

# THE VALUE OF PREMIUM WEALTH MANAGEMENT

FOR ADVISERS

[CFAINSTITUTE.ORG/WEALTHMANAGER](https://www.cfainstitute.org/wealthmanager)





*THE BACK  
STORY*





## THE BACK STORY

Remember where the wealth advisory profession started?

Back in the 1980s, modern private wealth management was conceived by the creation of two customer “*needs*.” First came the *need* for a specialist advisory service—an enhanced relationship—among high-value banking customers. Then followed the need for asset management services—premium investment products—for private investors.





Those early years can be described as the *Age of Awakening*: for the first time, private investors had a single gateway for their banking and investment requirements. The message was that the private wealth manager could increase the value of their deposits.

And, just as a rising tide raises all boats, favorable markets meant private wealth advisers did not have a hard time delivering this value proposition.

But the model was ultimately flawed: the proposition was not fit to weather tougher markets. A series of successive crises in the 1990s followed by the dot com crash exposed this weakness. Not all wealth advisers had thought properly about allocations, active risk management, or even how to deliver value beyond returns. Clients began to question whether their advisory fees were justified.

And so began the *Age of Repudiation*. Wealth advisers started to downplay the importance of the investment product to their proposition as it was now harder to generate returns. The message to the client became that they were paying a premium for the service, and the wider solution as a whole, not just the investment results—even though this message was ultimately contradicted by the proposition on offer.

*PREPARING FOR THE*

*NEXT*



*PHASE*



## PREPARING FOR THE NEXT PHASE

It's been nearly 10 years since the global financial crisis, and many wealth advisers are still struggling to reorient themselves. Regulations have imposed the need to review the definitions of product and service. Squeezed margins and a precarious market environment have heaped pressure on firms to get the proposition right.

The misalignment between investor values and adviser value proposition has brought to light how the current solution has failed to attract the full potential customer base; the next phase will require advisers to think and act differently.

A wave of younger clients is beginning to challenge the definition of value in the adviser-client relationship. And new tools and technologies are disrupting the traditional model to offer investors new options for consuming financial advice. Combined, these trends raise the importance of cultivating professional standards to ensure that the advisory function delivers premium customer outcomes.

It is with this thought in mind that we at CFA Institute, in conjunction with Scorpio Partnership, reached out to 1,370 private wealth advisers across the United States and Canada. These included CFA® charterholders sourced from within the CFA Institute community and other wealth practitioners who were sourced independently. We also reached out to 4,000 wealthy individuals with an average wealth of \$2 million<sup>1</sup> to determine the next phase of the wealth profession's development.

Our goal is to provide CFA charterholders with insights about how they are already positioned to

excel in this new environment, as well as some of the things they will need to do a little differently.

What we found was that customers are more experienced and the advisory profession is wiser. Now, the wealth industry sits at the dawn of a new epoch: the *Age of Engagement*. Here, the customer is king and is ready to hold advisers accountable.

In the *Age of Engagement*, the connection between professional skills and customer outcomes must become more symbiotic, with the client-institution dynamic at the epicenter. Thriving in this new era will require considering the theme of value to each and every customer more closely than ever before. As competitors enter the market and new client demographics further shake the model, understanding what is distinct about your offer and marketing it effectively will be paramount.

Private wealth management's past shows that the path to professionalization has been uncertain. But the groundwork is complete. Now, advisers have the chance to shape their own destiny.

So, what is the future for the advisory profession?

1. Private investors in the survey had a minimum asset level of USD 500,000. The median net worth of the sample was USD 2 million.

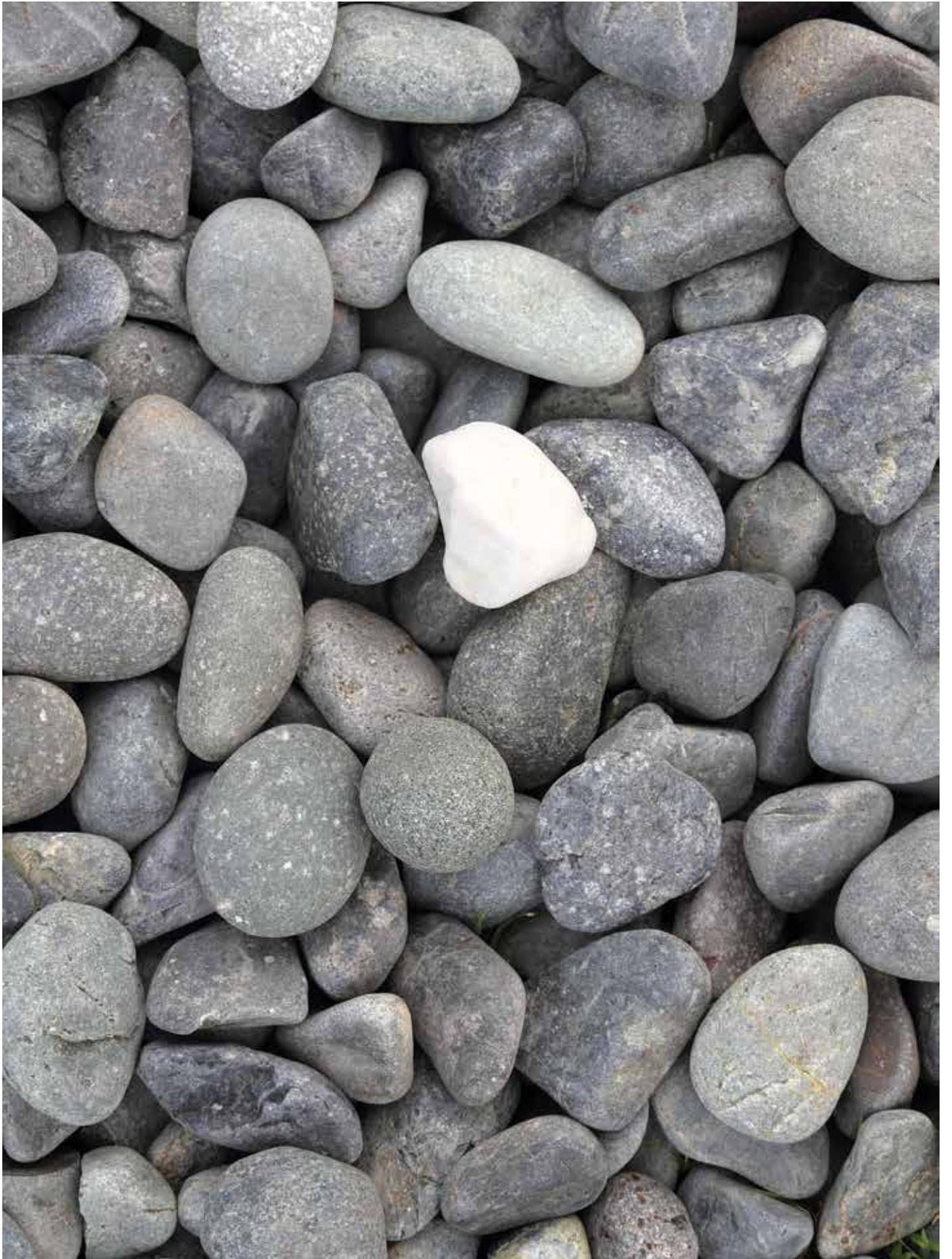
A blue-tinted photograph of a railway track, showing the rails and gravel bed. The text "WE SHIP" is overlaid in white, bold, sans-serif font. The word "WE" is on the top line, and "SHIP" is on the bottom line, both centered horizontally. The background shows the perspective of the tracks receding into the distance.

WE  
SHIP



# ALTH TS

*UNDERWAY*



## WEALTH SHIFTS UNDERWAY

The economics of the business model have made a re-evaluation of the private wealth proposition not just vital, but inevitable. New money has slowed, costs are high, and profitability is slim.

To be sustainable and grow the business, wealth managers must demonstrate greater relevance to the current and future needs of clients and prospects. This includes reaching out to individuals who have not historically seen value in working with a financial adviser.

Thus far, the proposition has failed to compel the full potential customer base. Of the 4,000 wealthy individuals that we surveyed, 25% do not currently take professional advice in relation to their finances. Furthermore, among those remaining, 75% who do seek advice, one in four described their primary advisory relationship to be with their retail bank, not a specialist wealth manager.

Notably, the tendency to choose a bank for advice is consistent regardless of an individual's asset levels. In fact, high-net-worth individuals—whose need for specialist advisory services are arguably greater—are almost as likely to choose a retail operator (including those with no wealth management specialty) as their mass affluent peers.

Failing to fully engage existing audiences raises questions about the quality and flexibility of wealth management solutions on offer. Why do

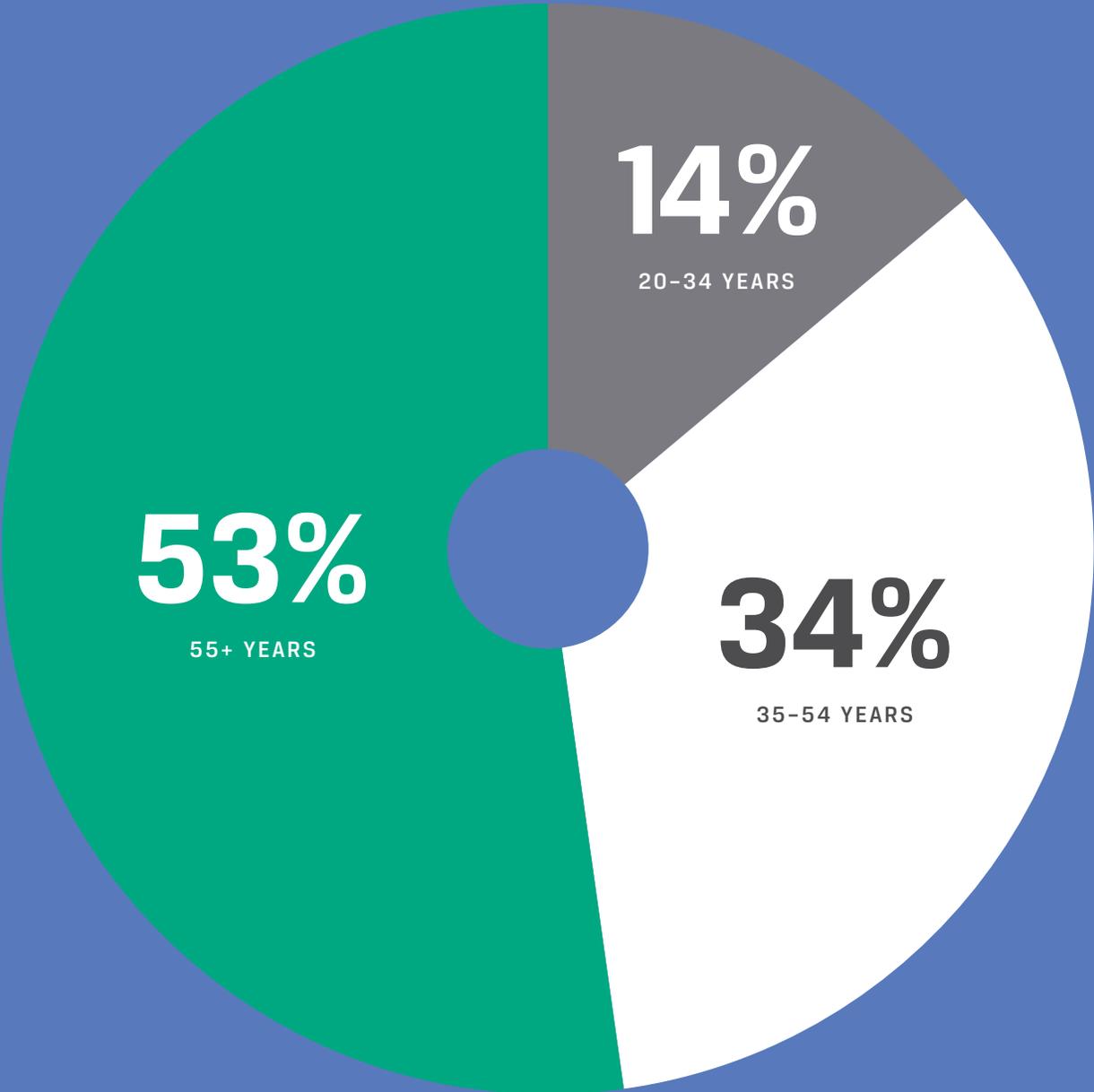
individuals with substantial means choose not to engage with a wealth manager? Have wealth advisers set the bar too low? Do they stand out from the crowd of financial professionals enough? Are advisers appealing to the right kinds of clients? Do wealth professionals really understand what value means to customers?

Wealth shifts are underway. Now, wealth advisers must reflect on the past but not be a prisoner to it. Winning the hearts and minds of those individuals who have not yet worked with a wealth manager will require a more forensic approach to understanding their needs. For them, identifying a clear value-add is requisite to the relationship.

A structured approach to client engagement that maps the proposition and experience requirements of customers will become more imperative as the typical client profile evolves. More specifically, younger prospective clients are finding it harder to see the specific need for specialist wealth advice. Among those aged under 35, the proportion of individuals taking guidance from a bank rather than a private wealth manager rises to one in three.

**FIGURE 1: AGE DISTRIBUTION OF CURRENT WEALTH MANAGEMENT CLIENTS**

[Asked to all wealth practitioners] Approximately what percentage of your private clients are in each of the following age bands?



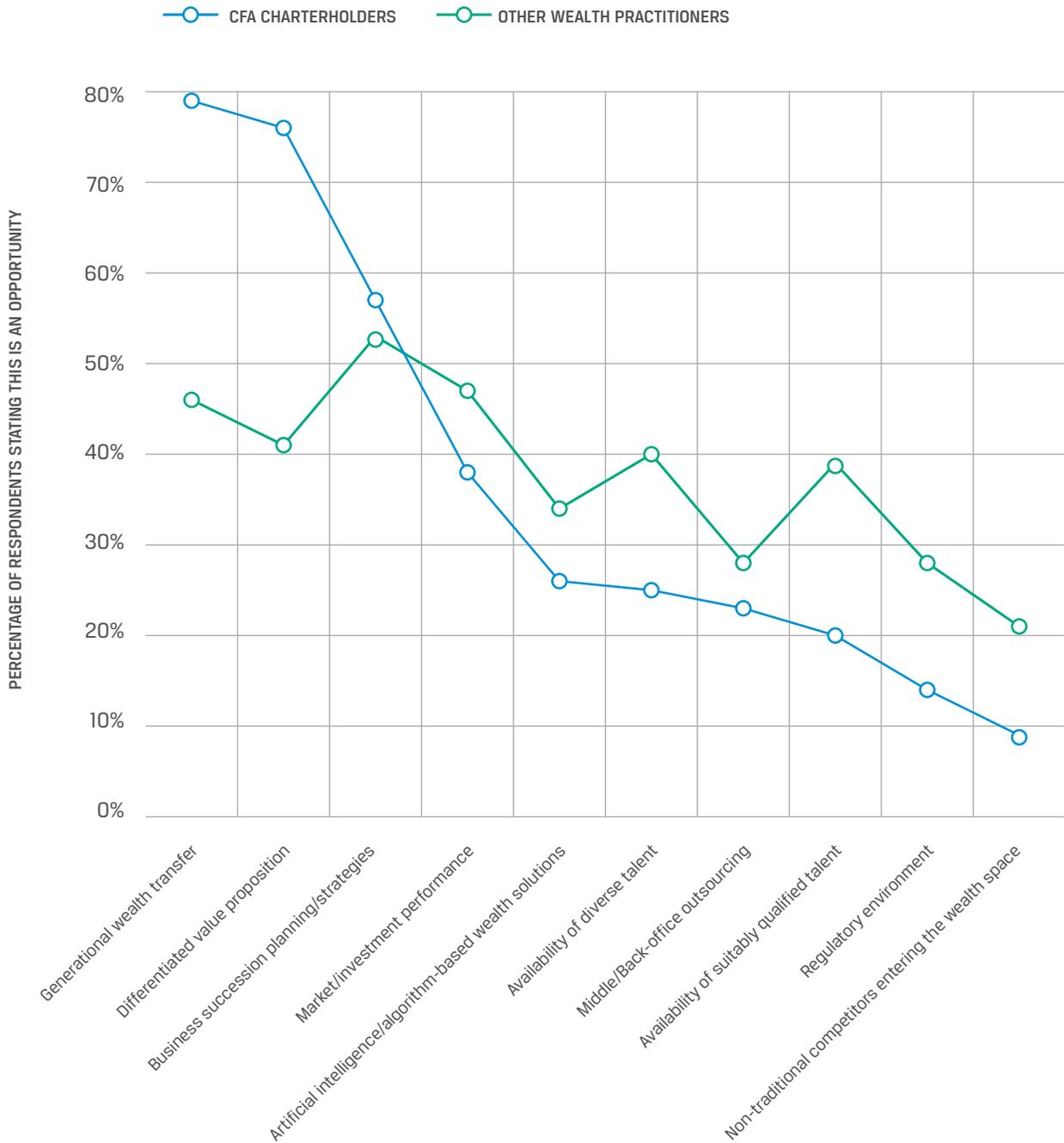
*Figures do not sum to 100% due to rounding*

**"AS CLIENTS GROW  
OLDER, ADVISERS  
NEED TO STRENGTHEN  
RELATIONSHIPS WITH  
HEIRS TO MITIGATE  
POTENTIAL LOSS OF  
ASSETS. FORWARD-  
THINKING ADVISERS  
SHOULD ALWAYS INCLUDE  
SUCCESSION PLANNING  
AS PART OF THEIR  
PRACTICE..."**

**-CFA CHARTERHOLDER**

**FIGURE 2: PERCEIVED FUTURE OPPORTUNITIES**

[Asked to all wealth practitioners] What do you view as the main challenges and opportunities for your business?



This is a problem, specifically, because the industry is set to undergo a radical demographic shift as wealth transfers from one generation to the next. Nearly one half of advisers' existing client base consists of baby boomers [Figure 1]. And while wealth managers may have had some success in appealing to these customers, they are less of a reference point for the future drivers of value in the relationship.

The private wealth advisers within the CFA Institute community exhibit more readiness for this shifting context. In fact, many are actively looking to drive change as well as harness the inevitable wealth shift.

Almost 80% of advisers sourced from within the CFA Institute network describe the coming generational wealth transfer as a business opportunity, compared to 46% of independently sourced advisers [Figure 2]. CFA charterholders are actively seeking a chance to re-engage with their audience, demonstrating how vital it is to be open-minded about change.

Specifically, they believe determining what is distinct about their offer is key. Three-quarters state that differentiation will help them to progress in the coming years and attract new pools of customers. In fact, differentiation will be the hallmark of progress.

By contrast, other wealth practitioner advisers tend to default to traditional tactics when charting the next phase of the industry's development. Forty-seven% of them continue to view market performance as a principal opportunity for the private wealth business. As wealth shifts to younger generations in the coming years, advisers who are unaware or unfazed by the extent of the shift risk becoming dangerously out of touch with the future requirements of their customers. They must stay in tune with the framework of values that govern the client-adviser relationship as the audience evolves.

*NOT ANOTHER*

*BRICK*

*IN THE*

*WALL*





## NOT ANOTHER BRICK IN THE WALL

As CFA charterholders prepare for the evolving environment and start to consider the theme of differentiation, the temptation may be to default to the traditional proposition blueprint.

But today's clients are more experienced and are raising the expectation of quality in the solution. To them, a comprehensive offer will be one in which value is delivered across every part of the proposition.

When it comes to designing the proposition of the future, CFA charterholders believe that financial planning, discretionary investment management, trust and estate planning, and multi-generational planning are the most important areas in which to craft a distinctive offering [Figure 3].

To support this, CFA charterholders have a strong foundation of knowledge in behavioral finance. This complements their strategy expertise, equipping them with the knowledge required to understand the innate influences that affect

human decision making and that could derail a client's progress towards their goals.

By focusing on these proposition elements, CFA charterholders demonstrate their dedication to helping clients navigate the ever-evolving myriad of forces that can affect their wealth strategy. Consequently, CFA charterholders are uniquely positioned to holistically bring together the different products and solutions that help clients to achieve their objectives.

Broadly, this approach suits the current client demographic. Private clients over the age of 55 expect their wealth manager to have a dedicated capability in these areas [Figure 3].

# 64%

## OF PRIVATE CLIENTS THINK THE TERM "FINANCIAL PLANNING" IS SYNONYMOUS WITH THE BROADER PRACTICE OF WEALTH MANAGEMENT

However, attempts at achieving differentiation around such activities come with certain challenges. In fact, our research indicates a semantic shift in the use of the term "financial planning." Around two-thirds of external advisers and 64% of private clients now perceive the term as synonymous with the broader practice of wealth management, rather than as the narrower construct of a financial plan. This evolution may mean advisers struggle to evidence their unique role when building a proposition around this particular capability.

There is also a strong indication that, in the future, clients want their advisers to demonstrate that they have the technical prowess to substantiate their strategic decision making. In other words, the future wealth adviser will need to prove that they are an engineer, not just an architect—an expert who can bring designs to life and support practical execution through all facets of wealth management.

Now, advisers will have to be mindful that in addition to offering a specific capability around strategic activities, clients under the age of 35 have a larger set of requirements across the entire value proposition [Figure 3].

There are signs that advisers may have underestimated the importance of articulating the broader wealth proposition to clients [Figure 4]. Advisers recognize that they must showcase their strategic expertise when it comes to investment process and tax planning but do not understand the extent to which clients want to see demonstrable expertise across a range of technical product areas. For example, hedge funds, private equity, and sustainable investing emerge as areas where clients believe their advisers must be highly proficient.

Many advisers will view this depth of engagement as a threat. But the wisest advisers will see it as an opportunity for more open and informed dialogue with clients, which can ultimately build stronger and more durable relationships.

CFA charterholders are already well positioned by way of their training to articulate their edge across these more technical areas. For instance, 96% of CFA charterholders surveyed believe that the designation has broadened their expertise around private client investments, and 91% reference that it has added value to the advice and recommendations that they can provide across the proposition.

**FIGURE 3: CREATING A DIFFERENTIATED PROPOSITION**

[Asked to CFA charterholders] How important are the following areas to developing a differentiated wealth management proposition?

[Asked to wealthy individuals] How important to you is it that your wealth management firm offers a specific capability in each of the following areas?

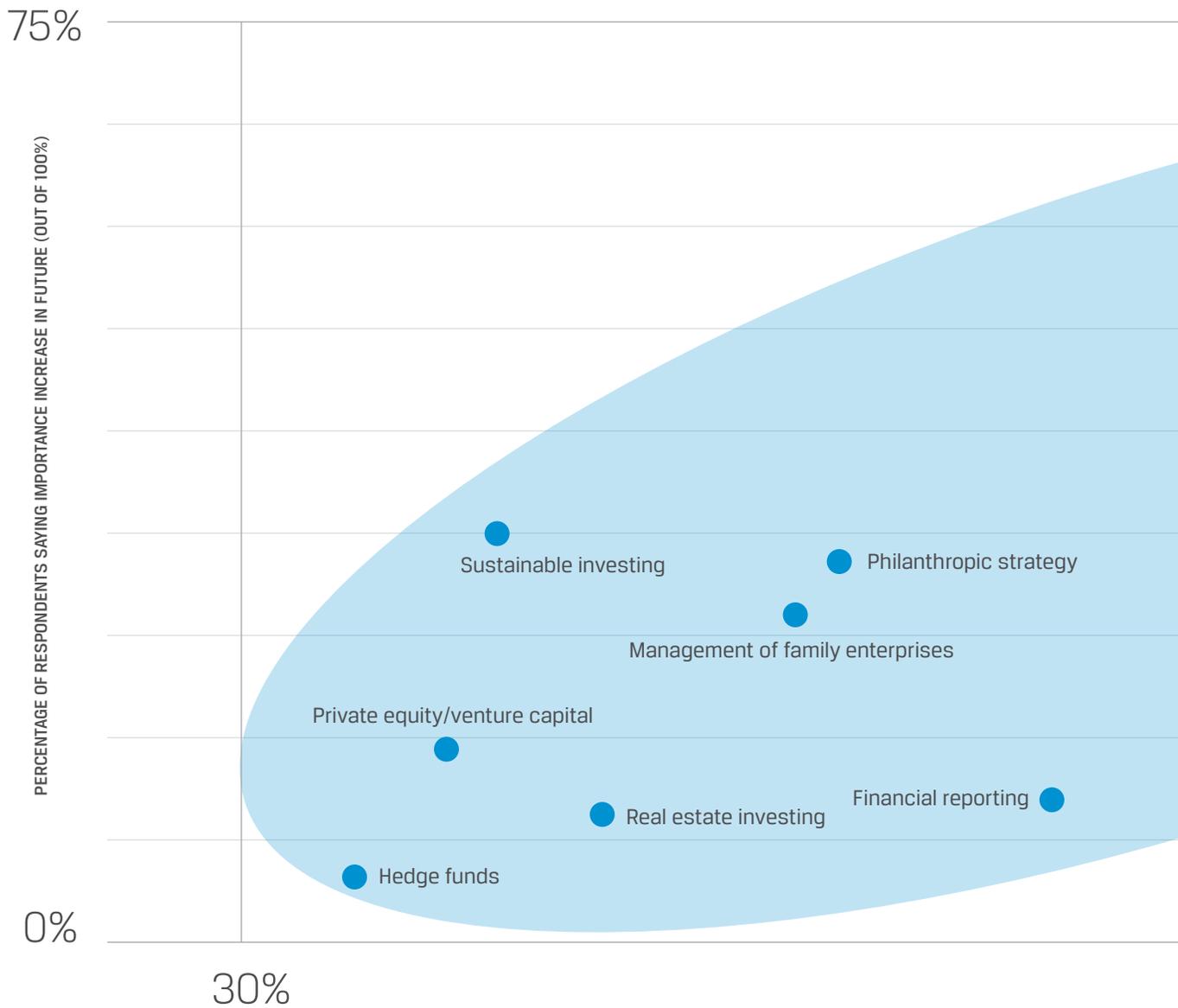
- WEALTHY INDIVIDUALS UNDER 35
- WEALTHY INDIVIDUALS 35-54
- WEALTHY INDIVIDUALS 55 AND OVER
- CFA CHARTERHOLDERS



**FIGURE 4: EXPERTISE THAT WILL WIN NEW BUSINESS**

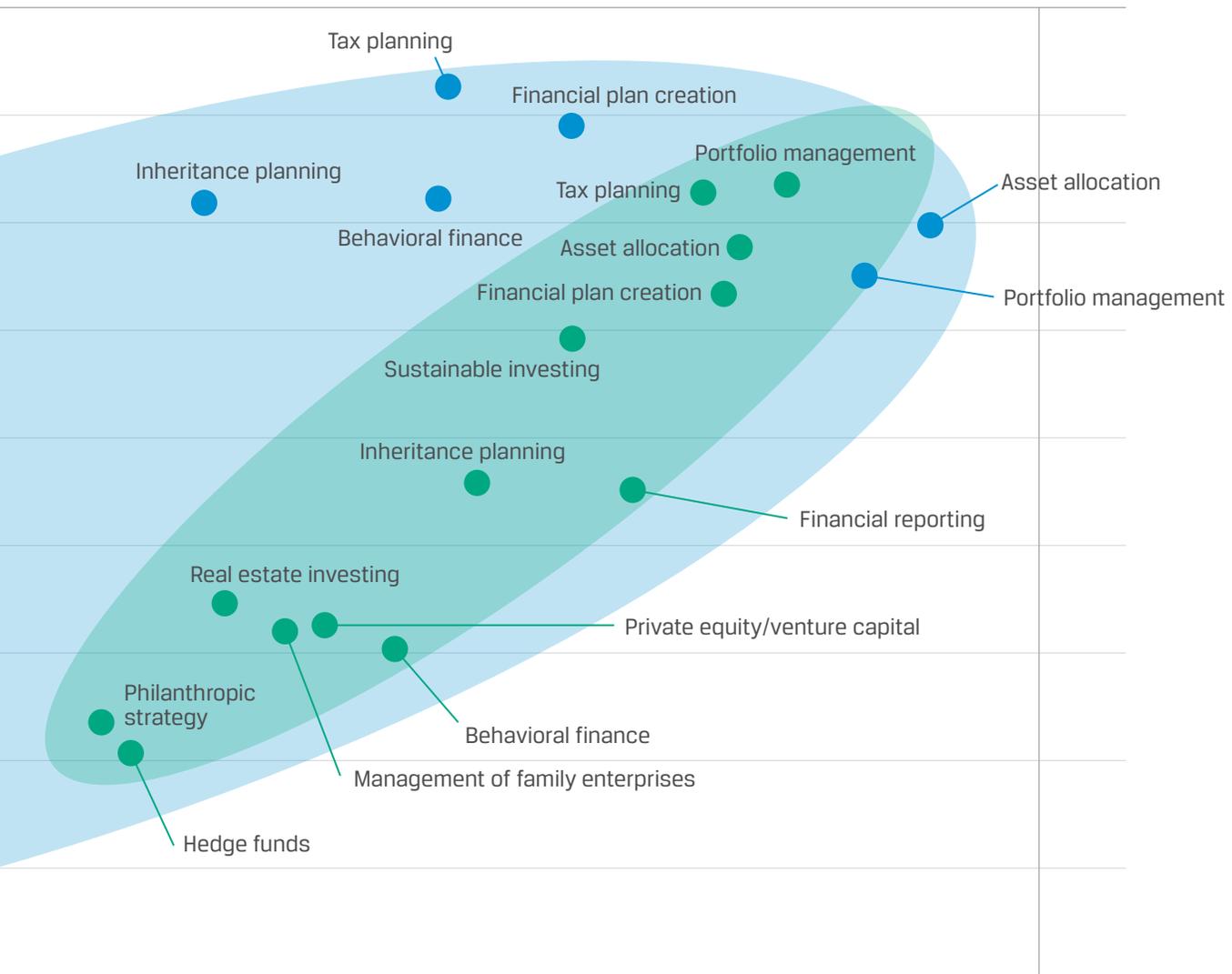
[Asked to CFA charterholders and wealthy individuals] In your opinion, what levels of professional expertise are required in the following areas to be considered an effective private client adviser?

And, which of these following areas do you anticipate will become more important for private client advisers in the future?



● CFA CHARTERHOLDERS

● WEALTHY INDIVIDUALS



PERCENTAGE OF RESPONDENTS STATING THIS IS OF CURRENT IMPORTANCE (OUT OF 100%)

90%



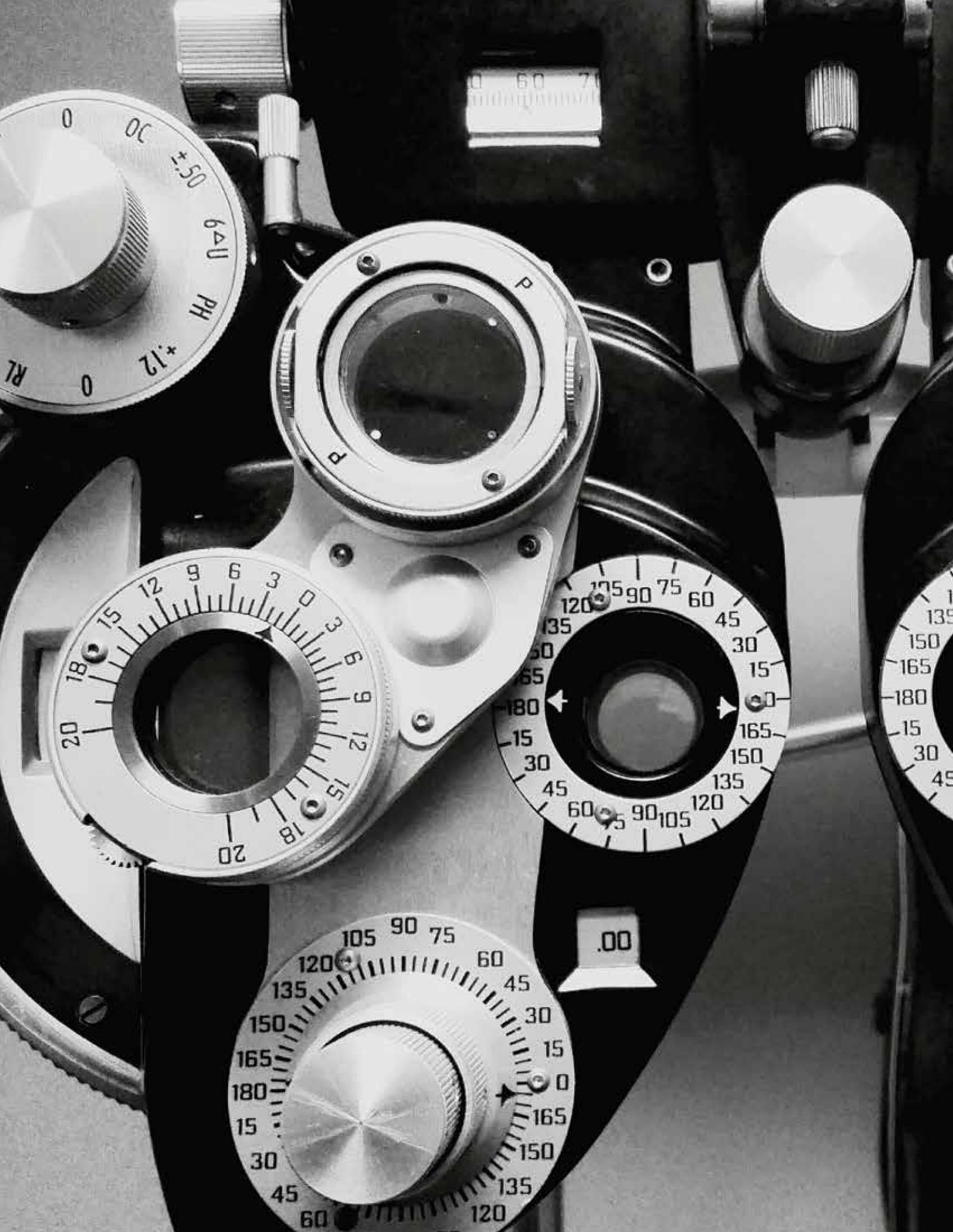
*CL*

*EXPER*

*RECALIBRATING*

*I E N T*

*I E N C E*



## RECALIBRATING CLIENT EXPERIENCE

In the future, "client engagement" will become a key performance metric for wealth management businesses. In addition to evolving the components of their value proposition for maximum perceived value, advisers must also respond to client demands to elevate quality from an experiential standpoint.

Clients want their advisers to deliver premium value beyond investment returns.

These expectations are no longer simply set in the context of an advisory relationship. Clients are focusing on broader interactions with their wealth managers as being shaped by every transaction they make: whether purchasing a new phone, staying at a hotel, or taking a flight. The sum of these experiences creates the new normal in which wealth managers are now assessed. Now, the core function of the wealth adviser is not simply about execution but about creating a delightful process for the customer.

At present, the model works because businesses know how to keep the majority of clients happy. Factors such as ensuring alignment between a client's investment profile and financial goals, transparency on fees, and proactive risk management

are all factors that advisers believe contribute to client retention. Customers who dominate the existing book—those over the age of 55—reflect these views [Figure 5].

But even among this older client demographic, there is still room for advisers to better understand the increasingly impactful drivers of client loyalty. For example, this group values access to a full range of investment solutions and appreciates a single point of contact for the management of their relationship.

Up until now, advisers have gotten by with a broad understanding of the key relationship factors that matter. But the next phase will require them to expand from what is typical to what is possible. They will need to develop a more structured approach to mapping the customer engagement requirements for different client segments.



**"EVERY CLIENT HAS TO BE THE MOST  
IMPORTANT CLIENT YOU HAVE—NO  
MATTER HOW MUCH MONEY THEY HAVE,  
NO MATTER WHO THEY ARE—EVERY ONE  
OF THEM DESERVES TO BE TREATED AS  
YOUR MOST IMPORTANT CLIENT."**

**-CFA CHARTERHOLDER**

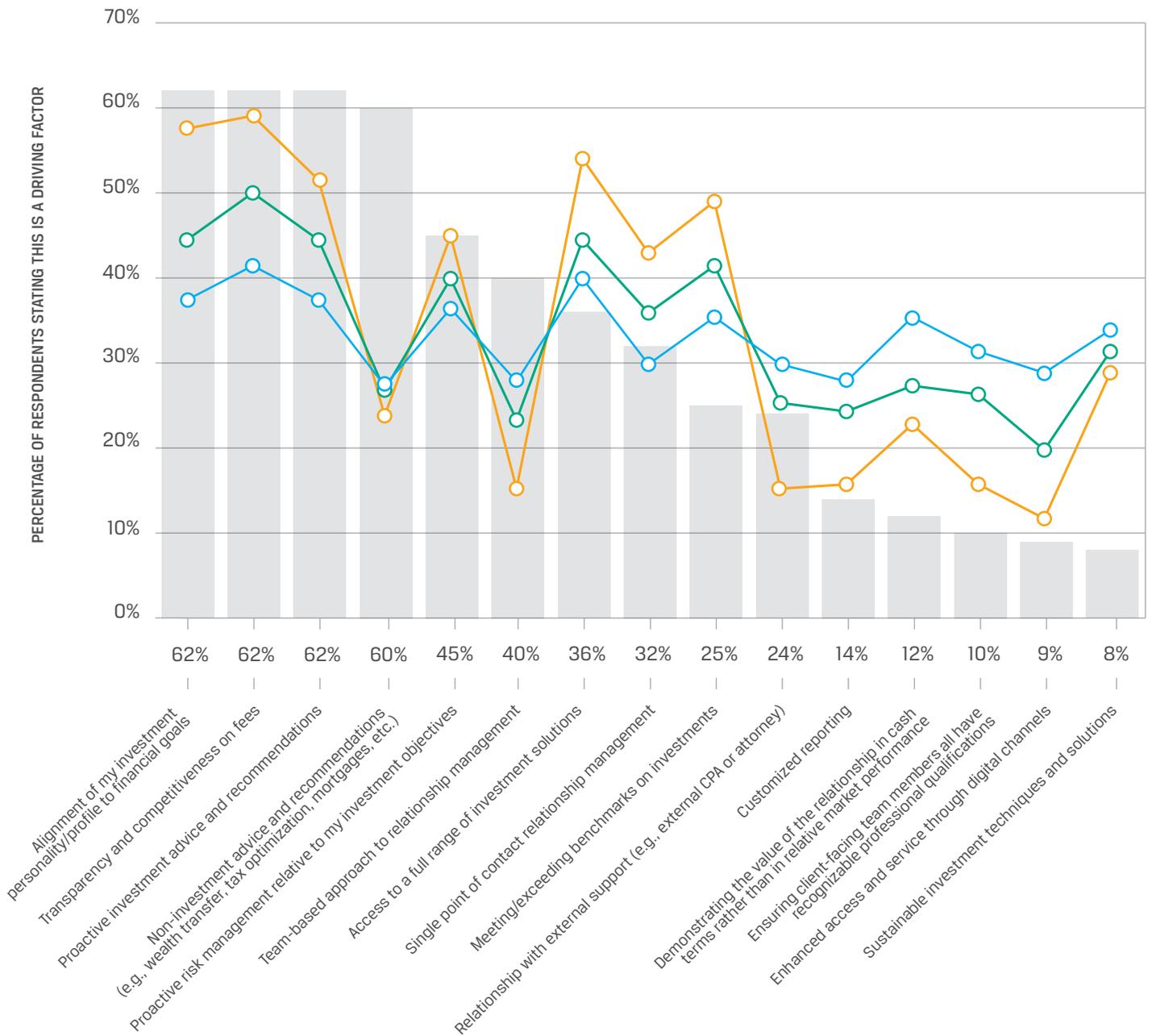


**FIGURE 5: DRIVERS OF LOYALTY**

[Asked to CFA charterholders] In your opinion what are the leading tangible factors that drive private clients to continue working with a wealth manager?

[Asked to wealthy individuals] In your opinion, what are the most important factors that lead you to keep working with a wealth management firm?

- WEALTHY INDIVIDUALS UNDER 35
- WEALTHY INDIVIDUALS 35-54
- WEALTHY INDIVIDUALS 55 AND OVER
- CFA CHARTERHOLDER



**"THE FIRMS THAT WILL SUCCEED IN THE  
FUTURE ARE THE FIRMS THAT WILL LOOK  
BEYOND THEIR COMPETITORS, AND LOOK  
AT OTHER INDUSTRIES AS WELL. WHAT  
ARE THEY DOING RIGHT FOR CLIENTS?  
WHAT MAKES THEM STAND OUT?"**

**-CFA CHARTERHOLDER**

**FIGURE 6: FUTURE OF CLIENT RELATIONSHIPS**

[Asked to all wealth practitioners] In five years' time, how do you anticipate the importance of these factors changing in your private client relationships?

[Asked to wealthy individuals] In five years' time, how do you anticipate the importance of these factors changing in your relationship with your wealth management firms?

- ALL WEALTH PRACTITIONERS
- AMERICAN WEALTHY INDIVIDUALS
- CANADIAN WEALTHY INDIVIDUALS



Advisers recognize that a change is coming, but they do not realize the extent to which this will impact on their relationships.

In particular, advisers believe that transparency and competitiveness on fees, non-investment advice and enhanced digital access will be the future factors that matter most when sourcing a wealth manager [Figure 6]. For clients, expectations are not isolated to these areas but are being elevated across every single part of the engagement. In fact, advisers are grossly underestimating the extent to which they will need to raise their game across all components of the proposition.

Advisers must start to think in terms of client experience, not just performance. This includes not only meeting investment benchmarks and developing effective client profiling processes, but also ensuring sufficient standards of professionalism and value in the future client experience are measured against a broader set of criteria.

Specifically, private investors of the future will place greater emphasis on the proactivity of their advisers when it comes to making investment recommendations and managing risks. They value an adviser who can assess the whole landscape and determine the spectrum of opportunities and threats that could influence their wealth creation.

This is especially true for the incoming key client demographic. The reasons younger clients consume and maintain wealth advisory relationships are altogether different from their older

counterparts [Figure 5]. As well as focusing on the performance of investments, younger clients also reference customized reporting, digital access, sustainable investment techniques, and demonstrating the value of the relationship in cash terms as important factors that drive them to continue working with an adviser.

As a result, the value that the wealth management proposition offers will no longer be calculated purely in terms of investment performance, but rather against the total experience. Premium advisers will already be considering this theme. Those who are not would be wise to start mapping the service qualities that appeal to different target client groups.

The magnitude of this reorientation will require businesses to put client engagement front and center in their performance evaluation. At present, roughly a third of wealth practitioners state that they are incentivized for growing client assets, but just 16% are assessed by their ability to deliver value to customers over the long term and fewer still by the satisfaction levels of their clients.

If this performance driver does not shift soon, clients will notice. And, if clients do not perceive advisers as fully aligned to their interests, the influence of the personal relationship manager in the wealth management proposition could be significantly diminished. As CFA charterholders acknowledge, one of the main threats to their future will be non-traditional competitors—like robo-advisers—challenging the value of their profession

**FIGURE 7: THE IMPORTANCE OF DIGITAL ENGAGEMENT**

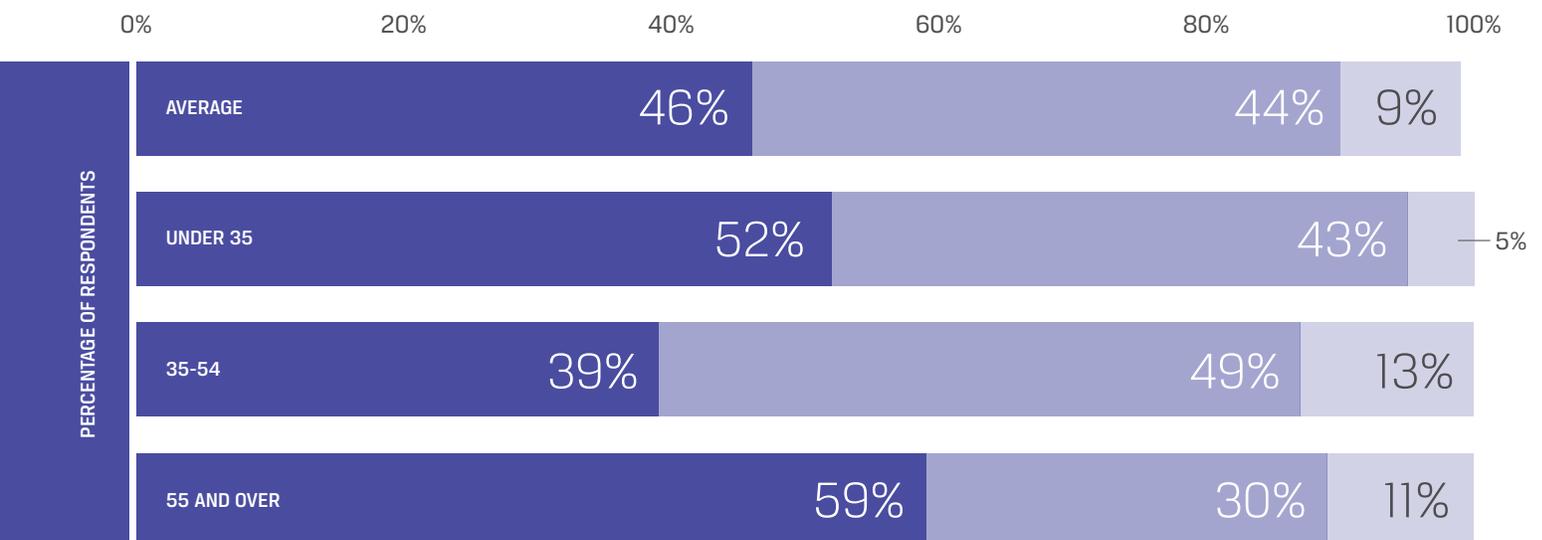
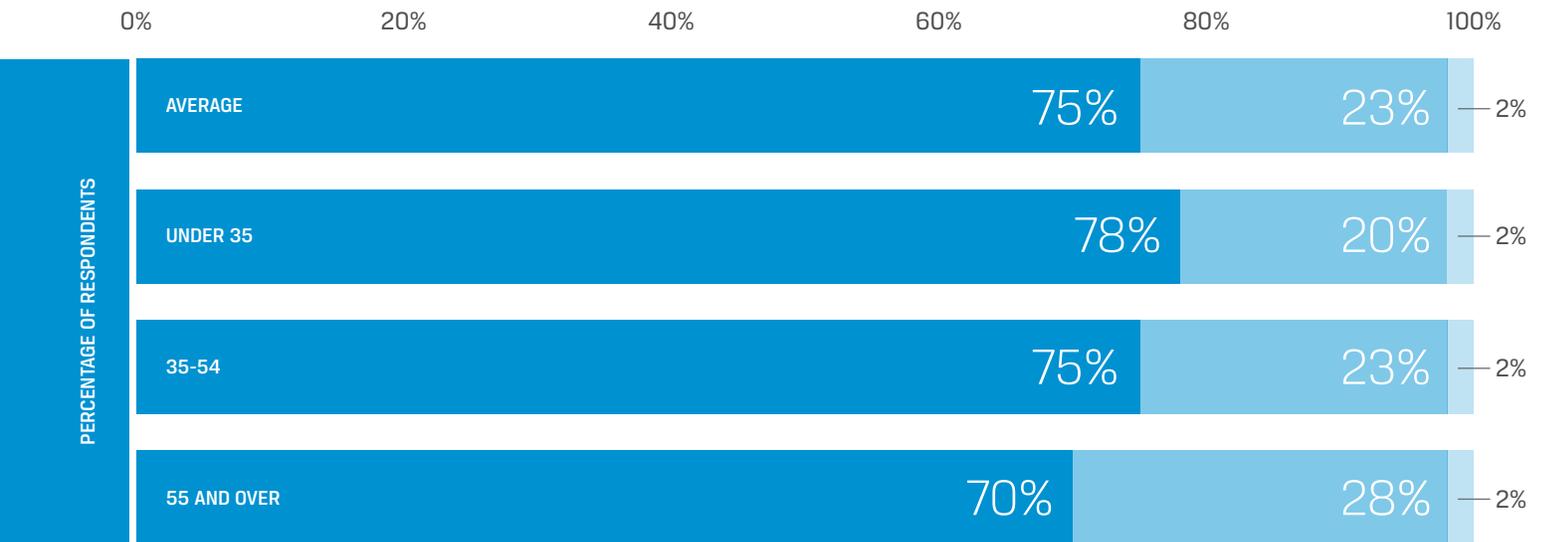
[Asked to all wealth practitioners] In five years' time, how do you anticipate the importance of "enhanced access through digital channels" changing in your private client relationships?

**CFA CHARTERHOLDERS**

- MORE IMPORTANT
- THE SAME IMPORTANCE
- LESS IMPORTANT

**OTHER WEALTH PRACTITIONERS**

- MORE IMPORTANT
- THE SAME IMPORTANCE
- LESS IMPORTANT



Figures do not sum to 100% due to rounding

by automating key services. CFA charterholders also express concerns about the availability of suitably qualified talent: advisers who have the expertise and ability to understand the nuanced requirements of these complex customers, as well as the agility to adapt to their evolving demands.

Arguably, both of these pressure points are already changing the relationship. In today's technology-rich environment, clients have more options for managing their money than ever before. Some, but by no means all, have already defaulted to a digital investment solution in the absence of a quality advisory relationship. But most clients still want to retain the existing model, on the condition that it undergoes a fundamental transformation. Sixty-two percent of private clients now expect their wealth manager to integrate technologies into the experience to deliver a more complete solution, with this number rising to 71% of clients under the age of 35.

As such, advisers will need to work with the technology revolution, not against it. In fact, younger clients are more likely to reference the provision of digital tools and innovation in cus-

tommer experience as reasons to stay with their wealth manager.

CFA charterholders recognize that clients need both a strong user experience and a qualified professional to address the full spectrum of opportunities and challenges that clients perceive in their wealth creation. Three-quarters of CFA charterholders are preparing for the rising importance of digital access, compared to just 46% of advisers sourced from outside of our community. Being open to thinking about the client engagement process and making it fit for the future gives our advisers the competitive advantage as they prepare to serve the next generation of clients.

62%

**OF PRIVATE CLIENTS NOW EXPECT THEIR WEALTH MANAGER TO INTEGRATE TECHNOLOGIES INTO THE EXPERIENCE TO DELIVER A MORE COMPLETE SOLUTION.**



*IN DEFENSE OF*

*VALUE*



## IN DEFENSE OF VALUE

Our research has pointed to a fundamental need to refit the wealth management proposition for a new era. Advisers must be prepared to rethink the solutions they offer to customers and how they structure their engagement in the future.

But they must also strive to speak up in defense of the value they bring to the client relationship and stand up for the essential elements of true professionalism.

In the years since the global financial crisis, wealth managers received much bad press. Negative headlines have perpetuated a view that the industry is self-serving, overpaid, and underqualified.

In reality, many wealth advisers are individuals who are relationship driven, intelligent, and focused on making a difference. In fact, when CFA charterholders were asked to list their career priority, the most frequently referenced response was to pursue their passion. CFA charterholders are motivated by the idea of helping clients to achieve their goals.

In fact, in some instances, clients lack understanding of the exact value that their advisers offer. For example, our research indicates that wealthy individuals have very little understanding about

how they are charged for advisory services. Customers typically believe that they pay their wealth managers on a fixed-fee basis, while CFA charterholders actually tend to charge on a tiered percentage structure, which offers favorable rates to the client as they bring additional assets to the relationship [Figure 8].

Transparency—in advisory processes and practices—can only take the profession so far. But being effective communicators with an open line of dialogue to customers and a commitment to professional standards can enable advisers to better demonstrate the importance, and value, of the advisory discipline.

Arguably, this level of communication can only be achieved if the proposition is fit for purpose, the client experience fosters a culture of engagement, and the industry is passionate and proud of the advisory profession.

**"YOU CAN BE AS COMPETENT AS THE DAY IS LONG, BUT IF YOU DO NOT HAVE HAPPY CLIENTS, IF THEY DO NOT SEE THE VALUE OF THEIR RELATIONSHIP WITH YOU, AND IF THEY KNOW YOUR HEART IS NOT IN IT... THEY WILL LEAVE."**

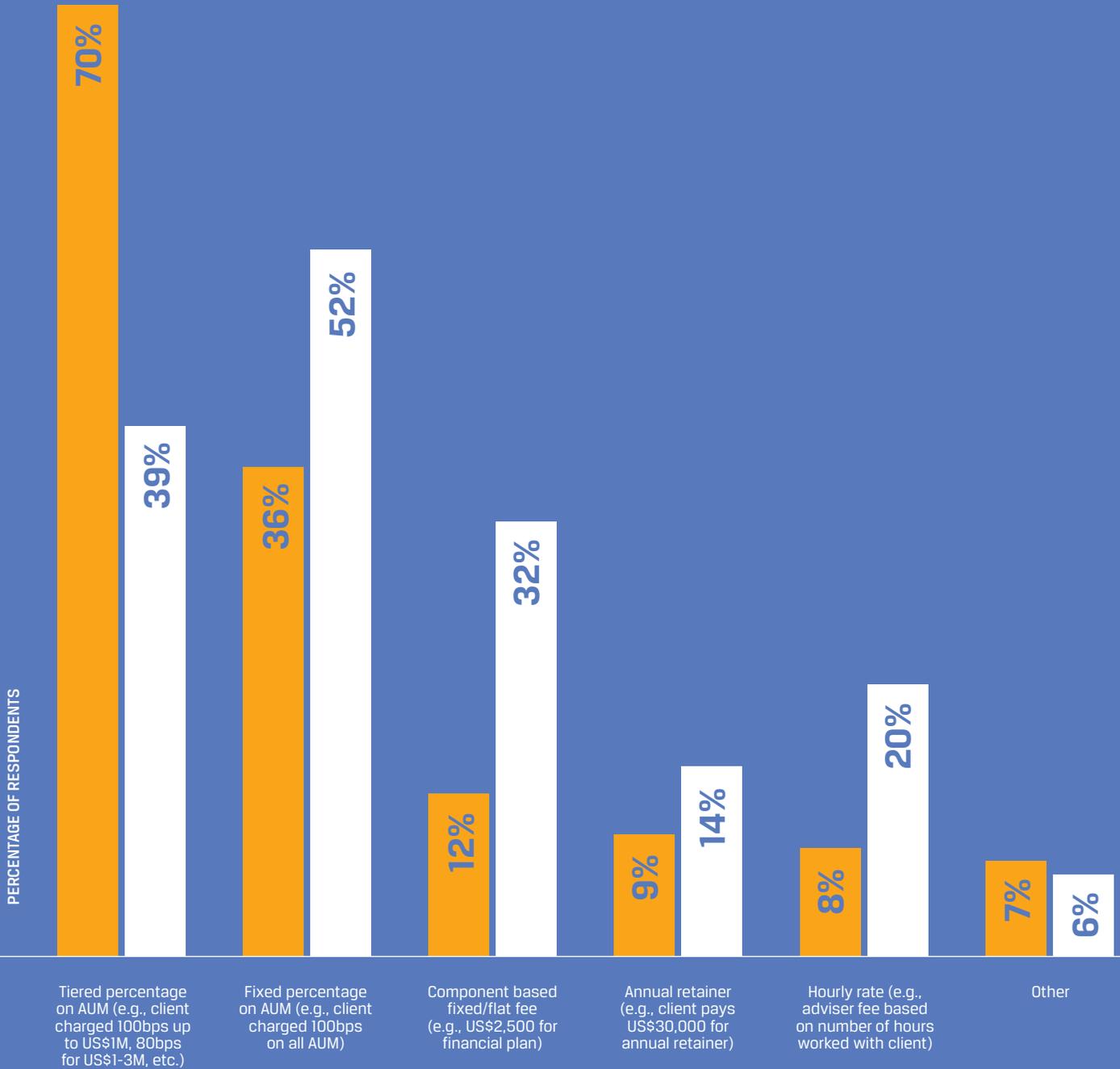
**-CFA CHARTERHOLDER**

**FIGURE 8: CHARGING STRUCTURES**

[Asked to CFA charterholders] How do you currently charge clients for the products and services they consume?

[Asked to wealthy individuals] How do you currently pay for the products and services offered to you by your primary wealth management firm?

**CFA CHARTERHOLDERS**  
**WEALTHY INDIVIDUALS**





## CONCLUSION

The challenging conditions for private wealth management over the last 10 years have fostered a time of introspection and self-evaluation. Not just for wealth professionals, but for wealthy individuals, too.

The wealth profession has persisted because it can make clients' lives better. Generating returns is important to advisers because it is linked to something tangible—whether it is helping clients have a comfortable retirement, sending their child to a great school, or starting the business they have always dreamed of.

Clients are still here because they know this. They respect the role of the wealth professional as an expert who has the ability to support them as they chart their financial journey.

But the next phase of the profession's development is going to require advisers to step well outside their comfort zone. Clients are now more willing than ever to challenge their advisers. Their needs are changing and their expectations are rising. After all, change is inevitable; it keeps advisers on their toes and ensures that they strive for better outcomes for clients.

The future hallmarks of value in the relationship are not just going to be exemplified by an ad-

viser's ability to generate returns, but rather, their aptitude to deliver an experience that simultaneously gives control and delight to clients. And, in the future, constant professional development will become requisite to understanding the full spectrum of influences that can affect a client's wealth creation and managing those influences proactively. For advisers preparing to operate in this new environment, reflecting on how to build innovation into the proposition will be paramount.

The research concludes that CFA charterholders are more in tune with the potential opportunities and challenges of the changing environment. They will need to harness the same tenacity, intellectual curiosity, and focus as they use in their professional development to engineer a value proposition for wealthy individuals that suits changing needs and preferences. CFA Institute stands ready to support this next chapter in the evolution of a true wealth management profession that best serves investor needs.

## ARE YOU READY FOR THE AGE OF ENGAGEMENT?

The values that guide the wealth management profession are changing as the ideals and standards of wealthy individuals evolve. Is your practice ready for a changing environment?

### **Where are your future clients coming from?**

Even if you work with baby boomers now, a significant generational wealth transfer is set to take place. Consider developing a proposition map that outlines the needs and preferences of your younger clients and how they differ from the core customer demographic.

### **Do you dare to be differentiated?**

Want clients to think you are special? Consider what makes you distinct and revisit marketing materials and strategies to ensure that difference is clearly articulated.

### **Are you being the architect and the engineer?**

An exceptional wealth adviser is a technical and strategic expert across all facets of wealth management. Whether it be the behavioral influences that impact decision making or the dynamics of different investment products, an expert adviser understands how these various components combine into a single strategy.

### **Do your clients appreciate the full spectrum of wealth management services you offer, including financial planning?**

Not sure? Ask them. And, make sure you clearly define what you mean when referring to the products and solutions you offer to clients and prospects.

### **Are advisers in your organization truly incentivized to achieve the best outcomes for clients?**

You may think that your business is client-centric, but if you are still compensated for selling products rather than delivering quality client outcomes, think again.

### **Are you as proactive as you could be at flagging potential market opportunities and risks to clients?**

The bad news is that client expectations about their engagement are only set to rise. The good news is that they want to hear more from you about the various influences that could affect their wealth.

### **Is your technophobia holding you back?**

Don't be afraid of digital. Harness the power of technology to improve your customer relationships. Enhance client access and delivery through digital channels.

### **Are you fee transparent or fee fluent?**

Just because you detail the fees that you charge to clients doesn't mean they have a full grasp on the value that you offer. Reconsider how you communicate your fees for products and services to make this clearer.

### **Do you make a difference that matters?**

Not all advisers are made equal. The CFA charter represents superior standards of professionalism. Make sure your clients know it.



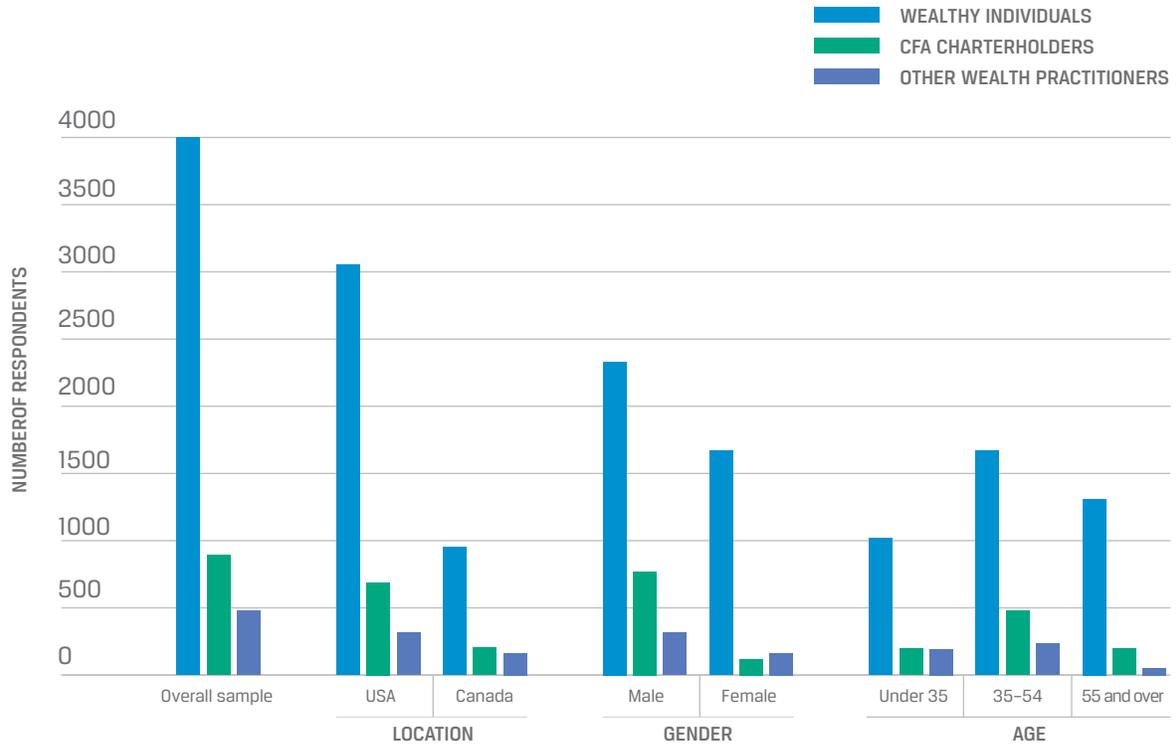
## ABOUT THE RESEARCH

### Methodology

This research, designed by CFA Institute and Scorpio Partnership, was undertaken from July to December 2016. Participants were CFA charterholders, independently sourced wealth advisers without the CFA designation, and mass affluent and high-net-worth individuals living in Canada and the United States.

The methodology comprised both quantitative and qualitative sections. 1,370 wealth advisers (892 of which were CFA charterholders) and 4,000 private client respondents answered a 15-minute online survey during the quantitative phase (sample distribution on the following page).

The median net worth of this sample is US\$2 million across the client respondent sample, and the mean net worth was US\$7 million. This was supplemented by 15 in-depth interviews.



SAMPLE NUMBERS		CFA CHARTERHOLDERS	OTHER WEALTH PRACTITIONERS	WEALTHY INDIVIDUALS
Overall		892	478	4000
Location	USA	689	315	3050
	Canada	203	163	950
Gender	Male	770	315	2331
	Female	120	163	1669
Age	Under 35	199	193	1018
	35-54	480	233	1672
	55 and over	196	52	1310

PERCENTAGE BREAKOUT		CFA CHARTERHOLDERS	OTHER WEALTH PRACTITIONERS	WEALTHY INDIVIDUALS
Overall		892	478	4000
Location	USA	77%	66%	76%
	Canada	23%	34%	24%
Gender	Male	86%	66%	58%
	Female	13%	34%	42%
Age	Under 35	22%	40%	25%
	35-54	54%	49%	42%
	55 and over	22%	11%	33%

Where figures do not sum to total, participant declined to provide information

## **Scorpio Partnership**

Scorpio Partnership is a leading insight and strategy consultancy to the global wealth industry.

The firm specializes in understanding the wealthy and the financial institutions with which they interact. We have developed four transformational disciplines—SEEK, THINK, SHAPE and CREATE—each designed to enable business leaders to strategically assess, plan, and drive growth. These include market research initiatives, client engagement programs, value proposition and brand assessments and strategic business intelligence initiatives.

Scorpio Partnership has conducted more than 450 global assignments across wealth for institutions in the banking, fund management, family offices, law, trusts, regulation, IT and technology, insurance and charity sectors. In the course of these assignments, the firm has interviewed over 100,000 private investors and advisers.

For more information go to  
[www.scorpiopartnership.com](http://www.scorpiopartnership.com)

## **CFA Institute**

CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials.

The organization is a champion for ethical behavior in investment markets and a respected source of knowledge in the global financial community. The end goal: to create an environment where investors' interests come first, markets function at their best, and economies grow.

CFA Institute has more than 148,000 members in 158 countries and territories, including 141,000 CFA charterholders and 147 member societies. The CFA Institute Future of Finance initiative is a long-term, global effort to shape a trustworthy, forward-thinking investment profession that better serves society.

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