

FINANCIAL SERVICES

Financial advisors will remain an important factor for ultra-wealthy

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Wealthy individuals acquire more wealth than rest of humanity

By BRIELLE JAEKEL

While most of the wealthiest 0.1 percent of Americans prefer to be self-sufficient in regards to their personal finances, most still work with a financial advisor.

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According to new findings from YouGov, the average income of a wealthy household in the United States is \$1.4 million. Despite their beliefs that finances should be self-managed, 82 percent seek aid from a financial advisor and 85 percent of those consumers work with them on a regular basis.

"While the Wealthy leverage the expertise of financial advisors, they certainly don't abdicate responsibility to them," Cara David, managing partner at YouGov.

For the study, YouGov looked at the wealthiest consumers in the world and studied their shopping habits, lives and values.

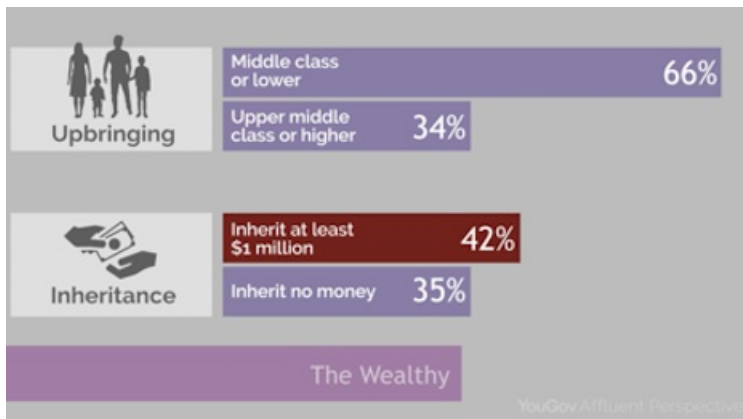
Wealthiest of the wealthy

Findings from the YouGov Affluent Perspective 2018 Global Study show that the 0.1 percent has on average accumulated personal assets of \$19 million.

These consumers are also often self-made today, with 66 percent having grown up in a middle-class or lower income household. Only 34 percent came from upper middle class or higher income households.

Thirty-five percent of the wealthy expect little to no inheritance from relatives, which is a significant number. However, the majority, 42 percent, expects to inherit \$1 million or more.

Those who acquired their own fortunes are more inclined to think of themselves as intelligent, with 72 percent believing so. They also attribute being practical to making an impact on their wealth, with 61 percent believing they are sensible.



Graph on the wealthy insight. Image credit: YouGov

While the majority of wealthy consumers have at least one financial advisor, the average high-net-worth individual has three.

The wealthy may believe that they should be directly involved with the management of their funds, but advisors will remain an important part of that. Ninety-one percent of HNWLs feel as though financial advisors will always be involved with the handling of their funds.

Another 77 percent believe that when using an advisor they see better results than when making investment decisions by themselves.

YouGov has estimated there are 500,000 households in the U.S. who count themselves among the most affluent.

About 93 percent of those who have made their own finances agree they are on top of their finances, and 84 percent believe that their family has never been so financially stable.

YouGov looks into the wealthy's feelings on financial advisors

An important factor of their steady income is that the wealthy save an average of 44 percent of their income to prepare for the future.

Additional insight

More than half of the world's wealthy are confident they will live to be 100, but this belief in longevity is causing anxiety about their financial futures.

According to a report from UBS, affluent investors are concerned about being able to afford healthcare as they age. As consumers look ahead at a longer life, nine in 10 are changing their financial plans and spending habits to account for more years ([see story](#)).

The global ultra-high-net-worth population grew significantly in 2017, with an increase of nearly 13 percent compared to 3.5 percent growth in 2016, according to a report from Wealth-X.

Individuals with a net worth of \$30 million or more now number 255,810, a jump of 12.9 percent over 2016. Despite global uncertainty, the climate is still favorable for wealth as the combined net worth of the UHNW population is \$31.5 trillion, an increase of 16.3 percent ([see story](#)).

"One of the more surprising findings in the analysis was something we didn't include in our release," Ms. David said. "While 35 percent of the Wealthy expect to receive little or no inheritance, an impressive 28 percent have a huge financial leg-up.

"They expect to inherit \$5 million or more in their lifetimes," she said.