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Are You Being Served?

By Ed Dower



If you are an investor with \$1 million to \$10 million in investable assets, the chances are good that you are at least somewhat dissatisfied with your current financial advisor and may be wondering if there is anything better around.

How do we know that? In-depth research on 879 affluent investors conducted by Russ Alan Prince, a principal of CEG Worldwide, our market research affiliate, shows that less than 26.7 percent of affluent investors rated their own investment advisors as excellent. The other 73.3 percent indicated that they would make a change if they found a better alternative. At a recent conference, Prince stated that of the 671,000 people in the country with a net worth of \$10 million or more, "only one out of 50 are completely taken care of."

Why are investors unhappy? While one of the factors was the poor quality of the service some investors received, an equally critical factor cited was the lack of communication and poor quality of their relationship with their advisors. What high-net-worth clients are looking for from the people they employ is hands-on treatment, the kind that results in a personal relationship between advisor and client. Prince found that of the affluent clients who changed advisors, 87 percent did so because of their relationships with that advisor, rather than other factors like investment performance.

What The Wealthy Want

Prince's research shows this very clearly. More than 90 percent of those high-net-worth clients surveyed indicated a strong desire to work with financial advisors. What they most wanted from their advisors was the following:

- 84% prefer to deal with a single individual
- 73% want to consult with an expert
- 72% like to plan ahead five to ten years
- 70% want to deal with people who know them by name
- 70% would like to become more knowledgeable themselves.

That adds up to hands-on service of the kind wealthy individuals have come to expect from all the people they hire. Beyond the simple fact of a personal relationship, these are the seven most important criteria affluent investors use in choosing financial advisors:

- Overall expertise of advisor: 91%
- Care advisor takes to identify needs: 89%
- Investment management style: 84%
- Trust in the advisor: 82%
- Discretion of the advisor: 81%
- Attentiveness of advisor: 80%
- Advisor's desire to establish a long-term relationship: 74.2%

As far as what tasks the financial advisors do for the affluent, the specific services that wealthy clients value most are:

- Asset allocation: 56.7%
- Financial and estate planning: 41.2%
- Tax planning: 23.5%
- Managing money managers: 1.5%
- Asset protection: 1.0%
- Family business planning: 0.8%
- Philanthropic advisory: 0.7%

- Education/information: 0.1%

Does your financial advisor know how you feel about his or her services? If he or she hasn't made the effort to find out the answer to that question, that might be the first sign that something is amiss.

If you are among the 73 percent of affluent investors who are looking for better service, better communication and a closer relationship with your financial advisor, you might want to give us a call at American Eagle Wealth Advisors. Regular contact with clients is a hallmark of the service we offer. We listen to our clients. We know what affluent clients are looking for from their financial advisors. We have built our practice around this research and are committed to meeting and exceeding our client's needs and expectations. It's the kind of personal relationship that can last a lifetime

Protecting your assets is also one of our primary concerns at American Eagle Wealth Advisors. If you have investable assets of \$500,000 or more and would like to discover how we could help you achieve your goals, please contact us at (888) 558-5518 or ed.dower@awealthadvisors.com to set up an initial Discovery Interview.

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you can contact American Eagle Wealth Advisors at

www.awealthadvisors.com

(916) 858-1111

(888) 558-5518

Ed.dower@awealthadvisors.com

Carla.dower@awealthadvisors.com

Donna.dower@awealthadvisors.com