



The Wealth Management Business Model Opportunity

Growth of the Affluent:

- Over the last 10 years there has been substantial growth in the number of affluent individuals in the U.S. and around the world.
- There are over 2.7 million households in the U.S. with investible assets of over \$1 million

What the Affluent want:

- The affluent are looking for more than just an investment or product specialists. They want a different advisory experience
- The affluent are realizing that their financial needs are too complex for any one individual, thus they are seeking out wealth managers who can coordinate the full range of financial services required to meet their needs
- The affluent want a relationship with their advisor that focuses on their concerns, goals and dreams
- They want a higher level of service, a deeper level of commitment. They want an intimate relationship where they are understood and a collaborative effort to address all of their needs

The Opportunity Gap:

- 77.1% of “Middle-class Millionaires” –individuals with between \$500,000 and \$5 million in liquid assets, prefer to work with wealth Managers
- Likewise 82.2% of those with investable assets between \$2 million and \$6 million are looking for Holistic Wealth Management
- Only 1 in 15 or 6.6% of advisors are providing these Holistic Wealth Management services
- Research shows that four out of five affluent individuals with more than one million dollars in investible assets are considering switching advisors
- The affluent are looking for more than just returns. 87% of clients who leave their advisors leave because of poor service or relationship

The Wealth Management Business Model Advantage:

- Wealth managers earn on average nearly three times as much annually as investment generalists: \$881,000 vs \$279,000
- Wealth managers have more than double the assets under management as investment generalists
- Wealth managers get these results with far fewer clients. 101 on average for a wealth manager compared to 269 for an investment generalist
- Wealth managers contact their top clients an average of 15.4 times per year compared to 5.6 for investment generalists
- Wealth managers receive more referrals:
 1. Referrals from existing clients: 87% vs 78.9% of investment generalist
 2. Referrals from other professionals: 81.9% vs 26.2% of investment generalist
- Wealth managers are more than three times as likely to have a formal business plan than are investment generalists and more than twice as likely to use it