

The Ultra Wealthy Have A Gloomy Outlook, Keeping A Careful Eye on Their Portfolios

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The financial crisis left some serious emotional scarring on the ultra rich. In fact, they trust the government less since the downturn, and believe the U.S. and global economies will continue to deteriorate, according to a recent Barclays Wealth survey.

Approximately half of the U.S. respondents (all of whom have over \$1.5 million of liquid assets) say that the U.S. (49 percent) and global (51 percent) economies will continue to deteriorate either over the next few years, or at least over the next year before improving. And 66 percent say they don't feel the U.S. government handled the economic downturn well. More than half of U.S. respondents are expecting weak growth or outright declines in gross domestic product in the U.S. this year; most professional economists reckon there will be strong growth — a view shared by the Federal Reserve and international organizations such as the IMF and the OECD, according to the report.

Matthew E. Brady, head of Wealth Advisory, Americas at Barclays Wealth, says, "Global economic uncertainty has prompted a new 'wealth consciousness' in high-net-worth individuals in America and around the world. As we start the new decade, wealthy investors are paying closer attention to how their wealth is being managed and taking a more hands-on role in the process of investment itself. As 'engaged investors', they want to question the rationale and risks that lie behind their investment approach."

What should concern advisors is that although 44 percent of respondents said they are reviewing their investment portfolio more than they were before the recession, more than half (56 percent) haven't changed how frequently they speak with their financial advisors about investing. "Instead, they are taking matters into their own hands," the report says.

So even though clients might not be grumbling out loud, they may start to think they need their advisor less and less. **Richard Weylman**, a Boca Grande, Fla., practice management coach and business consultant for financial advisors, says not knowing how your clients feel about you can be dangerous. And just because clients aren't complaining to the advisor doesn't mean the client has no complaints. "A satisfied client is still wondering what you're charging him and what it's for. Delighted clients don't care what you're charging," he says.