

# SPECTREM GROUP PUBLICATIONS

*Primary Research From Spectrem Group*

## 2016 - 2017

Ongoing quantitative and qualitative research  
with 20,000 wealthy investors and retirement plan  
participants each year.

Annual research with Endowments and Foundations  
and Widows and Divorcess

Client Satisfaction Research



SpectremGroup  
*Voice of the Investor*

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## SPECTREM'S WEALTH SEGMENTATION SERIES

Wealth Segment	Sample Size	Subscription
Mass Affluent Investors – \$100,000 – \$1 million net worth (NIPR)*	1,500 per quarter	\$25,000 annual \$7,500 per quarter
Millionaire Investors – \$1 million – \$5 million net worth (NIPR)*	1,000 per quarter	\$33,500 annual \$9,000 per quarter
Ultra High Net Worth – \$ 5 million – \$25 million net worth (NIPR)*	500 per quarter	\$50,000 annual \$15,000 per quarter

\*NIPR – not including primary residence

### **Issues analyzed in the Wealth Segmentation research includes:**

#### *Financial Behaviors and the Investor's Mindset – First Quarter*

The attitudes and concerns of investors regarding the economy and their own personal challenges are analyzed in this report. What are wealthy investors worried about? How do these concerns impact their financial decisions? This report provides financial institutions and advisors with reviews on investors' thoughts on retirement planning, health care, and other personal concerns, which will, in turn, help them more effectively meet the needs of these investors.

#### *Using Social Media & Mobile Technology in Financial Decisions – Second Quarter*

Use of social media and mobile technology is continuing to increase; it is constantly changing the way investors gather their financial information and perform various financial transactions. Do investors prefer financial companies that are active users of social media? Are their provider selections impacted by the use, or lack thereof, of social media and mobile technology? This report examines the use of today's most popular social media platforms and mobile technology capabilities and outlines how investors would like to use social media in their relationships with their providers and advisors.

#### *Advisor Relationships and Changing Advice Requirements – Third Quarter*

An investor's relationship with his or her advisor is constantly changing. What types of planning do investors expect from their advisor—retirement planning, long-term care, estate planning? Advice needed and expected from today's investors is very different than years past. This report examines an investor's expectations of advisors – on everything from communication expected to advice they are seeking.

#### *Asset Allocation, Portfolios, & Perceptions of Primary Providers – Fourth Quarter*

This report examines the portfolios of wealthy investors. How do they have their assets allocated? Are they primarily invested in mutual funds, real estate or other types of securities? What are their perceptions of primary providers in the industry and whom do they use as their primary provider? Insights from this report will allow providers and advisors to understand how they are perceived among investors and will help them identify products, services and future branding strategies they can take to ensure client satisfaction.

## ATTRACTING MILLENNIALS AND GENERATION X INVESTORS

This report will examine 250 Millennials and 250 Generation X investors with at least \$100,000 in net worth, not including their primary residence, to identify how providers and advisors can effectively market their products and services to these investors. What communication channels do they prefer and why? How often do they read emails from financial services companies, and how often have they interacted with these companies on a social media network? Is there a specific type of education outreach or content distribution that will drive these younger investors to be more or less loyal to specific companies? How do the expectations of the knowledge levels and services offered by advisors differ from older generations? How important is financial planning compared to investment planning? How will these investors change the future of the industry? *\$12,500*

## SUCCESSFULLY GROWING YOUR BUSINESS WITH WEALTHY WOMEN

In each of the past four years, Spectrem has published reports highlighting investing trends and insights of wealthy women investors. This year Spectrem will take this to the next level of wealth, and a more granular level of analysis. This report will be a quantitative survey with 500 Millionaire women, and will provide an in-depth analysis and examination of how female investors prefer to manage their financial life and their preferences for solutions from advisors and providers. It will compare two-income households to single-income households and provide assessment by age, sources of wealth and advisor usage. *\$12,500*

## THE WEALTHIEST AMERICANS: \$25 MILLION PLUS INVESTORS

The Wealthiest Americans: \$25 Million Plus Investors is the fifth in a series since 2007. Twenty-five million plus investors remain the most sought-after clients in the financial services industry. These individuals and families need guidance and assistance in managing their wealth, as well as support and direction in all facets of their life. Business succession and estate planning are critical to these investors. Interest in alternative investments and other emerging investment products make this segment unique from other less wealthy households. The complexities of multi-generational wealth planning and asset transfer provide a unique opportunity for qualified financial service providers.

This report provides an analysis of the investment expectations, portfolios and behaviors of this elite group of investors. Topics covered include:

- Asset allocation
- Product ownership
- Future investment intentions
- Provider and advisor usage and satisfaction
- Use of social media and mobile technology
- Expenditures in the last 12 months

Insights will be provided on:

- The types of assets they see as desirable in 2016 and beyond
- The number of financial advisors they rely upon and their selection criteria
- The key issues and concerns that these investors and their families are currently facing

Segmentation analysis will be provided by age, wealth levels and advisor-dependency. The report includes research with 200 households with \$25 Million and above in net worth, not including their primary residence. *\$40,000*

## EFFECTIVE COMMUNICATION TECHNIQUES FOR ATTRACTING AND RETAINING CURRENT AND NEXT-GENERATION CLIENTS

What are the magic words that financial and advisory firms can use to attract and retain clients? Spectrem will conduct focus groups with high net worth investors across the United States to gain an understanding of what types of communication they prefer from an advisor. What attracted them to a specific advisor? How can financial advisors and providers provide investors with information that is important to them?

In particular, this report will focus on:

- How did investors choose their current or existing provider? How did they develop a feeling of trust with their advisor? In particular, what did he or she say?
- Are there specific issues that you wish your advisor would explain more clearly? What words and phrases does he or she use that you might be unfamiliar with?
- How do you communicate with your advisor today? Face-to-Face? Telephone? Social media? Email? Text? Other?
- Do you discuss family issues with your advisor? Why or why not?
- What types of issues do you think are inappropriate for your advisor to ask about? What do you wish your advisor would ask about more frequently?
- Does your advisor have a relationship with your children? Should your advisor have a relationship with your children? Why or why not? How and when would you like to introduce your children to your advisor?
- Specific words and terminology will be tested with the groups as well.

Half of the groups will be conducted with Gen X and Millennial investors while the other half will be conducted with Baby Boomers and older investors. Six groups will be conducted in total. Investors will have a net worth of \$1 million or more. Subscribers will be invited to attend the groups. *\$15,000*

## ROBO-ADVISOR

Spectrem's second edition study will analyze wealthy investor attitudes and usage of robo-advisors and other virtual and online services. In addition to measuring the usage trends and probabilities for future usage, the study will evaluate decision-making criteria and behaviors of users and non-users. This version of the report will also address specific types of robo and online advisors, measure investor familiarity and future usage and if these advisors are used in lieu of or in addition to traditional advisors. *\$10,000*

## CHOOSING A TRUSTEE

Only a small percentage of investors currently use an institution as a trustee of their trusts. In fact, in 2014, Spectrem research indicated only 10 percent of households with a trust and with more than \$1 million of net worth used a corporate trustee, despite the fact that 29 percent currently hold assets in a trust. Why are these investors not using a corporate trustee? What would make them change their mind? As for those investors using a corporate trustee, what factors influenced them to choose a particular organization?

*Choosing a Trustee* is a qualitative study with 50 investors who currently have a trust. Half of the investors surveyed have a corporate trustee while the remaining investors are not using a corporate trustee. This report explores the following issues:

- What was the process for putting assets into trust? Who advised them to set up the trust?
- What is the structure of the estate plan?
- Who is the trustee of their trust(s)? How did they make this decision? What factors were important to them? Ease? Fees? Ensuring that their family is cared for?
- For those who do not have a corporate trustee, what made them to decide not to use a corporate trustee? What events might make them change their mind?
- For those who do have a corporate trustee, why did they choose a specific organization? What might make them change their mind? How is their relationship with their current trustee? Does it meet their expectations? Why or why not?

Senior Spectrem researchers conducted the interviews both face-to-face and via telephone. Respondents represent various geographical regions to identify regional preferences or differences. Additionally, key quantitative information from Spectrem's ongoing research regarding trust assets and holdings is included in the report. *\$15,000*

## CENTERS OF INFLUENCE AND GATEKEEPERS: THEIR INFLUENCE ON REFERRALS AND WEALTH TRANSFER

Gatekeepers, especially lawyers and accountants, have an enormous impact on the ability of a financial advisor or provider having access to new clients. Additionally, the ability of an organization to retain family assets is also linked to the recommendations made to beneficiaries as well as the access allowed by the family attorney or accountant. The gatekeepers often represent the most trusted family advisor and many successful financial advisors rely on these individuals to build their business.

This research is based upon qualitative interviews by senior Spectrem researchers with 25 accountants and 25 estate planning attorneys who provide services to families with more than \$1 million of assets. The interviews were conducted face-to-face and via telephone to assure a nationally representative sample. The research focuses on the following:

- What are the primary reasons a gatekeeper will recommend a specific financial advisor? Do they recommend only one advisor or are there a number of individuals that they may recommend?
- How did they meet the advisor? Professional organizations? Private clubs? Personal friends?
- What types of interactions do they generally have with a family's financial advisor? Do they prefer online or telephone based relationships?
- Upon the death of a client, what type of advisor is recommended to family members? How do you focus on shepherding the process? Do you allow outside financial advisors and/or banks to approach the beneficiaries? Or do you prefer to act as an intermediary between the providers and the family?
- Does the size of an organization impact your likelihood to recommend a firm or advisor? Are you more or less likely to recommend an advisor that is from a large bank or brokerage firm versus a smaller local organization?
- Examples of actions that gatekeepers prefer from advisors and those that are not recommended will be identified.

*\$15,000*

## MANAGING ASSETS FOR ENDOWMENTS AND FOUNDATIONS (RESEARCH DEPENDENT UPON AT LEAST 4 SUBSCRIBERS)

This in-depth Spectrem report will examine the Endowments and Foundations current investment strategies and will provide tactical insights for the financial services industry who serve these important institutional investors. Spectrem will identify the issues involved in evaluating and selecting investment managers for each asset class, and will measure usage, satisfaction and perceptions of major investment firms in this market. We will also evaluate how these institutions view their future investment needs, and what financial firms can do to further develop relationships and improve their probability to win business. A historical comparison relative to previous research will be included to highlight changes in the industry. *\$25,000*

## FINANCIAL WELLNESS IN RETIREMENT

“WILL I HAVE ENOUGH?” How do your advisors answer this question? *Retiring successfully* is important to millions of Americans. But achieving this goal seems overwhelming to most investors. How can financial providers and advisors assist in developing a plan for successfully living through retirement? How does that plan change from the date of retirement until that person is living through their nineties? This research will provide financial providers and advisors with the ability to reach beyond the glowing financial plan that many retirees enjoy at the outset of their retirement and identify what actually happens when a health crisis or financial problem occurs during retirement.

Unlike other reports analyzing retirement spending and planning, *Financial Wellness in Retirement* will focus on retirees at different stages of retirement while still analyzing important issues such as:

- How do spending habits change as retirement progresses?
- What advice do those who have been retired 20 plus years have for those who are recently retired?
- How does their relationship with their financial firms change as their retirement progresses? Who do they rely upon for advice?
- When do they begin to rely more upon family and others for assistance? What causes them to become more reliant?
- How can advisors help them to plan for all of their retirement life span, not just the fun part?

*Financial Wellness in Retirement* will include both quantitative and qualitative research with retirees of multiple age segments. Seven hundred retirees will complete an online survey. Of those, 280 will have been retired for 0-10 years and will have had \$1 million of net worth upon retirement (NIPR). Another 280 will have been retired for 10-20 years and will have had \$750,000 of net worth upon retirement (NIPR). Finally, 140 individuals who have been retired for more than 20 years will be surveyed. They will have had \$500,000 of net worth (NIPR) upon retirement. The qualitative research will consist of 3 focus groups combined with personal chats with multiple retirees. These focus groups will be conducted in 2-3 geographies. *\$15,000*

## SERVING BUSINESS OWNERS

Business owners continually face a variety of economic challenges ranging from the economy to increasing regulatory requirements. How do business owners react to these challenges? Who do they rely upon for advice? Do they prefer to utilize the same advisors for their business and personal assets?

The study focuses on the following issues:

- **Regulatory and Economic Challenges** that have weighed most heavily upon the businesses in the past five years. Have financial providers and advisors assisted them in their capacity to cope with these obstacles?
- **Employee Benefit Issues** including how the Affordable Care Act has impacted their benefit program. What changes have been made or do they plan to make to their retirement plans? What type of advisory firm assists them in making decisions about their employee benefits?
- **Advisory Relationships** including who they depend on to advise them on their business decisions. Has the tightening credit environment cause them to change financial providers? Do they prefer to utilize the same firm to manage their personal and business assets?
- **Business Succession Planning** and the **Next Generation Planning** including how they plan on unwinding their business upon retirement. Do they even plan on retiring? Will they sell the business or leave the business to their children? What discussions have they had with the next generation of family members in regards to what is expected of them, and in turn, what they can expect? How involved have advisors been in this conversation?

The implications for financial providers are a key part of this report, allowing providers to solidify their relationships with these important clients or potential clients. *\$15,000*

## SPECTREM'S ANNUAL TRUST UPDATE

Spectrem's annual trust report reviews the growth of the trust industry, including the number of trust assets and accounts held by major financial institutions. It reviews the growth and usage of collective investment funds as well as amount of assets managed by institutional trustees. This research is based upon an in-depth analysis of FDIC filings made by financial institutions. It will be supplemented by information from Spectrem's ongoing monthly research with HNW investors focused on their likelihood to establish a trust. It will also review current trust usage from an investor's perspective, as well as include insights from Spectrem's 2016 \$25 Million Plus Investor report. *\$3,500*

## THE MILLION DOLLAR ROLLOVER OPPORTUNITY

The defined contribution 401(k) market has existed for over 30 years and a significant number of participants have been able to accumulate \$1 million in their defined contribution account. Plan providers and other investment management firms are engaged in competition to be selected as the providers of the rollover IRAs and the array of income products that plan participants will be seeking help with for managing their money during retirement. Individuals selecting rollover or income product providers have varying degrees of knowledge and experience in managing the investment of their retirement money. Most will have developed attitudes and preferences regarding what they want in their rollover providers, products and advisors. The key to becoming their provider is information about what rollover individuals expect from the provider they will ultimately choose.

Research will be conducted with active defined contribution participants and individuals who are retired but still have assets in the plan. The goal of the research is to:

- Provide a comprehensive understanding of buyer needs, product preferences and the sources of information used in the rollover decision.
- Identify the types of advisors used, their role in product and provider selection and ways that individuals select their advisors.
- Find out what percentage of total assets of the household are represented by the retirement accounts.
- Uncover how the participant achieved this balance. Did he or she specifically choose an aggressive investment strategy? Or did he or she invest conservatively? Moderately?
- Discover the types of relationship and communication the participant had with the provider for the plan. Did he or she rely upon materials provided by the plan provider when making investment choices? If so, what materials were especially helpful?
- Identify the types of retirement planning the participant engaged in. Are there services he/she wished were available?

Spectrem will survey 400 respondents who have at least \$800,000 in qualified plan balances and/or over \$1 million in total retirement assets (which includes IRAs). *\$10,000*

## SPECTREM'S PROFESSIONAL PROFILE SERIES - DOCTORS, LAWYERS, ACCOUNTANTS

Doctors, lawyers, accountants - key wealth investor prospects and clients. But are there differences in the actions and beliefs of each occupation? Do they have the same investing attitudes, use advisors in the same manner and maintain the same types of portfolios? Spectrem's *Professional Profile Series* will be qualitative in nature, but due to the hectic schedules of doctors, lawyers and accountants, the study will be conducted through an online bulletin board. In this research methodology respondents have the ability to log in at their leisure and provide responses to our research over a set period of days. Respondents will reply to questions and comments from the moderator and will also have the ability to comment on content of other respondents: all of this as they have time and at their leisure. The moderator will view the responses over the same period of time and will have the ability to probe, explore and query with the respondents to add richness and flavor to the comments, a major advantage of qualitative research.

Each month during the second quarter of 2017, subscribers will receive a report on one of the professional occupations, detailing the advisor use, investing attitudes and behaviors, asset allocation and social media/mobile technology use of that professional segment. This report will be qualitative, supplemented with quantitative research from Spectrem's Wealth Segmentation Series. At the end of the quarter, subscribers will receive a summary report, comparing and contrasting each professional segment against the others. This report will include qualitative results and quotes from the three occupational segments and will garner providers and advisors insight into the areas in which these professionals are similar and those in which they are different. This information can be used to target marketing and services to particular occupations, or to Professionals as a whole. Advisors and providers will gain the ability to tailor conversations appropriately based on the desires of each group of Professionals in order to meet service and communication expectations of each occupation. *\$15,000*

## THE LEGACY: HOW INHERITORS ARE AFFECTED BY INHERITANCE

Investors of all ages and wealth levels inherit money, but what they do with their inheritance money varies greatly. Do investors of all wealth levels treat an inheritance in the same manner? Spectrem group will survey investors who have inherited \$250,000, \$500,000 and \$1 million or more to identify similarities and differences in behaviors upon inheriting a sizable amount of money. How did their behavior change? What were their original plans for the inheritance, and did they stick to those plans upon receiving the funds? How did their advisor assist in the process? This report will compare investors of different generations as well as those of different wealth levels to determine what factors play an important role to an investor upon receiving an inheritance. Advisors and providers will be given insights into how they can provide assistance and information to the investor that has received a sizable inheritance. *TBD*

## WIDOWS AND DIVORCEES

Are widows and divorcees a large enough group to focus your marketing and sales efforts on? According to the popular saying, “50% of marriages will end in divorce”. Along with this, approximately 700,000 women will be widowed this year. These two major life events leave a large percentage of women going through a transition, both personally and financially. Many of these women have to transition to the financial decision-maker, a position their spouse may have previously held. Spectrem will survey 500 women with a net worth of \$500,000 or more (not including primary residence) who have either been divorced or widowed to find out what changes these households have gone through and the roles their financial advisors played in their transition. This report will help advisors and providers understand key factors and concerns of these women in transition and, in turn, plan their conversations accordingly in order to best service them. *\$12,500*

## DC PARTICIPANT INSIGHT SERIES

*The DC Participant Insight Series includes research conducted with approximately 2,000 plan participants and are 50–60 page-long reports with information segmented by participant age, gender and account balance. Full series – \$15,000*

### *Financial Behaviors and the Investor's Mindset*

The Financial Attitudes and Concerns study addresses attitudes and behaviors of plan participants in 2016. The factors influencing their investment decisions, their financial concerns, and their behaviors regarding the consumption of financial information are all discussed in depth. This understanding will allow financial services firms to better position themselves to calm investors' concerns and increase satisfaction and confidence among plan participants. The study examines how participants feel about debt, aggressive investments and other factors relating to the management of their defined contribution plan as well as their outside investments. *\$6,000*

### *Using Social Media and Mobile Technology in Financial Decisions*

As we continue to see the expanded use of social media and mobile technologies among the general population, retirement plan participants are no exception. This research will examine and evaluate how retirement plan participants are currently using various social media outlets and mobile technology tools, and trending analysis will be done versus last year's research on these issues. We will observe how these participants have continued to integrate these tools into their financial, investment, and retirement planning activities. *\$6,000*

### *Advisor Relationships and Changing Advice Requirements*

Research shows that there are a multitude of driving factors regarding advisor usage among the general population, including age, wealth level, occupation and gender; but what about advisor usage among retirement plan participants? What factors affect the way they utilize the expertise and planning skill of financial advisors? Who are they most likely to turn to for advice? Are the advisors they use associated with their retirement plan, or do they use an outside advisor? If so, what type of advisors do they use? What reasons were involved in making these decisions? What services have they received from an advisor? What do they need? Financial planning? Long-term care? *\$6,000*

## OPPORTUNITIES FOR PROPRIETARY RESEARCH

### THE IMPACT AND UNDERSTANDING OF FIDUCIARY REGULATIONS ON THE AMERICAN INVESTOR

Investors across the U.S. continue to see gray when it comes to the concept of fiduciary responsibility and what it means to them. This in-depth report with High Net Worth investors will discuss the perceptions of fiduciary relationships, the types of conversations advisors are having with investors regarding their fiduciary status, and whether or not investors understand the current regulatory landscape regarding how to ensure they are protecting themselves. Are investors willing to pay more for this service? Will investors switch advisors if they determine their advisor is not a fiduciary when they perceived they were?

### THE VOICE OF THE CLIENT

Spectrem can analyze the voice of your clients or prospects through a quantitative online survey, as well as a telephone or mail-based client satisfaction survey. The insights generated will enable you to enhance client relationships, fine-tune the various service models offered to your clients and prioritize your strategic focus. It will identify any gaps and allow you the ability to ascertain where to make future investments.

## SPECTREM NEWSLETTERS

Spectrem's research and strategic insights are also available in the form of monthly newsletters. Newsletters are an annual subscription and are published monthly. *High Net Worth Advisor Insights* focuses on highlights from Spectrem's research with investors on their attitudes, personal and financial concerns, their use of social media and mobile technology, their relationships with their advisors and their overall assets. It also includes highlights from Spectrem's monthly affluent investor index, showing how wealthy investors intend to invest their money in the coming months. *Retirement Market Insights* serves individuals who need to remain informed of issues regarding retirement. Private-label newsletters and content are also available to fit your needs.

## CUSTOM WHITEPAPERS

Spectrem can create and publish customized whitepapers on behalf of clients to position themselves as thought leaders in the industry. Through a highly collaborative process, Spectrem works with business and marketing leaders to identify and develop key themes, and then will customize one whitepaper or a series of whitepapers to be utilized for branding or co-branded purposes, or to distribute to clients or advisors to support your business objectives.

## COMPLEMENTARY WHITE PAPERS

Spectrem has a library of complementary white papers including:

- Socially Responsible Investing
- Social Security: When and Why
- Snap Judgments: Do First Visual Impressions Impact Financial Advisor Selection?
- High Net Worth Men vs. Women
- Spending Choices Among Affluent Investors
- Money in Motion
- Financial Literacy: Do the Rich Know Something We Don't?

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**SpectremGroup**  
*Voice of the Investor*