News

HIGH-NET-WORTHS WANT MORE ADVICE

By Mike Taylor on 23 March 2011 0 comments 5 retweet

Australian high-net-worth investors – with collective investable assets exceeding $1 trillion – spent a total of $2 billion on financial advice in 2010, including $1.1 billion on primary investment guidance, according to new research released by Centric Wealth and carried out by Investment Trends.

The research, released today, suggests that over half of Australia's 310,000 millionaires want financial advice and are prepared to pay for it.

It found that 57 per cent of respondents indicated they were prepared to spend more to receive additional financial advice – a 5 per cent increase on the previous year.

The research said that, for example, investors with $1 million to $2.5 million in gross investable assets spent $590 million in primary investment advice, but were collectively willing to pay $213 million more, or an additional $1,800 per person.

Commenting on the report findings, Centric Wealth director of portfolio construction and management, Brett Sanders, said it had identified significant unmet needs in financial advice, which highlighted an opportunity for the industry to step up and fill the gap.

The report also found the overall satisfaction with primary investment advice declined slightly in 2010 after improving considerably as the market rebounded in 2009.

It found falls in overall satisfaction for financial planners were mainly driven by lower scores for fee levels and value for money.

The survey also revealed investors' level of concern with markets rose to 7.1 out of 10 in 2010 – close to the 7.8 level observed in the depths of the global financial crisis (GFC).

"The Australian equity market did not continue its rapid growth in the early parts of 2010 and recorded a sharp 10 per cent correction in May 2010. This, combined with two-third of respondents feeling the situation in some highly indebted countries may lead to a second wave of the GFC, led to a spike in investors' levels of concern," according to Investment Trends chief operating officer, Tim Cobb (pictured).

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