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Economics Weekly
The Great Wealth Transfer Flows to the Few

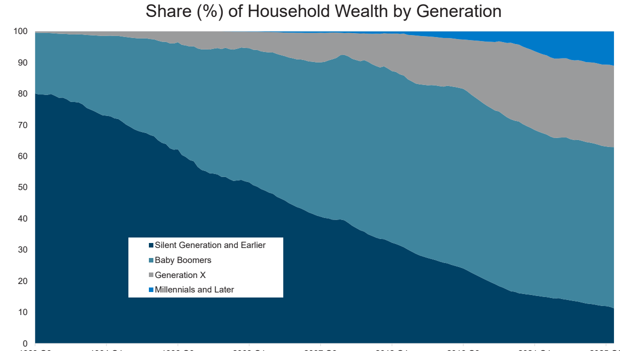
Please refer to important disclosures on pages 13 and 14. Analyst certification is on page 13.

The Great Wealth Transfer is a highly anticipated economic phenomenon in markets today that has been invoked to support everything from a floor under home prices to a boost in demand for luxury items, travel, and other discretionary spending. Today, baby boomers hold more than $94 trillion in assets—just over half of the total U.S. household net worth—and a meaningful share will pass to younger generations over the next two decades. This transfer of wealth is already underway and is set to accelerate as the oldest baby boomers turn 80 this year. The interesting questions, in our view, are: How much of the gross actually reaches heirs once retirement spending, taxes, and charitable giving are stripped out? Which households receive it? And what are they likely to do with it? **In this *Economics Weekly,* we work through each of these questions and conclude that the transfer is large but narrow—it stays within families already near the top, deepening the concentration of wealth rather than easing it, with the impact on consumption far more muted than expected.**

The Five Generations

In first quarter 2026, total household net worth reached about $174 trillion. Exhibit 1 tracks the moving total of wealth by generation. Each band's share of wealth rises as each cohort ages into peak earning years, then falls as members draw down and pass wealth on.

Exhibit 1
Share (%) of Household Wealth by Generation



Note: Silent and Earlier=born before 1946, Baby Boomer=born 1946-1964, Gen X=born 1965-1980, and Millennial and Later=born 1981 or later
Sources: Federal Reserve System, William Blair Equity Research

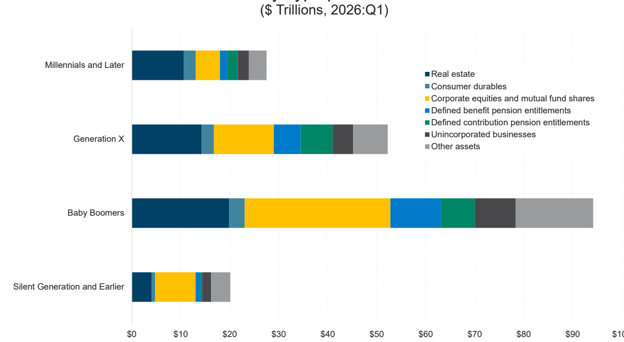
In third quarter 1989, the Silent Generation and older held roughly four-fifths of household net worth. The baby boomers behind them, then in their 20s to early 40s, held around 20%. Since then, the share of wealth from the oldest cohort (represented by the bottom band of exhibit 1) has contracted steadily as its members aged and passed on their wealth, falling to 11% by first quarter 2026.

Baby boomers absorbed most of that handoff and also were generating their own wealth. Their share peaked at 58% in third quarter 2016 and has since eased to 52%, and Gen X's share has risen to 26%. Millennials and Gen Z, grouped together in the data, held just a 4% share in early 2020, growing to 11% by first quarter 2026—more than doubling, though still a fraction of the total.

What Each Generation Holds

The composition of that wealth, viewed in level terms, brings the disparity into focus. Baby boomers sit on roughly $20 trillion in real estate, comparable to the combined holdings of Gen X, millennials, and Gen Z. The gap in financial assets is wider still. Baby boomers hold close to $30 trillion in corporate equities and mutual funds, more than double the next two younger cohorts combined, alongside around $10 trillion in defined-benefit pension entitlements—a legacy of an earlier era of employer-provided retirement income.

Exhibit 2
Assets by Type per Generation
($ Trillions, 2026:Q1)



Note: Silent and Earlier=born before 1946, Baby Boomer=born 1946-1964, Gen X=born 1965-1980, and Millennial and Later=born 1981 or later
Sources: Federal Reserve System, William Blair Equity Research

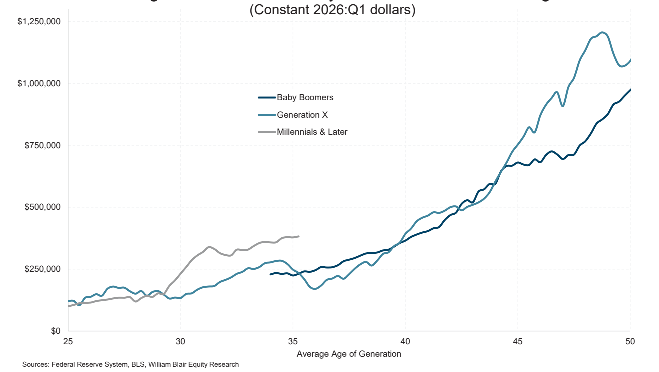
Younger households are not shut out of the equity story. New York Fed research found that the under-40 cohort recorded the fastest wealth gains of any age group between 2019 and 2023, driven by a heavier equity tilt than older cohorts. But the gap in levels reflects decades of accumulation that no single cycle can close, and defined-contribution plans and housing now do most of the balance-sheet work for younger owners.

Housing does more of that work the lower down the wealth distribution one moves, and younger households cluster in the middle of that distribution where real estate dominates. And that asset is not being released in any hurry. Older Americans are living longer and staying put, held in place by low fixed-rate mortgages taken out before the rate cycle turned and by the tax and transaction costs of moving. For younger households that do own, the asset they most depend on to build wealth is also where the intergenerational imbalance is widest.

Younger Generations Ahead at Same Age

Composition is only half the story; the other half is where each cohort sits on the wealth curve at a given age. Exhibit 3 tracks average net worth by age in constant dollars, allowing us to compare cohorts at the same stage of life. Millennials and Gen Z trailed Gen X in their 20s and pulled ahead around age 30, consistent with higher stock market participation. Between the ages of 34 and 50, average wealth for Gen X and baby boomers crossed several times: Gen X was ahead of the baby boomers by 2006, only to fall sharply in the 2007-2009 recession, and it took years to recover.

Exhibit 3
Average Household Wealth by Generation at the Same Age
(Constant 2026:Q1 dollars)

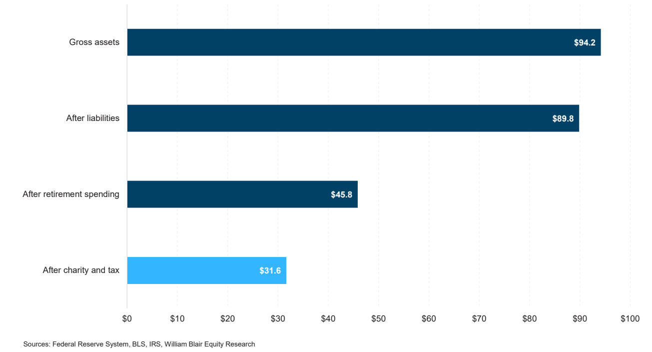


Those averages come with two important qualifiers. They lean heavily on top holders within each cohort, so the reading hides considerable dispersion. And younger cohorts arrive at each stage carrying more student debt and facing higher home prices, so the same dollar of wealth buys less financial flexibility than it did a generation ago.

Breaking Down the Transfer

Baby boomers hold $94.2 trillion in gross assets. Netting off $4.3 trillion in liabilities (mostly mortgages, along with consumer and other debt) leaves $89.9 trillion. Retirement spending is the largest drag, an estimated $44 trillion drawdown over two decades as lifespans lengthen and late-life costs rise. Federal tax on tax-deferred withdrawals removes $6.9 trillion, charitable giving another $6.9 trillion, and federal estate and state death taxes a further $0.5 trillion, kept small by the high federal exemption threshold. That leaves roughly $31.6 trillion for Gen X and millennial heirs, about one-third of the gross (exhibit 4).

Exhibit 4
Boomer Wealth Transferred to Younger Generations
($ Trillions)



The wealth transfer flow will not land all at once; it will spread across two decades, and some of it is already moving through family support and lifetime transfers. The more useful question, in our view, is not the size of the pot but where it lands, and what recipients are likely to do with it.

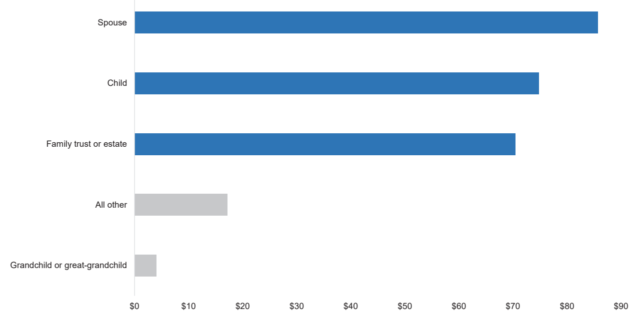
Where It Lands

The wealth transfer is broad in scale but narrow in reach. Estate tax returns, by construction capturing only the top of the wealth distribution, offer a window into where large bequests flow. Of the $252 billion in bequests reported in 2023 on estates worth more than $13 million, 92% flowed to a spouse, child, or family trust (exhibit 5). The threshold has since risen: The One Big Beautiful Bill Act permanently set the federal exemption at $15 million per individual and $30 million per married couple.

The recipients are not starting from zero. Spouses receive the first wave of transfers before wealth passes to children and family trusts, and by then those heirs are typically in or near retirement themselves. As shown in exhibit 3, millennial and Gen Z households are tracking ahead of Gen X and baby boomers at the same age in real terms.

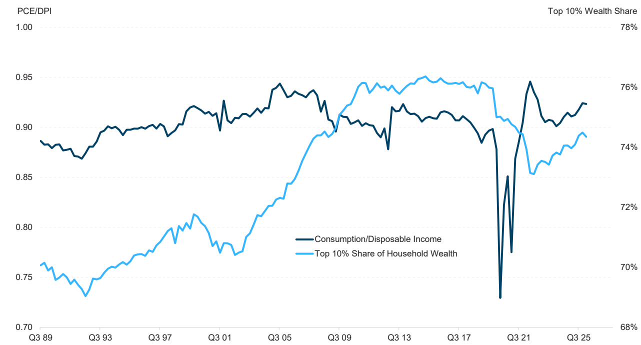
The top decile of households holds roughly $48 trillion of the $56 trillion in corporate equities and mutual fund shares, and a comparable concentration runs within each younger cohort. The wealth transfer arrives into cohorts that are themselves top-heavy, through channels that keep it inside families already holding substantial resources.

Exhibit 5
Bequests Reported on Estate Tax Returns Filed in 2023
by Beneficiary Type, $ Billions



Sources: IRS, William Blair Equity Research

Exhibit 7
Average Propensity to Consume vs Wealth Concentration

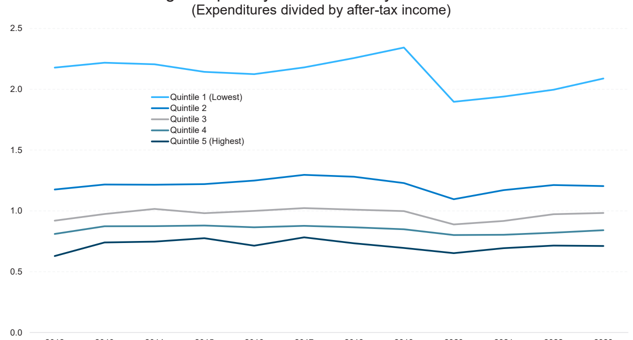


Sources: BEA, Federal Reserve, William Blair Equity Research

The composition of wealth then shapes what recipients do with it. Baby boomer wealth sits mostly in equities, mutual funds, and real estate rather than cash. Unrealized gains carry over during lifetime gifts but reset at death, giving current owners a strong incentive to hold rather than sell or gift, spreading the transfer thinly across decades of bequests rather than moving in a lump sum.

Once received, the largest sums reach the households least reliant on the proceeds to fund current consumption. The lowest-income quintile spends more than twice its after-tax income, while the highest spends a ratio of 0.70 (exhibit 6).

Exhibit 6
Average Propensity to Consume by Income Quinitile
(Expenditures divided by after-tax income)



Sources: BLS, William Blair Equity Research

Research out of the Fed has found that the propensity to consume out of wealth has itself declined as wealth has grown more concentrated, dampening the pass-through from asset gains to spending. The top decile's share of household wealth has climbed from about 70% in 1989 to roughly 74% today, even as aggregate consumption has held near a ratio of 0.90 of disposable income, briefly interrupted by a sharp, temporary leveling up during the pandemic (exhibit 7).

In our view, most of the $31.6 trillion is likely to stay invested rather than be spent, representing less of a consumption tailwind for the wealthiest households and more of a sustained bid for equities and real estate; and for wealth and asset managers, it will be a two-decade reallocation of client assets across generations.

Conclusion

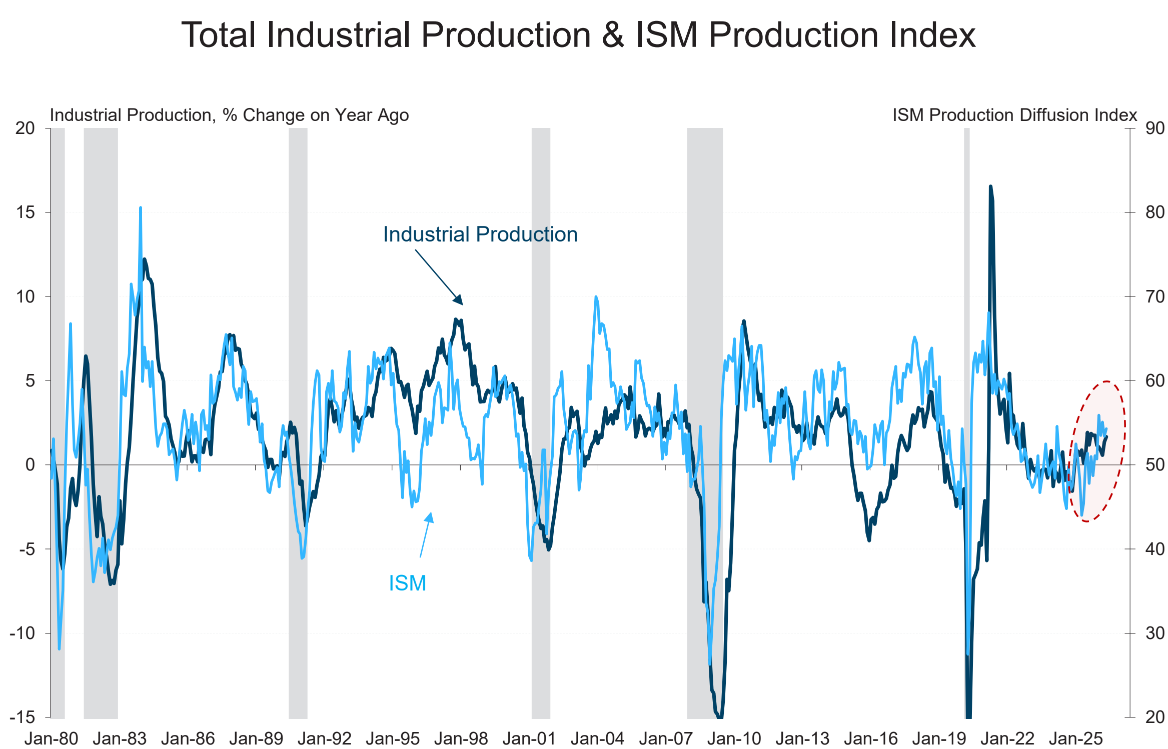
For all the sums involved, the Great Wealth Transfer is a narrower event than the headline number suggests. The trillions in assets changing hands over the next two decades will move largely from and to families that already hold significant wealth, thereby deepening the existing wealth divide. Recipients of large transfers will enjoy a head start in saving, in purchasing real estate, and in the room to take investment risk, compared with peers who must rely on earned income. Because the transfer accrues to already-affluent households, the pass-through to broad-based consumption should be modest, though the boost in discretionary income may raise demand for luxury experiences and goods. As these inheritances are still more likely to be invested than spent, the demand for equities and real estate should prove more durable. To capture this capital as it passes to younger hands, intermediaries will have to prepare for a generation of investors who favor alternatives over the traditional mix of stocks, bonds, and real estate, and who pick advisors for their fluency with technology and a shared investment philosophy. The Great Wealth Transfer is poised to reshape the socioeconomic landscape, but it will do so along the contours of the wealth it flows through and the preferences of those who receive it.

Highlights in the Week Ahead

Date	Time (ET)	Indicator	Last	Consensus	WB Estimate	Actual
18 Aug	8:30 a.m.	Housing Starts (July)	19.0%	-6.1%	-5.5%	
		Building Permits	-2.6%	1.9%	1.1%	
18 Aug	9:15 a.m.	Industrial Production (July)	0.1%	0.4%	0.2%	
		Capacity Utilization	76.1%	76.4%	76.4%	

Sources: Bloomberg, William Blair Equity Research

Indicators of the Week: Industrial Production



Sources: Federal Reserve, Institute for Supply Management, William Blair Equity Research

Economic Scorecard

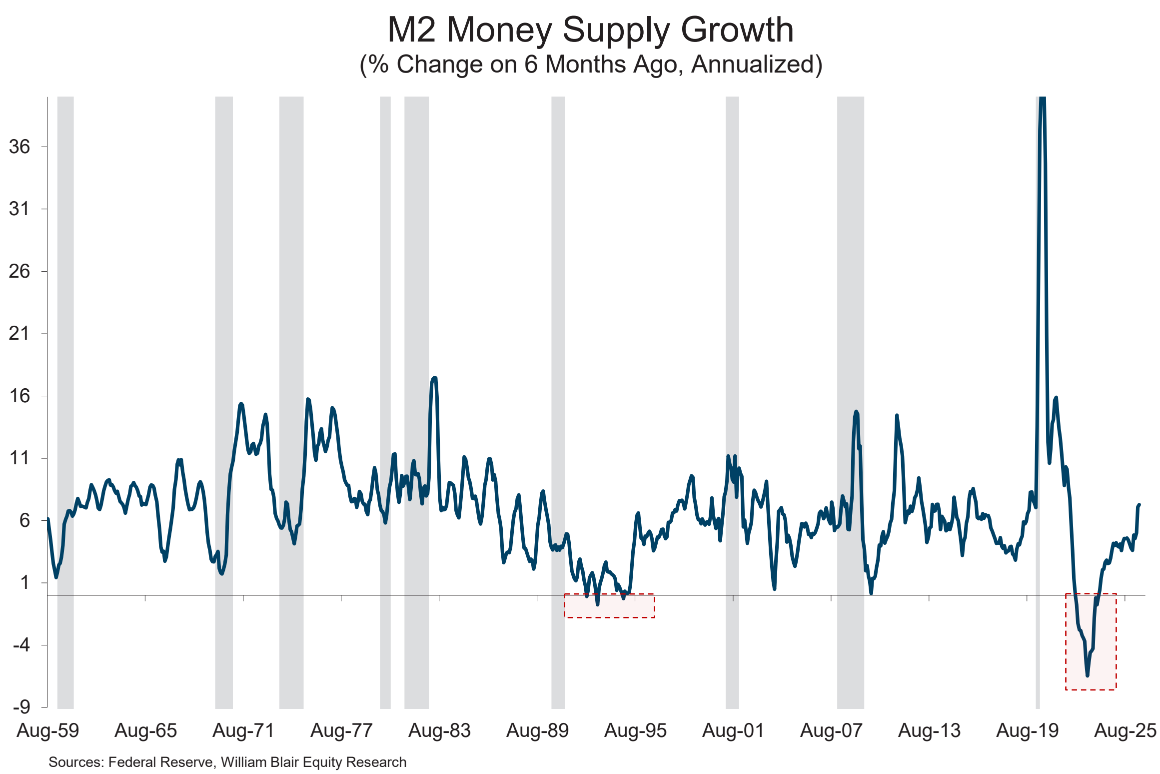
Rolling monthly heat map, % Change on Year Ago (unless otherwise noted)

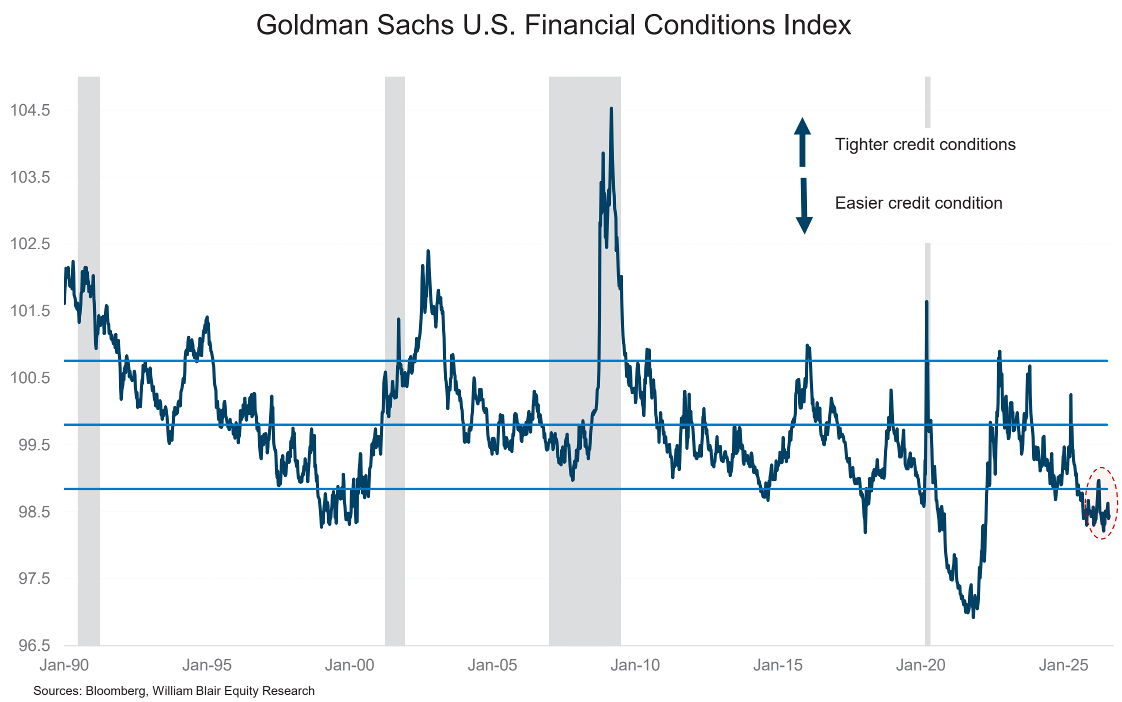
	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Growth																			
US Leading Indicators	-3.0	-3.3	-4.1	-3.7	-3.8	-3.4	-3.5	-3.2	-3.1	-3.7	-3.7	-3.6	-3.1	-3.0	-1.6	-1.5	-1.4		
US Coincident Indicators	1.4	1.8	1.8	1.1	1.1	1.4	1.2	1.2	1.0	0.8	0.6	0.9	0.8	0.3	0.2	0.6	0.7		
US Lagging Indicators	-0.5	-0.6	-0.8	-0.1	-0.3	-0.5	-0.4	0.2	0.3	0.3	0.7	0.9	0.6	1.1	1.5	0.9	1.0		
Consumer																			
Total Retail Sales	3.8	5.2	5.1	3.1	4	4.1	5	4.1	3.2	3.2	2.4	3.3	4.2	4.2	5.1	7.3	6.7		
Personal Income	5	5.2	5.6	4.5	4.3	4.8	5.1	5.1	4.5	4.4	4.2	4.1	3.5	3.3	2.7	3.9	3.9		
Real Disposable Personal Income	1.8	2.3	2.8	1.5	1.2	1.7	1.8	1.8	1.3	1	0.8	1.4	0.8	0	-1	0.1	0.5		
Real Personal Consumption	2.7	3.2	3.1	2.5	2.5	2.6	2.8	2.4	2.5	2.2	1.6	2	2.4	1.9	1.9	2.4	2.5		
Personal Saving Rate (%)	5.2	5.1	5.5	4.9	4.6	4.5	4.4	4.3	3.9	3.8	3.6	4.4	3.8	3.5	3	2.8	2.7		
Consumer Confidence (Conference Board)**	100.1	93.9	85.7	98.4	95.2	98.7	97.8	95.6	95.5	92.9	94.2	89	91	92.2	93.8	90.6	92.2	90.8	
Employment																			
Employment Growth	0.7	0.6	0.6	0.6	0.5	0.5	0.5	0.4	0.3	0.2	0.1	0.2	0.1	0.2	0.2	0.2	0.3	0.2	
ASA Temporary Staffing Index	-7.5	-8.7	-6.4	-5.8	-5.3	-0.8	-0.9	0.8	1.5	4.5	7.3	2.3	3.2	6.1	5.4	5.1	6.5	2.5	
ISM Employment Index Manufacturing*	47.1	44.4	46.2	46.1	45.1	44.9	44.3	45.4	45.8	44.1	44.8	48.1	48.8	48.7	46.4	48.6	49.7	52.8	
ISM Employment Index Services*	53.4	46	49.2	50.4	47.7	46.9	46.9	47.6	48.1	48.7	51.7	50.3	51.8	45.2	48	47.9	51.2	47.4	
Unemployment Rate, %	4.2	4.2	4.2	4.3	4.1	4.3	4.3	4.4		4.5	4.4	4.3	4.4	4.3	4.3	4.3	4.2	4.1	
Average Hourly Earnings	4.1	4.2	3.9	4	3.9	4	4	3.8	3.9	3.9	3.7	3.7	3.7	3.4	3.6	3.3	3.4	3.2	
Initial Jobless Claims (avg. wkly. chg. '000s)	226	223	226	233	239	222	231	234	226	221	219	213	216	208	208	215	223	199	
Jop Openings	-14.2	-15.3	-5.7	-6.1	-2.9	-4.5	-8.0	3.3	-2.8	-9.5	-10.2	-2.6	-4.4	-0.9	6.9	3.1	2.2		
Layoff Announcements	103.2	204.8	62.7	47	-1.6	139.8	13.3	-25.8	175.3	23.5	-8.3	117.8	-71.9	-78	-20.9	3.4	-4.5	-46.1	
Housing Market																			
Housing Starts	-4.1	3.8	1.5	-3	4.6	12.8	-7.4	-2.8	-7.1	1.5	-7.8	2.4	-9.7	13.1	1	-7	3.5		
New Home Sales	-1.8	-3.7	-0.7	-7.2	-2.6	-11.5	1.6	-0.1	3.2	13.2	3	-13.4	-1.7	0.5	-7.8	-0.6	-5.6		
Existing Home Sales	-1.0	-2.7	-1.5	-0.5	0.5	0.8	2.3	4.4	2.2	-1.2	1.9	-1.7	-0.5	-0.3	0.5	3.7	3.8	0.7	
Median House Price (Existing Homes)	-1.4	-5.4	-0.4	2.5	-1.2	-7.4	3	-1	-5.2	1.2	1.4	-3.1	-0.7	-3.4	0.5	-3	-2.7		
Existing Homes Inventory (Mths' supply)	4	4.2	4.2	4.3	4.3	4.3	4.3	4.3	4.3	4.2	4	4.2	4.3	4.3	4.3	4.2	4.3	4.2	
New Homes Inventory (Mths' supply)	9.4	9.3	8.6	9.7	9	9.2	8.5	8.2	9	7.7	7.9	9.9	9.3	8.7	9	9.4	9.3		
NAHB Homebuilder Sentiment*	42	39	40	34	32	33	32	32	37	38	39	37	37	38	34	37	36	34	
Inflation																			
Consumer Price Index	2.8	2.4	2.3	2.4	2.7	2.7	2.9	3		2.7	2.7	2.4	2.4	3.3	3.8	4.2	3.5	3.4	
CPI Less-food & energy	3.1	2.8	2.8	2.8	2.9	3.1	3.1	3		2.6	2.6	2.5	2.5	2.6	2.8	2.9	2.6	2.5	
Producer Price Index	3.4	3.2	2.4	2.7	2.4	3.2	2.7	3	2.8	3.1	3.1	3.1	3.4	4.3	5.7	5.9	5.5	4.7	
PPI Less-food & energy	3.7	3.8	3.1	3.2	2.7	3.5	2.9	3	3	3.2	3.4	3.7	3.8	3.9	4.9	4.4	4.7	4.2	
PCE Price Index	2.7	2.4	2.3	2.5	2.6	2.6	2.7	2.8	2.7	2.8	2.9	2.9	2.9	3.5	3.8	4.1	3.7		
PCE Prices Less-food & energy	3.0	2.7	2.6	2.8	2.8	2.9	2.9	2.8	2.8	2.8	3.0	3.1	3.0	3.3	3.3	3.4	3.3		
Business Activity - US																			
Industrial Production	0.8	0.6	0.9	0.1	0.6	1.9	1.2	1.9	1.8	1.8	1.2	1.0	0.8	0.6	1.3	1.6	1.1		
New Cap Gds Orders less-aircraft & parts	-0.9	2.2	0.5	2.2	4.5	4.4	2.5	5.3	6.2	4.1	8	2.9	5.9	10.8	11.1	10	14.8		
Business Inventories	2.2	2.7	1.8	2.5	2.2	2.5	2.2	1.7	1.6	1.4	1	1.3	1.3	1.2	1.5	1	1.2	2	
ISM Manufacturing PMI*	50	48.9	48.8	48.6	49	48.4	48.9	48.9	48.8	48	47.9	52.6	52.4	52.7	52.7	54	53.3	55.6	
Markit US Manufacturing PMI*	52.7	50.2	50.2	52	52.9	49.8	53	52	52.5	52.2	51.8	52.4	51.6	52.3	54.5	55.1	53.9	53.9	
ISM Services Index*	53.2	50.8	51.6	50.2	50.8	50.5	51.9	50.3	52	52.4	53.8	53.8	56.1	54	53.6	54.5	54	54.1	
Markit US Services PMI*	51	54.4	50.8	53.7	52.9	55.7	54.5	54.2	54.8	54.1	52.5	52.7	51.7	49.8	51	50.7	51.2	54.6	
Business Activity - International																			
Germany Manufacturing PMI Markit/BME*	46.5	48.3	48.4	48.3	49	49.1	49.8	49.5	49.6	48.2	47	49.1	50.9	52.2	51.4	50.1	50.3	52.2	
Japan Manufacturing PMI Jibun Bank*	49	48.4	48.7	49.4	50.1	49	49.7	48.5	48.2	48.7	50	51.5	53	51.6	55.1	54.5	54.8	54.5	
Caixin China Manufacturing PMI*	50.8	51.2	50.4	48.3	50.4	49.5	50.5	51.2	50.6	49.9	50.1	50.3	52.1	50.8	52.2	51.8	51.7	50.9	
China Manufacturing PMI*	50.2	50.5	49	49.5	49.7	49.3	49.4	49.8	49	49.2	50.1	49.3	49	50.4	50.3	50	50.3	49.2	
UK Manufacturing PMI Markit/CIPS*	46.9	44.9	45.4	46.4	47.7	48	47	46.2	49.7	50.2	50.6	51.8	51.7	51	53.7	53.9	52.5	51.9	
France Manufacturing PMI Markit*	45.8	48.5	48.7	49.8	48.1	48.2	50.4	48.2	48.8	47.8	50.7	51.2	50.1	50	52.8	49.7	51.2	49.8	
Currencies* **																			
Euro (EUR/USD)	-4.0	0.2	6.2	4.6	10.0	5.4	5.8	5.4	6.0	9.7	13.4	14.4	13.9	6.8	3.6	2.7	-3.1	1.0	
Renmimbi (USD/CNY)	1.2	0.5	0.4	-0.6	-1.4	-0.4	0.6	1.5	0.0	-2.4	-4.3	-4.0	-5.7	-5.0	-6.1	-6.0	-5.3	-6.2	
Yen (USD/Yen)	0.4	-0.9	-9.3	-8.4	-10.5	0.5	0.6	3.0	1.3	4.3	-0.3	-0.3	3.6	5.8	9.4	10.6	12.9	4.4	
Sterling (GBP/USD)	-0.4	2.3	6.7	5.6	8.6	2.7	2.9	0.5	2.0	3.9	7.7	10.4	7.2	2.4	2.1	0.0	-3.4	2.1	
Canadian $ (USD/CAD)	6.5	6.3	0.2	0.8	-0.5	0.3	1.8	2.9	0.5	-0.2	-4.6	-6.4	-5.7	-3.3	-1.6	0.4	4.3	1.2	
Mexican Peso (USD/MXN)	20.5	23.6	14.4	14.3	2.3	1.4	-5.4	-7.0	-7.4	-10.2	-13.5	-15.6	-16.2	-12.4	-11.0	-10.7	-6.7	-8.1	
US Equities																			
S&P 500	16.8	6.8	10.6	12.0	13.6	14.8	14.4	16.1	19.9	13.5	16.4	14.9	15.5	16.3	29.4	28.2	20.9	18.1	
S&P 400 Midcap	7.1	-4.2	-0.3	0.6	5.9	1.7	5.3	4.5	4.8	-1.7	5.9	6.1	15.5	15.7	27.6	24.1	24.2	19.3	
S&P 600 Smallcap	4.5	-5.0	-3.6	-3.4	2.8	-6.3	1.8	1.9	3.8	-4.0	4.2	7.0	15.9	18.5	36.6	31.2	35.3	31.5	
Russell 2000	5.3	-5.3	-0.5	-0.2	6.2	-1.9	6.7	9.3	12.9	2.7	11.3	14.3	21.7	24.1	42.6	41.3	39.0	32.5	

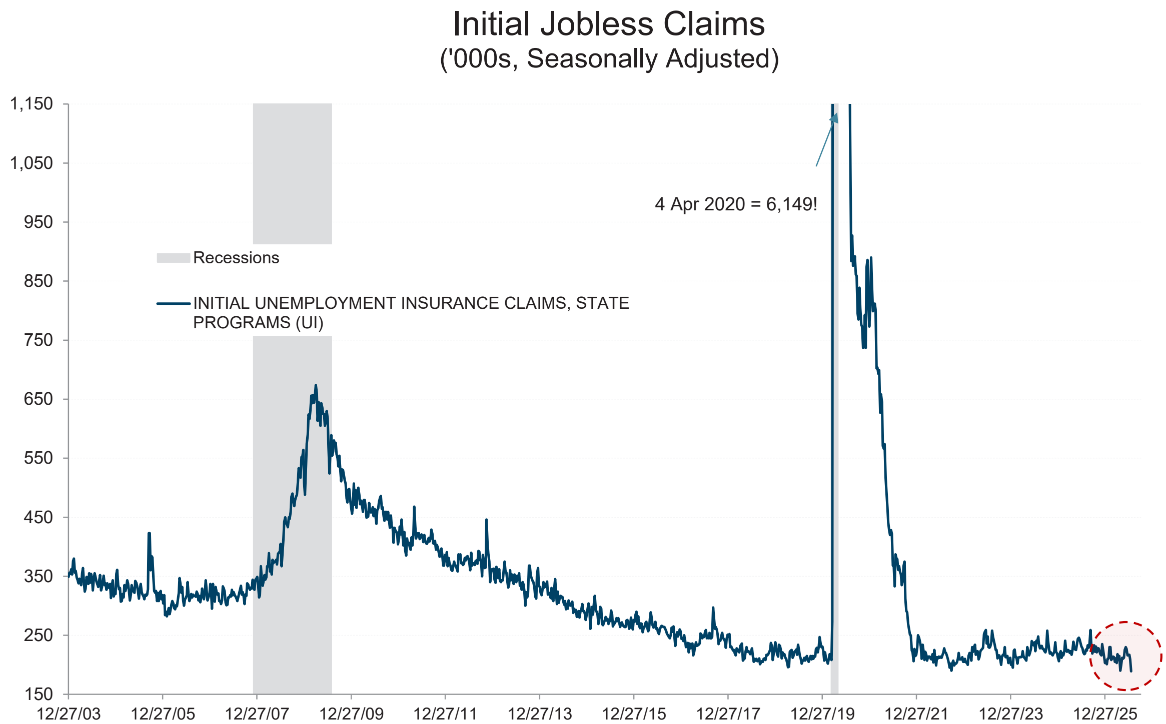
* Diffusion Index, **1985=100, ***Currencies - green/red = strengthening/weakening foreign currency vs dollar

Source: ISM, Federal Reserve, Census Bureau, Bureau of Labor Statistics, Conference Board, Bloomberg, William Blair

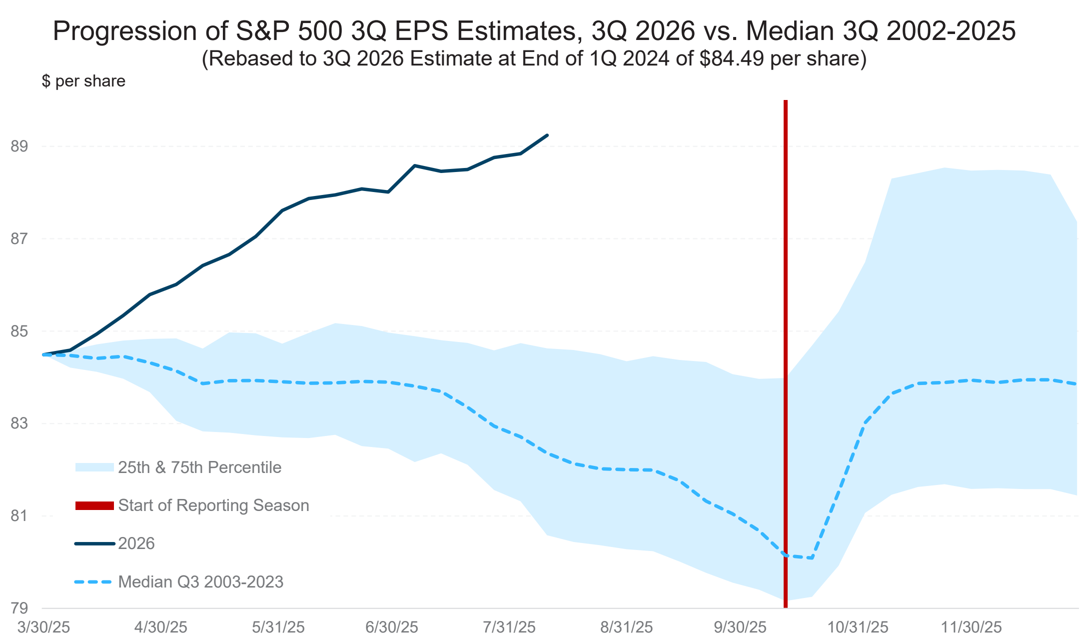
Other Economic Indicators





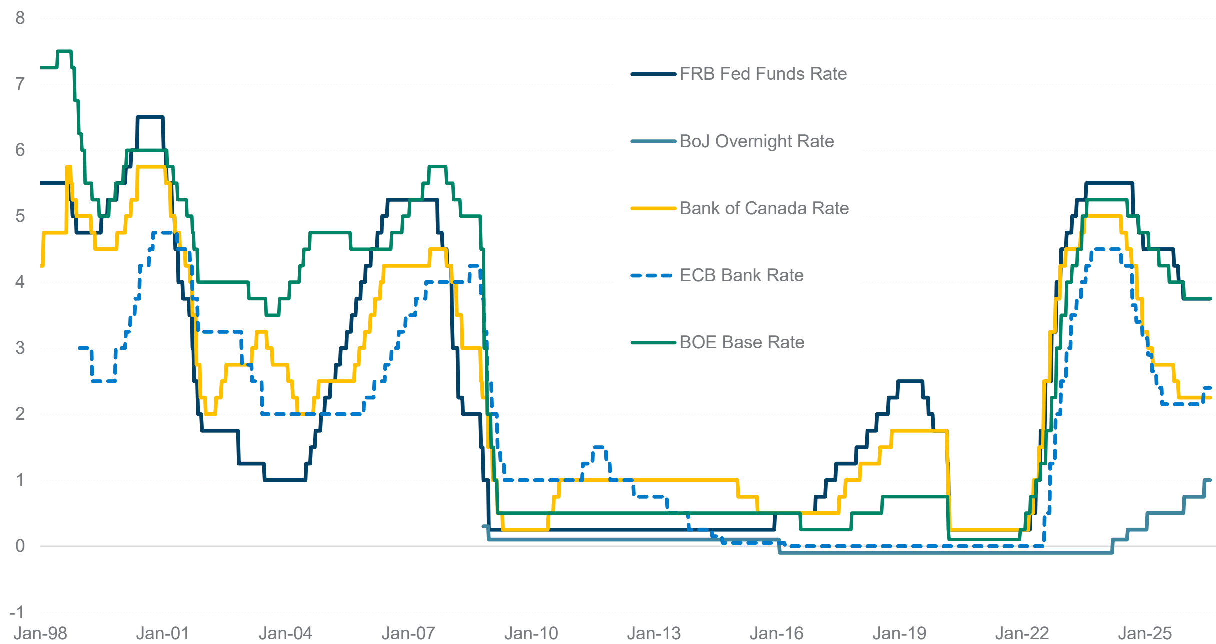


Source: Department of Labor, Bloomberg, William Blair Equity Research



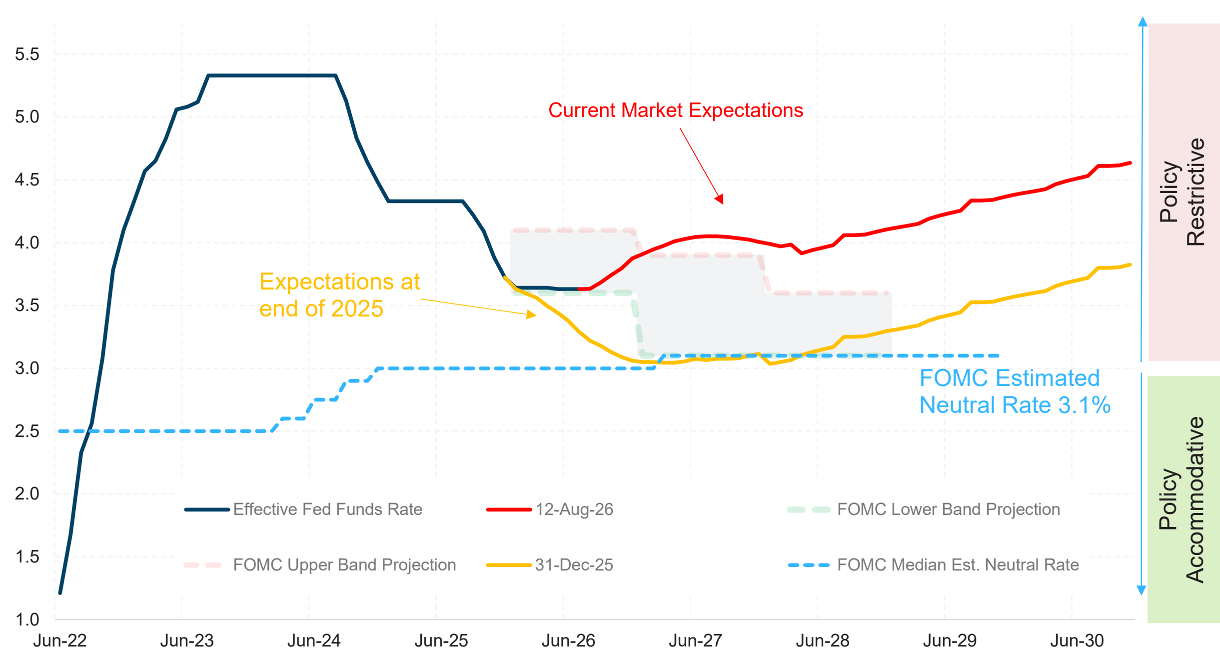
Sources: LSEG I/B/E/S, William Blair Equity Research

Central Bank Target Short-Term Interest Rates, %



Sources: Bloomberg, William Blair Equity Research

Fed Funds Rate Futures Market Expectations & FOMC Projections, %



S&P 500 Sector Performance

Global Industry Classification System	Current Weight* 13-Aug-26	Week Ago 6-Aug-26	Month Ago 13-Jul-26	Qtr-to-Date 31-Mar-26	Year-to-Date 31-Dec-25
S&P 500 Index	**100.00**	**1.15**	**3.77**	**19.46**	**13.93**
S&P400 MidCap Index		**2.09**	**4.14**	**15.94**	**18.43**
S&P600 SmallCap Index		**1.23**	**3.22**	**20.25**	**23.97**
Dow Jones Industrials		**-0.08**	**2.56**	**16.18**	**12.02**
Nasdaq Composite		**1.73**	**3.59**	**24.14**	**15.32**
Communication Services	**9.44**	**-1.21**	**-2.11**	**9.09**	**1.34**
Advertising	0.17	-4.81	-20.33	-18.05	-34.39
Broadcasting	0.05	6.10	14.82	10.90	-12.70
Cable & Satellite	0.05	2.22	8.19	-25.13	-21.51
Integrated Telecommunication Services	0.64	3.28	12.59	-9.33	4.86
Interactive Home Entertainment	0.06	4.06	0.79	11.68	-1.02
Interactive Media & Services	7.29	-2.28	-3.94	15.45	4.08
Movies & Entertainment	0.88	4.04	6.34	-8.03	-11.03
Publishing & Printing	0.02	-2.55	4.49	15.92	10.89
Wireless Telecommunication Svcs	0.27	1.89	-2.67	-12.69	-9.68
Consumer Discretionary	**9.48**	**-0.29**	**2.33**	**11.26**	**0.87**
Apparel Retail	0.35	-4.65	4.99	1.06	9.27
Apparel & Accessories & Luxury Goods	0.07	-12.54	-2.09	-7.74	-12.99
Auto Parts & Equipment	0.01	6.20	-16.98	-18.60	-25.72
Automobile Manufacturers	2.05	5.57	-11.77	-6.00	-21.66
Automobile Retail	0.25	1.53	5.89	1.31	-6.31
Broadline Retail	4.04	-2.66	6.87	27.06	14.96
Casinos & Gaming	0.07	-0.48	-0.67	-3.22	-15.88
Computer & Electronics Retail	0.02	6.66	4.53	32.94	27.52
Consumer Electronics	0.08	3.33	28.04	34.45	53.77
Distributors	0.03	1.93	9.58	26.28	9.54
Footwear	0.09	-2.45	-7.51	-19.14	-31.13
Home Furnishings	0.01	5.05	29.22	41.30	27.28
Home Improvement Retail	0.64	-1.68	2.31	0.57	-3.19
Homebuilding	0.14	2.02	2.46	5.65	-1.64
Hotels, Resorts & Cruise Lines	0.79	3.02	11.58	19.93	8.95
Leisure Products	0.02	5.46	21.59	3.31	17.92
Restaurants	0.73	0.30	1.45	4.32	-0.58
Other Specialty Retail	0.06	0.19	13.57	-10.90	-21.18
Consumer Staples	**4.92**	**0.90**	**1.50**	**2.61**	**9.81**
Agricultural Products	0.08	3.41	-2.78	3.12	35.51
Brewers	0.01	-0.68	5.62	-2.18	-9.77
Consumer Staples Merchandise Retail	2.19	2.17	2.49	-2.65	9.11
Distillers & Vintners	0.04	2.12	2.40	-6.44	0.37
Food Distributors	0.06	-0.95	0.11	17.13	13.38
Food Retail	0.09	1.17	-2.10	-8.23	6.28
Household Products	0.67	-1.24	-1.48	2.70	4.64
Packaged Foods & Meats	0.30	1.66	4.41	4.51	2.99
Personal Care Products	0.08	0.85	2.58	14.97	-0.93
Soft Drinks	0.98	0.89	1.97	7.64	14.29
Tobacco	0.56	-0.77	0.56	9.57	16.42
Energy	**3.14**	**4.64**	**7.87**	**-0.96**	**35.92**
Integrated Oil & Gas	1.54	3.15	9.14	-6.01	31.37
Oil & Gas Equipment & Services	0.23	1.04	6.85	-1.04	33.31
Oil & Gas Exploration & Production	0.59	4.77	5.24	-7.91	24.69
Oil & Gas Refining & Marketing & Transportation	0.41	15.17	17.76	37.42	102.80
Oil & Gas Storage & Transportation	0.38	2.22	-1.64	0.89	25.58

Financials	**11.55**	**0.72**	**3.80**	**17.72**	**6.18**
Asset Management & Custody Banks	1.02	5.45	12.92	30.38	12.33
Consumer Finance	0.55	0.99	2.80	17.39	-7.10
Diversified Banks	3.05	1.85	5.34	23.02	12.35
Diversified Financial Services	6.69	0.94	4.32	16.56	3.37
Financial Exchanges & Data	0.79	3.08	2.72	1.93	-7.42
Insurance Brokers	0.40	-1.04	1.28	11.82	-0.25
Investment Banking & Brokerage	1.38	2.50	0.17	26.59	15.16
Life & Health Insurance	0.28	-1.71	2.61	24.64	17.18
Multi-Sector Holdings	0.98	-3.37	2.03	5.78	0.85
Property & Casualty Insurance	0.85	-3.51	-3.13	9.83	5.54
Regional Banks	0.27	1.40	2.40	18.31	13.89
Reinsurance	0.02	-1.16	-3.13	12.00	7.87
Transaction & Payment Processing	1.85	-0.61	5.14	18.46	2.06
Health Care	**8.76**	**2.39**	**4.24**	**14.67**	**8.61**
Biotechnology	1.58	4.11	6.42	12.70	15.06
Health Care Distributors	0.31	-2.59	2.70	1.98	2.97
Health Care Equipment	1.35	3.71	9.11	1.89	-13.54
Health Care Facilities	0.14	0.72	6.17	-12.00	-13.16
Health Care Services	0.36	-0.26	-5.88	20.10	16.46
Health Care Supplies	0.06	4.31	5.54	12.64	3.49
Life Sciences Tools & Services	0.80	2.67	8.95	22.29	2.76
Managed Health Care	0.73	0.00	-6.52	52.23	23.42
Pharmaceuticals	3.39	2.13	3.87	15.03	17.07
Industrials	**8.28**	**0.52**	**2.99**	**14.76**	**19.70**
Aerospace & Defense	2.15	-0.40	5.21	11.42	12.70
Agricultural & Farm Machinery	0.23	-0.40	4.57	8.71	31.53
Air Freight & Logistics	0.28	4.45	-1.96	11.39	20.22
Building Products	0.43	-1.12	-0.53	12.29	16.90
Cargo Ground Transportation	0.13	3.38	-3.51	18.63	41.62
Construction & Engineering	0.28	1.14	3.49	21.34	61.03
Construction Machinery & Heavy Trucks	0.83	-0.50	-4.80	19.18	40.29
Data Processing & Outsourced Services	0.03	4.55	14.04	6.01	-22.82
Diversified Support Svcs	0.15	-0.17	8.63	8.45	-4.42
Electrical Components & Equipment	0.73	2.43	6.77	20.93	27.11
Environmental & Facilities Services	0.27	-0.59	-4.56	-3.38	-3.15
Heavy Electrical Equipment	0.39	4.91	0.66	20.22	60.57
Human Resource & Employment Services	0.21	1.88	10.87	36.00	9.32
Industrial Conglomerates	0.26	-0.59	11.50	12.32	18.64
Industrial Machinery	0.60	-1.12	5.66	10.44	10.38
Passenger Airlines	0.17	-1.88	2.97	33.72	20.48
Passenger Ground Transportation	0.22	7.67	2.17	5.49	-7.14
Railroads	0.48	-0.19	2.48	21.44	28.32
Research & Consulting Svcs	0.11	1.97	9.57	0.67	-12.94
Trading Companies & Distributors	0.33	-0.57	1.51	26.65	31.70
Information Technology	**35.79**	**1.91**	**6.35**	**37.12**	**24.43**
Application Software	1.72	8.54	15.39	14.60	-15.05
Communications Equipment	1.31	-1.12	1.86	41.18	47.39
Electronic Components	0.56	-1.58	-0.85	26.95	39.57
Electronic Equipment & Instruments	0.15	2.79	13.81	27.17	56.32
Electronic Manufacturing Services	0.20	2.23	5.76	8.35	6.66
Internet Software & Services	0.08	3.54	5.12	14.64	11.92
IT Consulting & Services	0.52	2.48	-3.97	-4.89	-26.17
Semiconductor Equipment	1.69	6.28	-2.35	51.40	94.38
Semiconductors	15.13	2.30	5.56	45.17	37.65
Systems Software	6.90	1.32	24.67	39.99	7.71
Technology Distributors	0.02	0.06	-1.59	17.38	4.29
Technology Hardware, Storage & Peripherals	7.51	0.00	-2.73	30.51	26.01
Materials	**1.67**	**0.16**	**3.09**	**4.09**	**13.77**
Commodity Chemicals	0.06	0.77	2.83	-25.24	35.57
Construction Materials	0.19	-0.09	-4.83	-4.89	-15.04
Copper	0.13	-1.98	11.44	13.69	31.58

Fertilizers & Agricultural Chemicals	0.10	-1.56	-9.18	-10.07	17.46
Gold	0.17	8.31	22.65	5.49	14.36
Industrial Gases	0.40	-1.45	-6.59	-1.61	14.68
Metal & Glass Containers	0.02	-1.90	1.03	4.77	16.92
Paper Packaging	0.15	2.38	12.72	17.50	14.45
Specialty Chemicals	0.32	-1.07	5.84	5.19	9.70
Steel	0.14	-0.07	14.77	54.70	61.89
Real Estate	**1.73**	**0.74**	**1.01**	**10.43**	**12.57**
Data Center REITs	0.25	2.23	6.21	9.69	35.32
Health Care REITs	0.33	-0.97	-0.65	16.91	23.46
Hotel & Resort REITs	0.02	-2.69	-1.39	22.27	32.13
Industrial REITs	0.19	1.48	-0.67	6.83	10.61
Multi-Family Residential REITs	0.00	-0.47	-4.24	13.01	2.82
Office REITs	0.02	0.53	3.19	33.30	2.52
Other Specialized REITs	0.09	1.79	1.84	10.36	20.10
Real Estate Service	0.08	4.92	11.13	3.03	-22.63
Retail REITs	0.24	0.28	-1.00	10.12	16.12
Self-Storage REITs	0.13	0.30	2.44	18.48	21.92
Single-Family Residential REITs	0.13	0.30	2.44	18.48	21.92
Telecom Tower REITs	0.18	1.60	0.21	-0.15	-5.05
Timber REITs	0.02	-2.48	6.03	1.59	4.77
Utilities	**1.93**	**1.38**	**-3.81**	**-4.26**	**2.94**
Electric Utilities	1.28	1.58	-2.94	-4.54	2.91
Gas Utilities	0.04	-1.17	-5.31	-7.99	1.39
Independent Power Producers & Energy Traders	0.08	2.92	-6.16	-1.36	-7.26
Water Utilities	0.04	1.21	3.75	0.27	4.57
Multi-Utilities	0.50	0.88	-5.94	-4.02	4.88

*Current Weight is market cap based, based on calculations by William Blair Intl. Ltd.

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DOW JONES: 53840.00
S&P 500: 7798.99
NASDAQ: 26803.00

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Coverage Universe	**Percent**	**Inv. Banking Relationships ***	**Percent**
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Market Perform (Hold)	28	Market Perform (Hold)	3
Underperform (Sell)	1	Underperform (Sell)	0

*Percentage of companies in each rating category that are investment banking clients, defined as companies for which William Blair has received compensation for investment banking services within the past 12 months.

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