Looking Forward While Looking Back

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Look Into My Crystal Ball

The top 1%
- Own 40% of the assets
- Take home 24% of the national income
- Own half of the country’s stocks, bonds, and mutual funds
- Have 5% of the nation’s personal debt
Who are the wealthy?

- HNWI - $1MM in investable assets
- Pentamillionaires (the 1%)
- Decamillionaires
- UHNWI - $30MM in net worth

Who are the wealthy?

- True or False
  - Average age of pentamillionaires is around 60
  - Inheritance plays a large role in vaulting younger people into great wealth
  - Stock appreciation is not a major factor in how the rich got their wealth
  - The number of wealthy families remains stable regardless of what happens in the stock market

Understanding wealth trends

Source: Phoenix Marketing Int'l Global Wealth Monitor, Fall 2011
Mythology of the very rich

- Rich people are old
  - In 2000, average age of pentamillionaires was in the upper 50s
  - In 2008, average age was 53
- Implications for prospect research
  - Look for them on social media
  - Be aware of exclusive social media outlets
    - FamilyBhive.com - “facebook for the fortunate”
    - Affluence.org - membership is free but requires verifiable net worth of $1MM or annual income of $200K

Source: [http://tinyurl.com/3tyew24l](http://tinyurl.com/3tyew24l), TNS Affluent Market Research 2008
Mythology of the very rich

• Young wealth is inherited
  – 26% said inheritance played a part
  – 37% said work related stock
  – 32% said work related bonuses
  – 20% said liquidating a business
  – 17% said taking a company public
  – Most wealth today is 1st generation

Mythology of the very rich

• They got it in the stock market
  – A study of 3,000 pentamillionaires: 80% started their own business or worked for a small company that saw explosive growth
  – Most made their money in a lump sum after years of hard work
  – Implications for prospect research
    • Understand private company equity
    • Invest in resources for private company research
      – Pratt’s Stats
      – BizComps

The rich are like us

• Value conscious (enjoy a bargain)
• Live below their means and value frugality
• Hard working
• Time starved
• Don’t think of themselves as rich
• High expectations for customer service
• Want to feel their investments have meaning
• Spend over 13 hours per week on internet
Trends to watch

• Analytics
  – Internal modeling
  – Data mining
• Cloud computing and mobile connectedness
  – Security concerns fade
  – Profile on an iPad

Trends to watch

• Increased use of visualization technology
  – Majority of people are visual learners
  – Pie charts, graphs
  – Relationship maps

TouchGraph Facebook App
Trends to watch

• Crowd Sourcing
  – ZoomInfo Community – “share your contacts for over 50 million of ours”
  – The Official Board
  – Philanthropic giving

Trends to watch

• New skill sets in research
  – Statistics/analytics
  – Business intelligence
  – MBA & Law
  – Emphasis on interpersonal skills