking and managing money/budgeting	72%	72%	74%	70%
Saving for retirement	67%	70%	59%	67%
Balancing short- and long-term financial needs	63%	64%	63%	63%
Creating an emergency fund	61%	58%	57%	59%
Managing debt such as credit cards, mortgage and car payments	57%	57%	58%	55%
Ensuring their portfolio is properly allocated	56%	61%	50%	52%

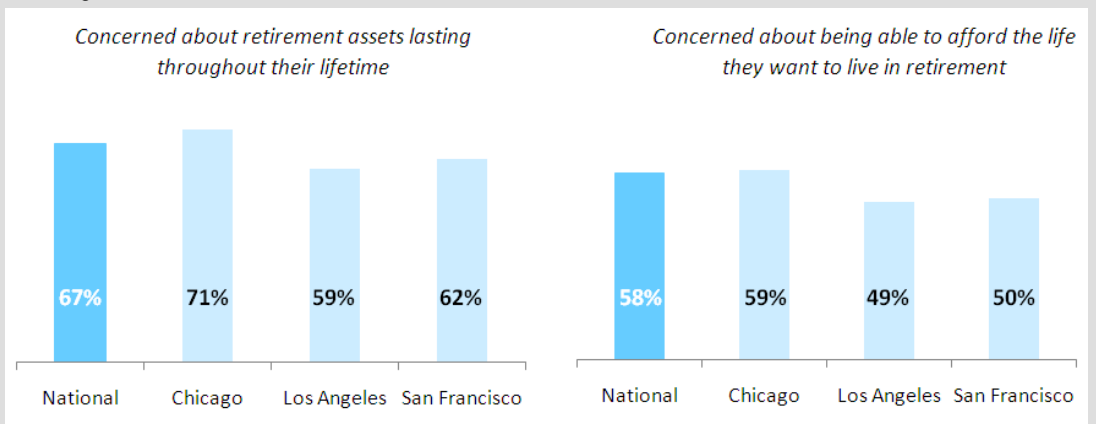
- Despite the priority placed on balancing short- and long-term financial needs by the mass affluent (63%), in the last year nearly one in three (28%) mass affluent nationally have tapped into their long-term investments in order to meet short-term financial demands, including:
 - Covering regular monthly living expenses such as bills and groceries (29%)
 - Paying off debt such as a primary mortgage, car loans and student loans (14%)

Health Care Costs and Retirement Savings Top of Mind among Mass Affluent

- Seventy-two percent of mass affluent nationally cited managing health care or elder care for themselves and/or a family member as an important financial responsibility. However, almost an equal percentage (76%) ranks rising health care costs and expenses as a top financial concern. Among local respondents, Chicagoans are the most concerned about health care issues:



- The topic of retirement is also top of mind among the mass affluent, where 85% of mass affluent believe their retirement will be different than their parents' experience. However, two of their top financial concerns are ensuring retirement assets will last throughout their lifetime (67%) and being able to live the lifestyle they want to in retirement (58%). Among local respondents, Chicagoans are the most concerned about their retirement savings:



Looking to Established Financial Professionals and Institutions for Guidance

- The mass affluent trust financial professionals (53%) and their bank/credit unions (52%) more than family and friends (36%) for financial advice. Additionally, the mass affluent are highly satisfied with the financial advice they receive from financial professionals (78%) and their banks/credit unions (75%).

<i>Most trustworthy source of financial advice</i>	National	Chicago	Los Angeles	San Francisco
Financial advisor	53%	57%	48%	49%
Bank or credit union	52%	47%	45%	41%
Friends and family	36%	35%	37%	35%

<i>Sources of financial advice that mass affluent are most satisfied with</i>	National	Chicago	Los Angeles	San Francisco
Financial advisor	78%	83%	75%	72%
Bank or credit union	75%	71%	63%	61%

Financial Knowledge Breeds Confidence among Mass Affluent

- The majority of mass affluent (58%) would be more confident in their ability to meet financial goals if they had access to a complete picture of their finances and investments. Other areas of financial confidence for the mass affluent include:

	National	Chicago	Los Angeles	San Francisco
Understanding how federal and local regulation affect my finances and investments	67%	64%	60%	61%
Access to a complete picture of their finances and investments	58%	63%	58%	55%
Knew how to appropriately allocate assets across their investment options	57%	63%	48%	54%
Receiving advice from a qualified financial advisor	56%	56%	47%	53%
Knowing more about the financial markets and how they work	55%	55%	47%	54%
Better way to track their progress toward meeting financial goals	45%	45%	40%	41%

- When asked the benefits of having a consolidated view of their finances (savings, checking, mortgage, 401(k), stocks, etc.), mass affluent listed the following as the top benefits:

	National	Chicago	Los Angeles	San Francisco
Helps them have a better understanding of where they stand with their finances at all times	60%	66%	60%	60%
Saves them time	57%	58%	59%	61%
Ability to receive advice that takes into account their entire financial picture	55%	61%	51%	52%
Ability to create a more effective financial plan	52%	55%	48%	54%
Better ability to balance short- and long-term financial priorities	49%	56%	49%	48%
Allows them to stick to a stricter budget	45%	51%	42%	40%
Helps them capitalize on investment opportunities	45%	47%	36%	38%

Methodology

- Braun Research conducted the Bank of America *Merrill Edge Report* survey by phone between Nov. 17, 2010 and Dec. 7, 2010 on behalf of Bank of America
- The nationally representative sample consisted of 1,000 mass affluent in the United States with investable assets between \$50,000 and \$249,999
- 300 affluent Americans were oversampled in San Francisco, Los Angeles, and Chicago
- The margin of error is +/- 3.1% for the national sample and +/- 5.7% for the oversample markets, with both reported at a 95% confidence level

Merrill Edge is the marketing name for two businesses: Merrill Edge Advisory Center, which offers team-based advice and guidance brokerage services; and a self-directed online investing platform. Both are made available through Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S).

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Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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