

# The Meaning of Life

The Dynamics of Work and Life  
for Europe's Wealth Creators



## Table of contents

---

<b>Introduction</b>	<b>5</b>
Methodology	7
Key Findings	8
<b>Who are Europe's wealthy?</b>	<b>9</b>
Globalisation meets localisation	11
A design for life	13
Motivated to succeed	15
Embracing the entrepreneurial life	16
Balancing work and life	17
<b>Live, play, spend</b>	<b>19</b>
Playing with passion	21
Spending freely	22
Snap decisions	23
<b>Plans to spend but hesitant to plan</b>	<b>25</b>
Money matters	27
The advice gap	28
Choosing the right financial tools	29
<b>Conclusion</b>	<b>31</b>

### About NPG Wealth Management

As a well-established life assurance specialist, NPG Wealth Management (NPG) develops holistic, cross-border financial planning solutions for wealthy clients across Europe. Together with a solid network of select partners - private banks, family offices and independent financial advisers - our fresh approach helps anticipate and understand the needs of wealthy clients in a world of change.

With EUR6bn Assets under Management, NPG is owned by J.C. Flowers & Co, one of the leading investment firms in the international finance industry. Behind NPG is a dynamic team of experts united by a common mission: offering compliant and sophisticated solutions that exceed clients' needs and expectations. Trust, dynamism and proximity are at the heart of our philosophy.

[www.npgwm.com](http://www.npgwm.com)

### About Scorpio Partnership

Scorpio Partnership is a pioneer in the art of translating the complex needs of wealthy clients into practical, innovative and profitable solutions to target these customers. This award-winning firm has developed client insight from thousands of millionaires and billionaires around the world. With this knowledge, the firm has implemented strategic research, practical consulting and business innovation projects in over 35 countries.

[www.scorpiopartnership.com](http://www.scorpiopartnership.com)

# Introduction

In a world where change is constant, one truth holds firm. 'How we spend our days is, of course, how we spend our lives.'<sup>1</sup> Searching for the meaning of life may seem impossibly complex. It is an almost intangible question that has inspired philosophical soul searching since time began. However, the simplest way to discover the meaning of life is to turn the lens on life itself.

What do wealthy individuals value and work hard to attain? Which pursuits do they choose to relax? How do they craft order from the chaos of competing priorities and relentless demands, striking a balance between working hard and playing hard?

For the wealthy, the pursuit of wealth is not some vacuous race to accumulate assets. Rather it is a means of self-expression. In that sense, they are what they do.

The answers to these questions offers a glimpse into the world of the wealthy, but for wealth managers there is more to consider. Financial advice, at its best, is advice for life itself.

Advisors, then, must be attuned to clients. Advice must be built in accordance with how wealthy clients live. The delivery of that advice must chime with their reality and if it does not, irrelevance beckons.

We asked 500 wealthy Europeans to tell us about their lives. We sought out individuals in the UK, France, Germany, Belgium, the Netherlands, Sweden, Denmark and Finland, who had an average net worth of EUR3.6 million.

Their answers paint a picture of a world in which international mobility is the norm. Our moneyed respondents move from country-to-country; their lives, both professional and personal, fluid enough to enable opportunities to be seized, wherever they arise.

This enthusiasm for life is contagious. But it has consequences, not least for wealth managers. Time is a precious commodity for these go-getters. Many lack a trusted financial guide. It has never been so important for clients to have access to innovative solutions, for whom cross-border and transnational transactions are a daily reality.

The global wealth industry needs to reimagine propositions, services and products that truly help individuals plan effectively for the future.

With that as context, let's meet Europe's wealthiest and most adventurous clients.

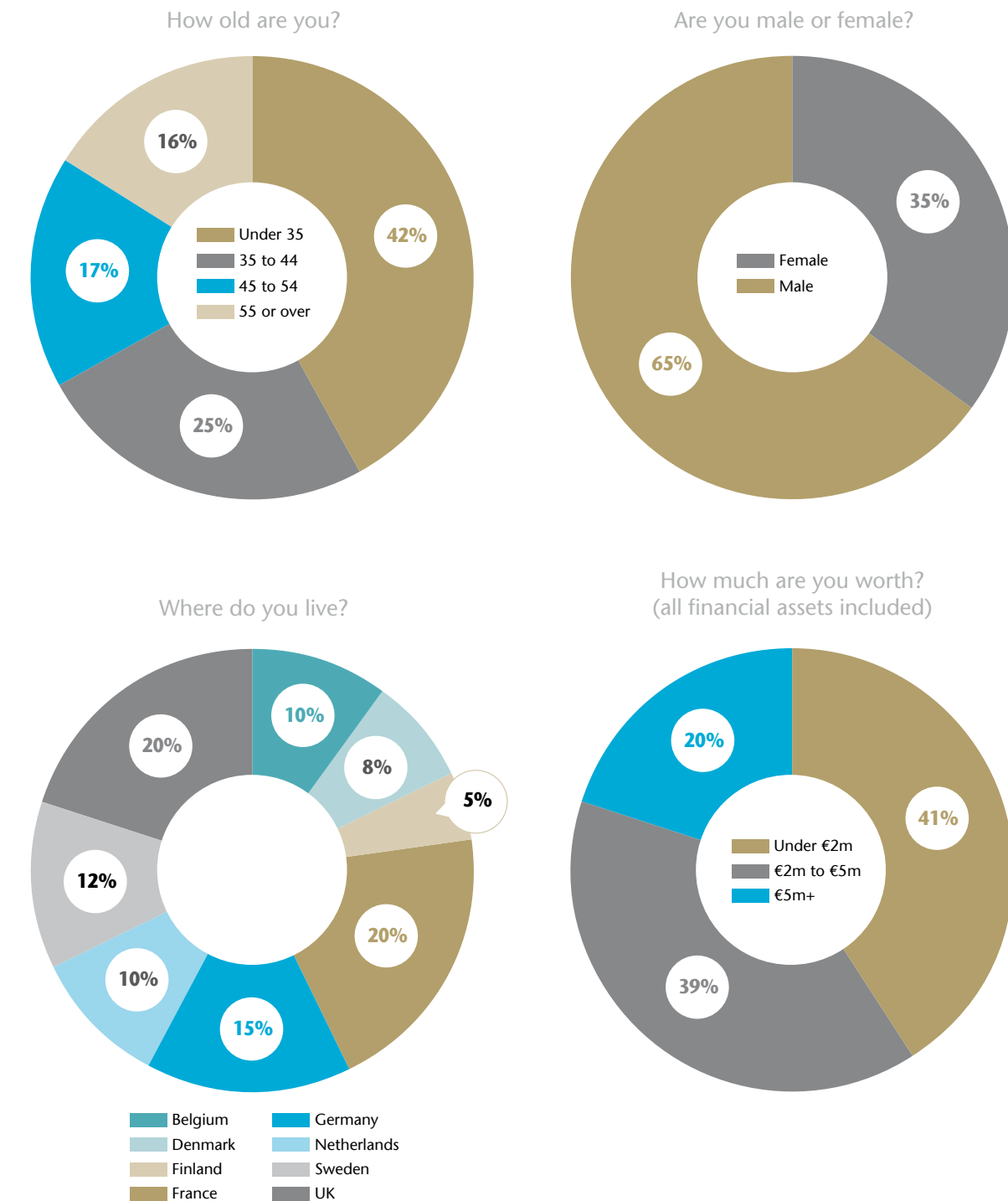
Marc Stevens  
Chief Executive Officer  
NPG Wealth Management

<sup>1</sup> Annie Dillard, *The Writing Life*

## Methodology

### Research methodology and sampling

Research was undertaken by Scorpio Partnership in late 2015. The respondents lived in one of eight European countries and had an average net worth of EUR3.6 million. The research consisted of an online survey, which had 500 respondents, a sample breakdown is shown below.



## Key Findings

### Who are Europe's wealthy?

- **A new generation of internationally-mobile wealth creators is emerging for whom country boundaries are increasingly irrelevant.** Forty-one per cent of European high-net-worth-individuals (HNWI) have moved to a new country to live or work during the last decade and more than one in two plan to do so within the next 10 years.
- **Individuals who have relocated typically enjoy higher incomes than those who have not**, but these rewards come at a price. These international globe-trotters work harder than average, spend longer in the office and willingly make sacrifices to pursue career goals.
- **For European HNWI, the principal motivation to work hard is to ensure the financial security of their family**, yet for internationally mobile individuals this is tempered by personal and emotive factors including following a passion and lifestyle reasons. These high achievers are driven by more than monetary preservation.
- **Overall, European HNWI are broadly satisfied with the balance they have achieved between work and personal life.** Fifty-eight per cent say they are happy, whilst 39% say they work too much and just 3% think they should work more.
- **European HNWIs who move, are more likely to run their own businesses.** Those who have moved in the last decade, are much more likely to be entrepreneurs or business owners than those who remain in the same country. This suggests that the restless rich are keen to set their own paths and destinies.

### Play, Live, Spend

- **When they play, these individuals play hard.** Relocaters typically pursue hobbies that require active participation. Whether it is playing music, participating in team sports or pursuing solo success at driving, writing, collecting or volunteering, these individuals prefer active pursuits. Low engagement past times such as watching TV or reading hold less appeal.
- **These individuals are not shy of enjoying the trappings of success.** Internationally mobile individuals are more likely than others to have made big purchases during the last 12 months, suggesting they hold no qualms about enjoying their wealth.
- **They arrive at prompt and pragmatic decisions about the purchases they make.** Whilst it would be easy to characterise those who 'play hard' as hedonistic individuals adopting a carefree attitude, in fact, it is those who 'work hard' who make the quickest decisions.

### Plans to spend but hesitant to plan

- **Less than 1 in 3 HNW Europeans use a financial advisor as their main source of advice.** Instead, they use a broad range of sources, suggesting that they are willing to take advice but yet to find that one, truly meaningful advice relationship.
- **Most HNWI set and work towards a range of financial goals and this habit is particularly prevalent amongst our international jet setters.** Those who have relocated during the past 10 years are more likely to be saving towards every type of goal other than retirement, suggesting a dynamic approach to managing their wealth.
- **Twenty-nine per cent of those who have moved in the last 10 years say they are using life assurance to save towards a goal**, compared to just 19% of those who have not moved.

Who are  
Europe's  
wealthy?

**B**efore we explore what life really means to European HNWs let's take a moment to get to know them.

From the research we have conducted, we know that a sizeable minority (41%) have moved country in the last ten years and if that were not sufficient to demonstrate this group's mobility, more than half indicated they were likely to move in the next 10 years too.

We also discovered that those who have moved are likely to earn more than those who have stayed put.

And what motivates them to earn as much as they do? The motivator of greatest import is the desire to provide financial security for their families. Notable numbers of HNWs also yearn to build personal status and make a positive contribution to society as well.

So what does this mean for how they think about, plan and live their lives? Let's take a closer look...

## Globalisation meets localisation

Bill Gates once said, '...the internet is the town square for the global village of tomorrow'. The wisdom of Gates, and many others, is regularly devoted to explaining the way in which technology has turbo-charged globalization. We live in an increasingly connected world where communication is becoming faster and easier on an almost daily basis.

Within wealth management, much thought is dedicated to the way in which this particular aspect of globalization will change the delivery of financial advice. Virtual advisors and automated investment platforms are becoming more commonplace, enabling high net worth individuals to access their wealth anytime, anywhere.

But what if the industry is missing something of equal importance? What if the trend has less to do with the way remote connections are making the world smaller, and more to do with the way in which wealthy individuals, are moving around the world instead?

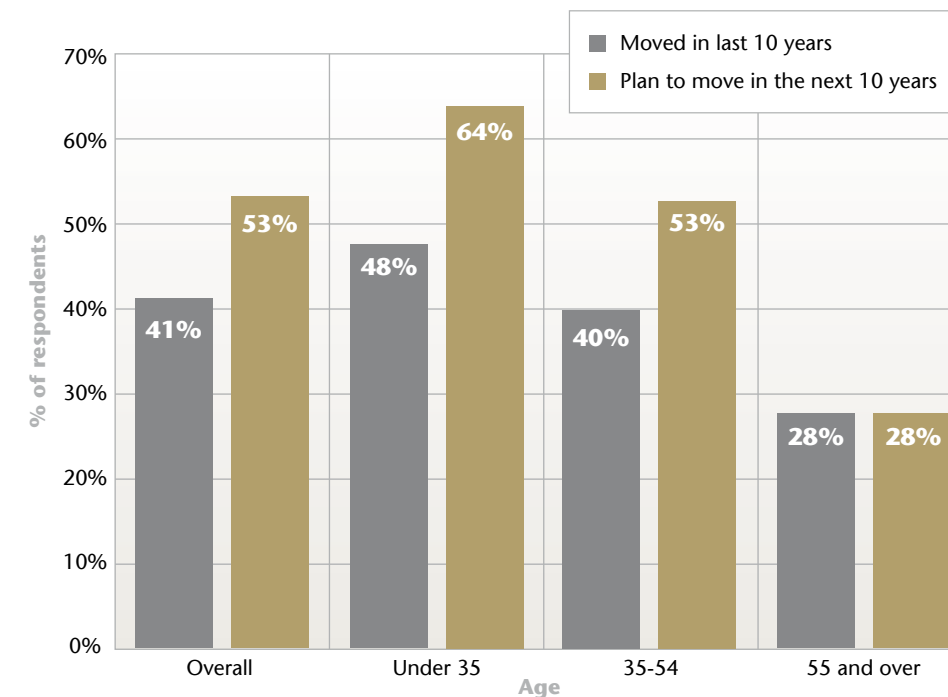
We asked our respondents whether they had recent experience of living or working in another country or whether they were planning to in the coming 10 years. The results were stark.

During the last decade, 41% of European high-net-worth individuals (HNWs) had moved to a new country to live or work, and more than one in every two (53%) plans to do so within the next 10 years. This increased mobility is reshaping the way HNWs interact with the world around them, and subsequently, the way they interact with everything else, including financial advice, products and services.

**Figure 1: Checking into the real global village**

Q. Have you moved to another country to live and/or work in the last 10 years?

Q. Do you plan to move to another country to live and/or work in the next 10 years?



The under 35s, perhaps by virtue of their youth, reported a higher prevalence of having moved abroad in the previous 10 years (48%). Yet despite approximately half saying this, nearly two-thirds (64%) of under 35s were planning to relocate in short order as well. This restlessness amongst younger HNWs suggests a pioneering and venturesome spirit.

It is telling that younger HNWs report higher levels of mobility. This implies they are comfortable with operating in a global world - not being limited to one, fixed abode. With that trend set to accelerate over the coming years, wealth managers need to consider how this international spirit will affect the provision of advice in the future.

Digital technology has opened new horizons for those willing to imagine their future elsewhere - it has not replaced the need for international travel. As it becomes easier to maintain connections with family and friends from afar, and easier to discover and seize opportunities that exist miles away, the wealthy are showing an enthusiastic eagerness to embrace a lifestyle that crosses the globe. This has significant implications, both in the solutions they select and the value that good advice can bring to their lives.

On a practical level, financial products must evolve to become more mobile, more portable. As people breakdown borders, it is important that wealth and the planning apparatus which accompanies it, can move cross-country as well.

This does not necessarily mean that the digital solution is the only wealth management solution of the future. Many clients still value the empathy and reality of a human touchpoint. However, there will be a requirement for a more omni-channel relationship, one that can be left online and picked up again in person.

**Just 45% of female HNWs plan to move country to live or work in the next 10 years, compared to 58% of men.**

## A design for life

According to our research, the decision to relocate can and does make sound economic sense. Individuals who have moved during the last 10 years enjoy average incomes that are typically EUR140,000 higher than those who have not. But rewards are almost always enjoyed at a price.

And for our wealthy globe-trotters, that price involves hard work, and plenty of it.

To get under the skin of what drives the super-rich, we asked respondents to describe their attitude to life. We asked them to self-identify which life philosophy they subscribed to: 'work hard' or 'play hard'.

The work-hard category indicates a strong commitment to work, career goals and a willingness to devote the lion's share of their week to professional pursuits.

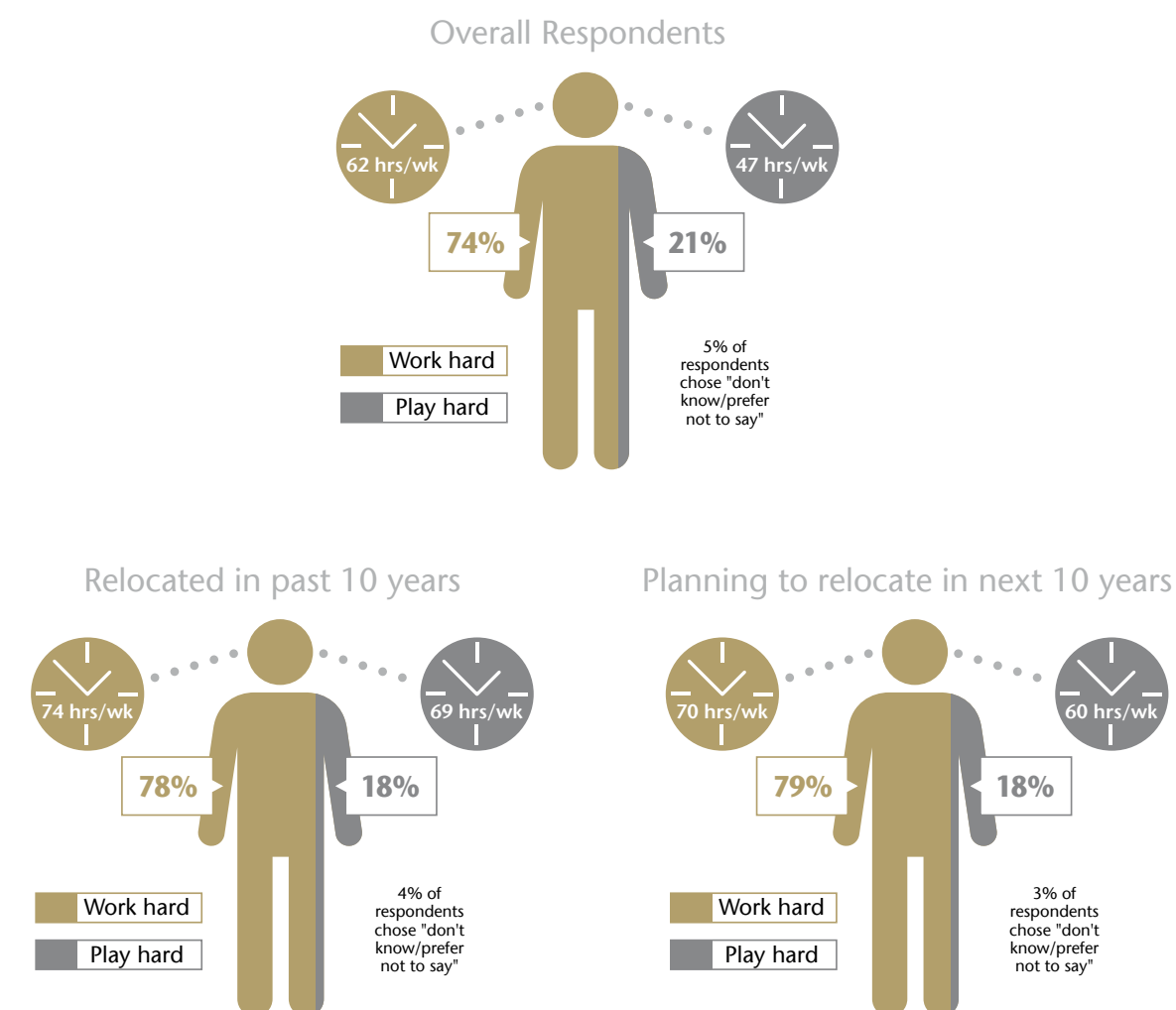
Those who identified with a 'play-hard' mentality, on the other hand, adopt a more measured approach, prizing their ability to enjoy their wealth and carving out the time to pursue leisure activities.

To help quantify this comparison, we also asked respondents to tell us how many hours they work in an average week.

**Figure 2: Do the wealthy choose to work, rest or play?**

Q. Which of the following best describes your attitude to life? (Work hard/ Play hard/ Don't know/prefer not to say)

Q. In an average week, how many hours do you work?





**One in four female HNWs play hard, compared to one in five men.**

Overall, European HNWs demonstrated a strong work ethic with 74% saying they 'work hard' whilst just 21% have adopted a 'play hard' mentality.

Yet, individuals who have relocated to a new country, or who plan to do so within the next 10 years, are even more likely to be focused on work with 78% and 79% respectively choosing the work-hard attitude. This meticulous attention to working, suggests that while a globalizing world can take you places, it can never take the place of hard work.

This contrast in attitudes sharpens, when we begin to clock-watch. Across our sample of HNWs the difference between those who identified as 'working hard' and 'playing hard' equated to 15 hours or more, spent in the office each week, up to 35,000 extra hours over a typical working life.<sup>2</sup>

There is no slacking off early for our work-hard HNWs it seems. Those who 'work hard', work a staggering 62 hours a week on average while individuals who 'play hard' clock a more manageable 47 hours.

Still, when attention is turned to those who have relocated, or plan to, the dial shifts considerably again. In this group of people, those who chose a 'play hard' attitude said that even they will regularly spend between 60 and 69 hours a week working. Those who openly embrace a 'work-hard' approach devote an astonishing 74 hours per week trying to hit their career goals.

These are highly driven individuals who are seizing life with both hands and are unafraid to work hard to do so. But with such an insatiable work ethic, financial advisors need to be mindful that some elements of financial planning can easily be forgotten.

Our restless rich are not simply juggling the demands of international working and living, they are time-poor as well.

<sup>2</sup> Based on 15 hours a week for 45 years

**Those with a net worth over EUR5 million work significantly longer hours than those further down the wealth curve. However, almost half of them feel that this is too much.**

## Motivated to succeed

So what drives our wealthy respondents to work so hard? The prime motivation is, perhaps unsurprisingly, to ensure a safe future for the family. Yet for our international wanderers of wealth, personal motivations also come into play.

Over a third of individuals who have not moved country believe financial security is the most important reason to work hard. However, amongst those who have moved, the figure drops to less than one in four. The aversion to risk amongst our domestic wealthy population may be a symptom of their desire to build strong foundations for the future.

For relocators a broader range of motivating factors is at play; many are highly personal and emotive.

For example, 15% per cent said they work hard because they are following a passion and a further 14% want to build personal status, far more than the 9% of those who have not spread their wings. An additional, benevolent 10% of movers also said they worked hard to have a positive impact in their community.

Beyond these reasons, 13% of those who had moved to pastures new in the preceding decade

stated that they were motivated to work hard for lifestyle reasons. This compared with just 9% of those who had stayed put. The ability to live life to its fullest is all the incentive some of our travelling millionaires need. These respondents don't live life to work; they work to live life.

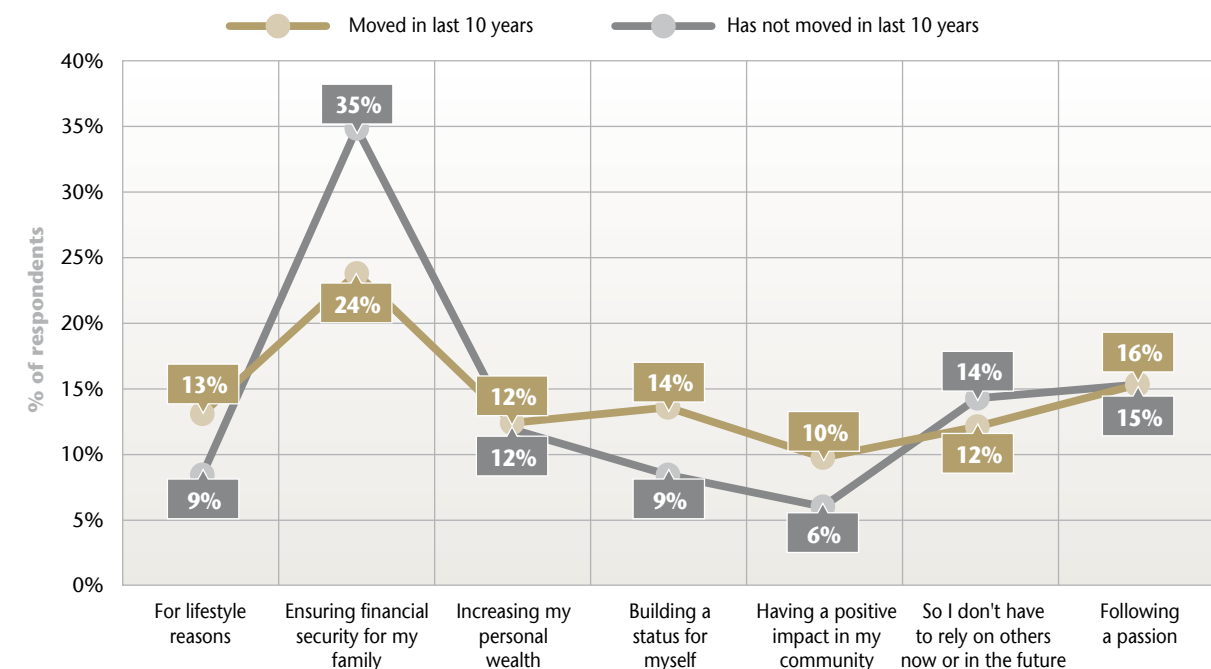
With this diverse range of motivators at play in the hearts of our adventurers, the advice they receive and the products they use need to be flexible to meet their unique requirements.

For HNWs work is one element of a total life approach. They are not chained to their desks, dreaming of escape, but embracing work, chasing their dreams, wherever they might take them.

**HNWs worth over EUR5 million are most motivated by the possibilities for independence and asset growth, while those with wealth less than EUR2 million are driven by family security.**

**Figure 3: A passion for work**

Q. What motivates you to work hard?





## Embracing the entrepreneurial life

Yet, the reason why some of these individuals are so passionate about their work may lie in the entrepreneurial spirit that runs through our relocators...

Amongst our surveyed HNWs, working as an employee remains the most likely work status. Just over one in two (52%) of Europe's wealthy are professionals. Whilst around a quarter (27%) run their own business, the balance contains those who are retired, in full or part-time education, engaged in voluntary or charitable work, and those raising a family.

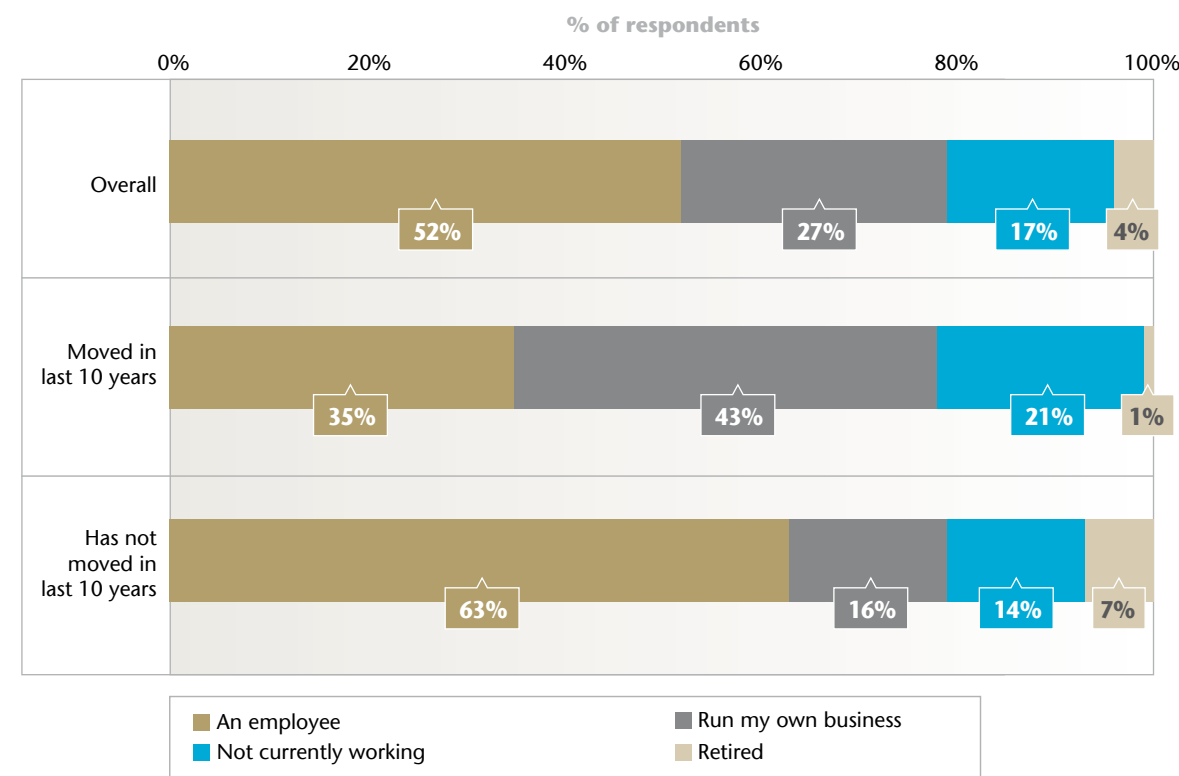
However, HNWs who have moved to a new country to live or work during the last decade are nearly three times more likely to be self-employed (43% versus 16%).

This entrepreneurial zeal means that the hours devoted to work are more likely to be spent building a business or a professional legacy than contributing to a corporate agenda. This explains the passion and energy that fuels such hard work, but also underlines the important role sound financial advice can play. Inheritance planning and transferring wealth to the next generation, is complex for most, but this complexity is magnified for those with business concerns to safeguard and transfer as well.

As such, HNWs are not only looking for financial products which can facilitate their cross-border mobility, they are also conscious of the tax implications and the security of asset transfers too. In short, they are looking for a holistic solution.

**Figure 4: Embracing the entrepreneurial life**

Q. Please choose an option from the list below which best describes your current work status.



Not currently working includes: Engaged in voluntary/charitable work; Not working by choice; Not working but looking for work; In full/part time education; Taking a career break; Raising a family; Other

## Balancing work and life

European HNWs are not sedentary. They actively chase their dreams and desires globally. Often times they do so at the expense of other facets of life by working extremely hard and long hours.

Importantly, HNWs are extremely self-reflective about the work-life balances they maintain as well. We asked them to best describe the relationship between their work life and personal life. The findings are powerful and emotionally significant.

Of those who have relocated in the last 10 years, respondents were finely balanced in their reflections of their work-life balance.

A plurality, but by no means a majority, 31%, felt that one part of their life tended to spill over into the other. The challenge of balancing competing priorities is one our HNWs are clearly conscious of.

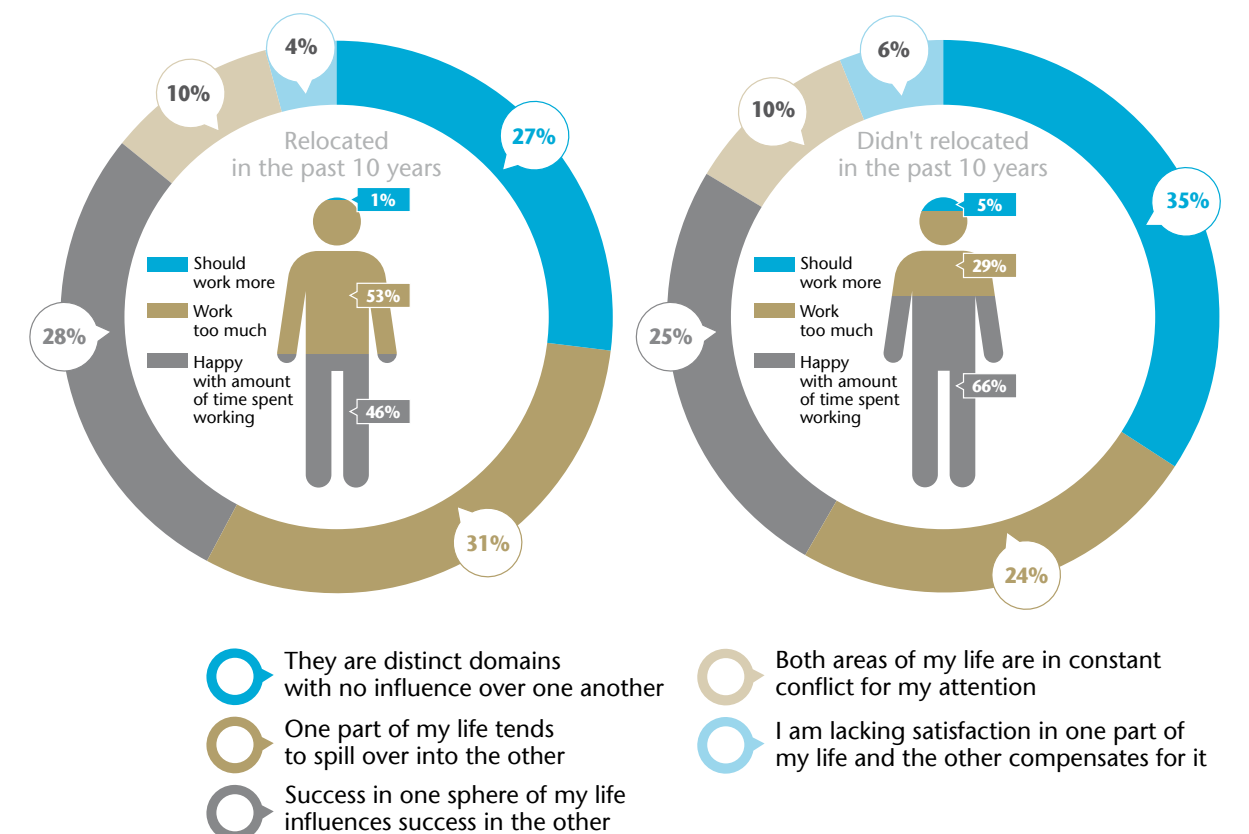
However, nearly as many felt the success they have in one sphere of their life, influences the success they have in the other. This suggests such a dilemma may in fact be false - for this group of respondents, work and life, are entwined in a symbiotic relationship - each impacting and contributing to one another.

This division in opinion amongst our travelled tycoons requires careful handling by wealth managers. As wealth and the wealthy move faster and more frequently around the world, truly understanding the client and their needs, will become even more important.

Meanwhile, of those who have not relocated in the last 10 years, there is a clearer sense, that they felt able to disentangle both their working and personal lives.

**Figure 5: Getting the right balance**

Q. Which of the following statements best describe the relationship between your work life and your personal life?  
Q. How do you feel about the time you spend in your professional life?(I should work more; I am happy with how much I work; I work too much)



Thirty-four percent felt that they were distinct domains with no influence over one another. This ability to draw a line in the sand is undoubtedly a healthy attribute.

However, many within this segment, reported spill over issues (24%) and another 25% believe success is contagious across different spheres of life.

What is clear is that our stayers feel confident in managing these demands. This also means, that wealth managers must be clear about what this group requires from financial advice and the products they consume.

Ultimately, globalization is changing HNWs and their attitudes towards work and life. This is impacting their needs and demands where it comes to their financial relationships and the advice they consume.

So what do we know about Europe's wealthy?

Firstly, they are time poor. By devoting so much time to their professional lives, clients are in need of a flexible, reliable and sensitive advice relationship.

With clients being more mobile than ever before, they need access to agile and connected advice channels (including a strong digital capability).

But it's not simply the advice itself which needs to develop a sense of perpetual motion which can cross borders; the products HNWs use need to have the same portability. Travelling with their entrepreneurial impulses, HNWs want to know that the products they are using can support their fast-paced jet-setting careers.

But the wealthy are also reflective souls. They know that their pursuit of excellence professionally, can have consequences for their personal lives.

This thumbnail portrait of hard working European HNWs requires us to enquire further still - do they even have time to play? How do they spend their time and their hard earned money? How do they live their lives?

***Forty-five percent of HNWs in France believe that their personal and professional lives are distinct domains, while just 28% of those in Belgium agree.***

Live, play,  
spend

## Playing with passion

Finding time for conversations around tax efficiencies, asset transfers and long-term wealth planning is not easy. When the working day ends, it is not always financial planning conversations or indeed relaxation that beckons. Our jet-setting go-getters inject their downtime with the same high-octane fuel that powers their work.

We asked our respondents to tell us more about how they spent their free time.

We wanted to understand where these individuals go to relax, which pursuits they choose to escape from the toil of work and which endeavours get their creative juices running.

So, if our globetrotting HNWs spend so much longer working, might we expect to find them collapsing in a heap at the end of the day, desperate for some rest and recuperation? No chance!

Global travellers are more likely to be found playing sport or a musical instrument, writing or creating art or volunteering for a good cause. These wealth creators bring the same energy to leisure pursuits that they invest in tackling work related goals. They are it seems, inexhaustible.

**Twenty-four percent of HNWs over the age of 55 spend their leisure time volunteering.**

Those who remained in their home country are most likely to reach for the TV remote at the end of a hard day. This is the single most popular leisure pursuit and one in which almost two-thirds (60%) of those who have not relocated indulge in.

TV remains the most popular activity for relocators too, but to a far lesser extent. Just 46% of these individuals name watching television as one of their hobbies. After all their working exertions, it seems that while our travelling tycoons are keen to try their hand at more active pursuits, some still want to put their feet up and switch off from the frenetic fast-paced world they inhabit.

A similar pattern emerges with reading, which appeals to 46% of those who have stayed put but just 36% of those who have moved. Even gaming, an increasingly popular pursuit amongst younger HNWs holds less appeal for those who have a new country to discover.

Instead, the internationally mobile like to be more actively engaged in their leisure pursuits. Whether they drive, write, collect or paint, these individuals inject a personal passion into every aspect of their lives. When they play, they play hard.

**Over half of HNWs under the age of 35 cite gaming as a hobby. They also enjoy music, shopping and team sports in their spare time.**

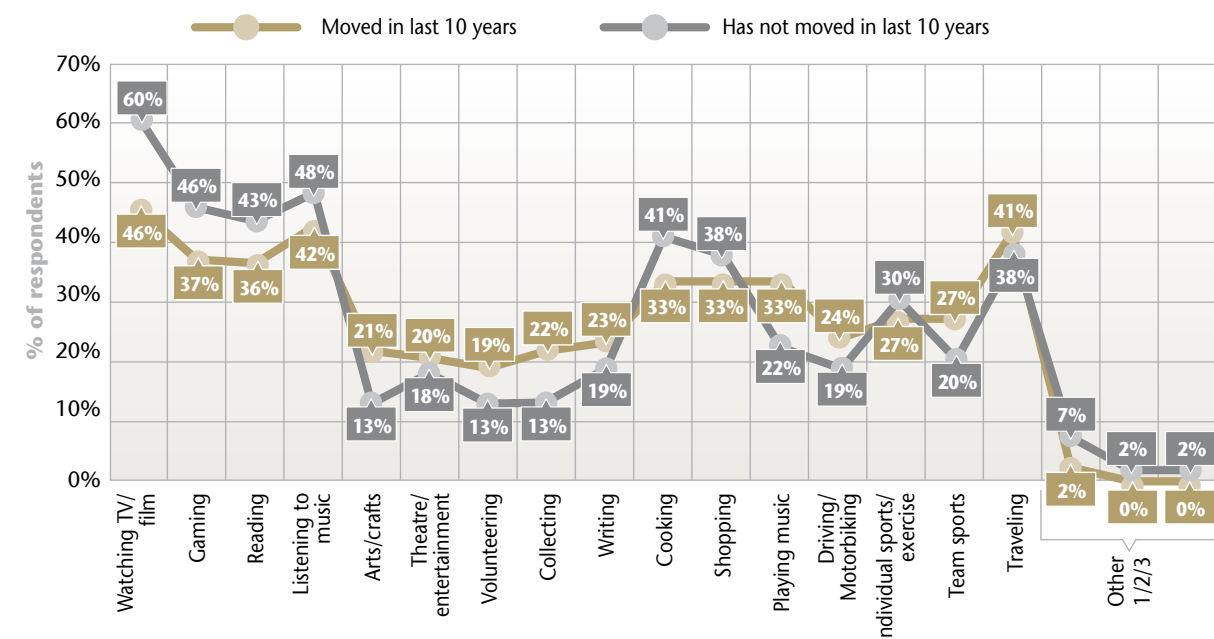
The saying goes 'All work and no play, makes Jack a very dull boy'. And while the lengthy hours our HNWs put in at the grindstone suggests an 'all-work-no-play' complex, this is not borne out by our survey responses.

We found that by enquiring with our travelling HNWs, they are by no means wed to their jobs, cooped up in their offices abroad. Our well-heeled wayfarers are more likely to enjoy active pursuits than those who decided to stay put. They are also more likely to spend more on more and are also more inclined to be pragmatic when it comes to purchasing.

In short, for our wealthy for whom wanderlust is a state of mind, they do not worry about life's ephemera. They are passionate about their lives - both professional and personal.

**Figure 6: When they play, HNWI play hard**

Q. Do you have any of the following hobbies?



## Spending freely

Neither are HNWs shy to enjoy the trappings of success. Perhaps keen to take advantage of their typically higher incomes, explorers of the world appear to spend more freely than those who chose not to move.

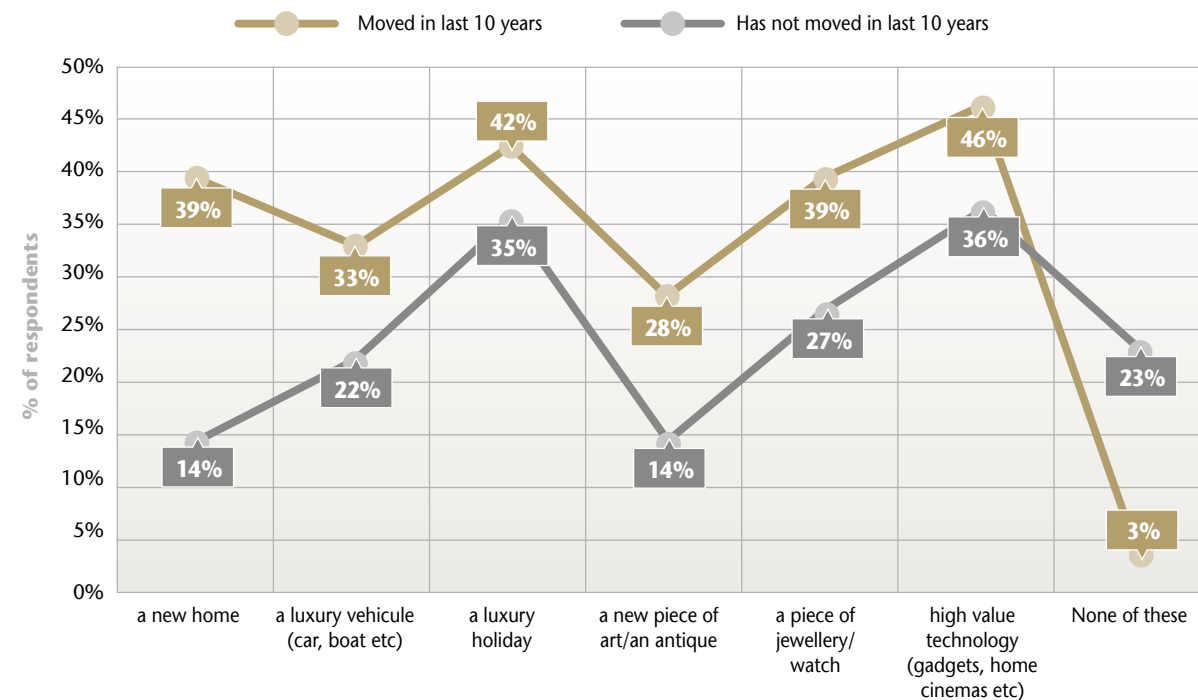
When tempted to reach for their wallets, these individuals are most likely to indulge by purchasing high-value technology. Almost one in two have invested in a home cinema or high value gadgets during the last year, compared to just over a third of those who have not moved.

As might be expected, a far higher proportion has bought a new house within the last year (39% versus 14% of stay-putters). But while it may seem obvious for such individuals to invest in creating a home in their adopted country, their willingness to spend stretches far beyond the essential, encompassing luxury holidays (42%), jewellery (39%) and art and antiques (28%).

These trinkets of wealth can often times be thought of as investments as much as heirlooms of the future.

**Figure 7: Enjoying the rewards of hard work**

Q. Have you made any of these substantial purchases or financial commitments in the last 12 months?



## Snap decisions

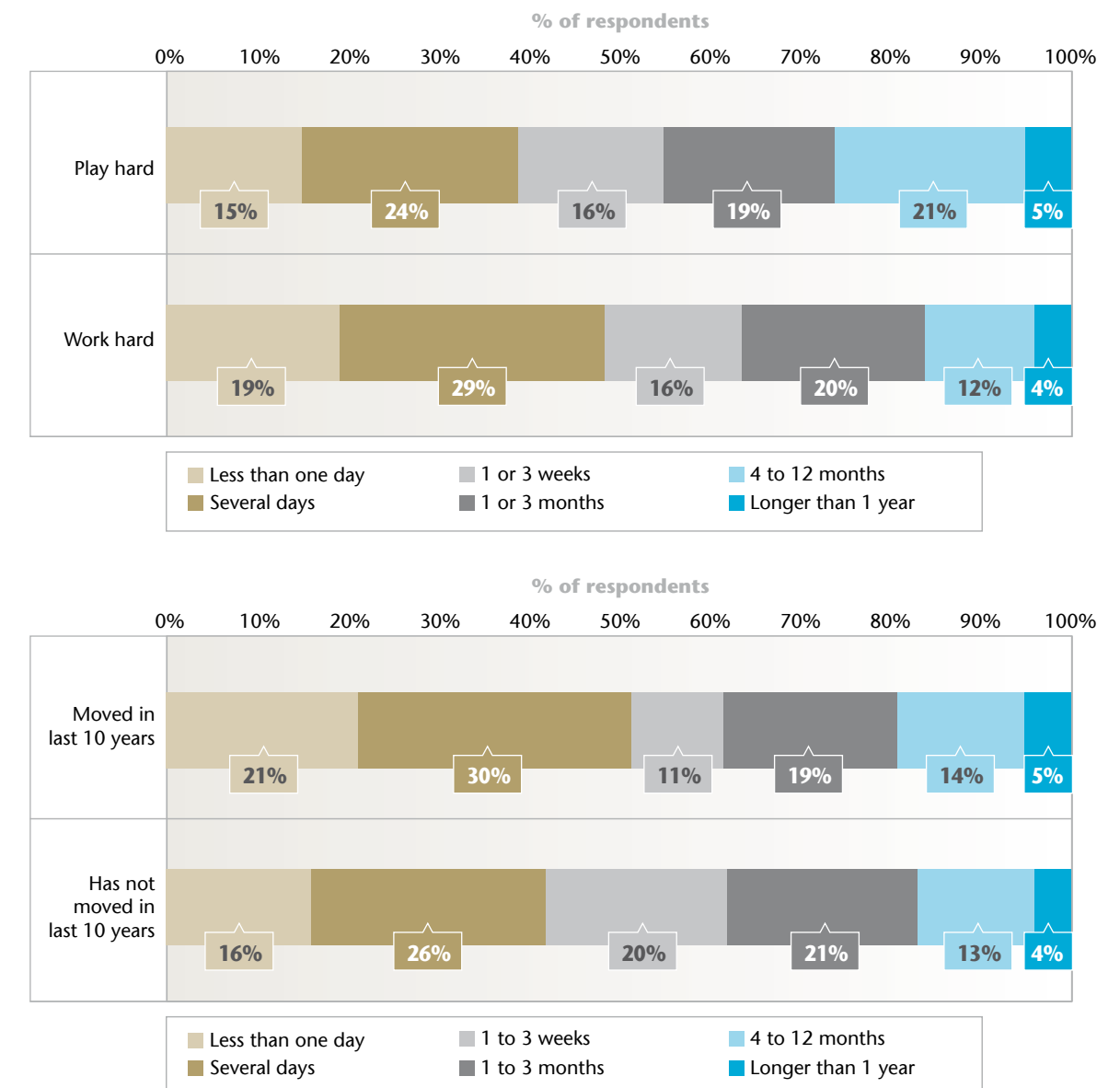
This portrait of conspicuous consumption and luxury indulgence might imply a playful, almost hedonistic value set. But it is in fact the hard workers who seem most impulsive when deciding to part with their cash.

Having uncovered what HNWs spend their money on, we subsequently asked them to tell us how heavily such decisions weighed on their minds. Do they reach snap decisions, pressing 'buy' in the blink of an eye? Or do they deliberate for months, conducting exhaustive research before burning the cash?

Surprisingly, we found those who claim to 'play hard' spend longer lost in the aisles of indecision, whilst those who prefer to 'work hard' rush straight for the checkout.

**Figure 8: Not sweating the small stuff: HNWI make prompt, pragmatic choices**

Q. How long did it take for you to make the purchase?



This prompt decision-making mind-set regarding big purchases seems to suggest our workers are pragmatic purchasers, the perpetual problem of a lack of time forcing them to conclude their acquisitions and spending speedily. Almost one in five (19%) 'work hard' respondents said they can reach a decision regarding a big purchase in less than a single day. A further 29% take several days, whilst 15% claim to mull over the decision for up to three weeks.

Those who 'play hard', meanwhile, are far more open to deliberation. Whilst 21% of 'play hard' respondents say it takes between four and twelve months to reach a decision, just 12% of 'work hard' individuals are prepared to invest the same amount of time.

The urgency of our travellers and those who work hard, when it comes to purchasing items is instructive for wealth managers as well. They do not sweat the small stuff and would rather resolve to act decisively and quickly. The same energy and urgency is present in their financial planning too. Delays will not do - our wealthy Europeans simply do not have the time.

HNWs take their professional responsibilities seriously, but they are just as keen to squeeze every last drop of enjoyment from the time they do have left at the end of the day.

They bring intensity to an array of leisure pursuits. Europe's wealthy need different types of products to mitigate not simply against accidents at the business level, but at the personal level as well.

As our worldly wealthy continue to transfer themselves around the Earth, they also need to consider the transference of items they collect on their travels, whether those items are jewellery, technology or pieces of art.

And, given their eye for substantial purchases, retail therapy of this magnitude, requires active financial planning.

**Plans to  
spend but  
hesitant to  
plan**

While our wealthy respondents show no hesitation in splashing the cash, there is a sense that they may not have sufficient support where it comes to their financial planning.

A minority of our HNWs indicated that they used financial advisors as their main source of advice, yet far more preferred the comforting support of friends and family.

They are goal-oriented too - with those who move around more likely to set financial goals and plans to save or invest for specific purposes using an array of products and instruments to achieve them.

So just how are our HNWs executing their financial intentions?

## Money matters

As we saw in the previous segment, our wanderers of wealth are making quick decisions. Perhaps it is in part because they spend less time consulting the opinion of experts. Less than one in three HNW Europeans (27%) use a financial advisor as their main source of advice, suggesting that most are yet to find a trusted financial guide.

And yet, our participants are not shunning financial advice altogether. They actively draw information from a broad range of sources. Twenty-three percent leverage the skills of a private banker whilst 11% prefer the direct professional input of an accountant or lawyer and 7% say that a broker is their main source of advice.

What is less clear is how the wealthy are accessing meaningful advice that can help them navigate some of the complexities of their modern, transient, transcontinental lifestyles.

Accountants and lawyers perform amazing professional feats and have much to contribute, but few of them would claim to be able to offer holistic financial advice across the spectrum of wealth needs.

This means our European HNWs are leaning in the main on family and friends for advice of a financial nature. A quarter of them said that their personal network is the main conduit for advice, rising slightly to 27% amongst those who have relocated to other parts of the world.

**Twenty-six percent of HNWs under the age of 35 work with a private bank, compared to 11% of those over the age of 55.**

This reliance on the familiar implies that globalization's power has not reduced the appetite for personal advice in favour of digital response channels. In fact, the reliance on personal networks suggests that the warmth of an emotional connection, is positively required as a comfort blanket for the international wealthy.

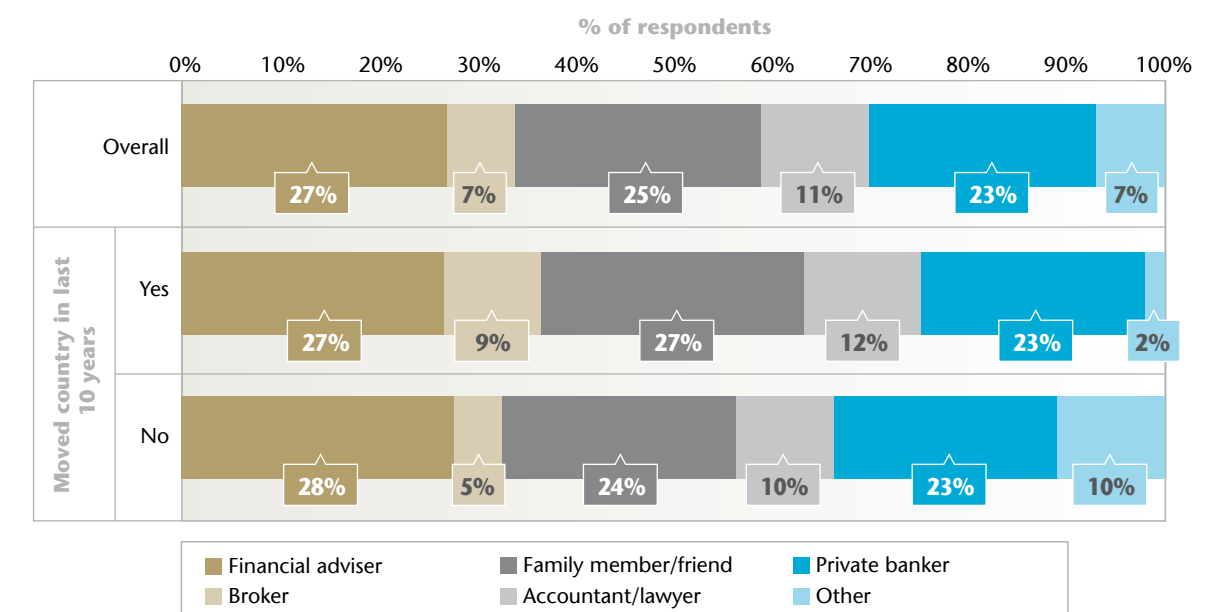
To retain that position at the heart of wealth management and the client, advisors must realign their services around what matters most. The esteem in which the opinion of family and friends is held speaks volumes about the extent to which it is life not wealth that must be carefully planned.

Wealth is an enabler of life. It is a tool, which allows HNWs to express their opinions and preferences. It is a way to protect those who are nearest and dearest and a way to build a lasting legacy. Financial conversations must reflect this and solutions must be designed to complement that too.

If not, wealthy clients will simply look elsewhere for the advice they need.

**Figure 9: In search of a trusted financial guide**

Q. Who is your main source of advice for financial decisions?





## The advice gap

The urgency with which advisors must react to these signals becomes clear when we turn our attention to their financial goals. Our rich respondents are not turning their backs on financial planning rather they are actively setting, and meeting, wealth goals. These goals encompass a spectrum of priorities from the short-term promise of a luxury holiday to the long-term investment of a child's education.

Those who have relocated within the last 10 years are more likely to be saving towards almost every financial goal. Forty-per cent of them claim to be putting money aside for a holiday, whilst 38% of these wealthy individuals are actively topping up their technology fund.

As willing savers and investors, these income-rich individuals represent a prime opportunity for financial advice, an opportunity that seems, to date, relatively untapped.

Perhaps implicit within the responses of those who have moved in the last decade, is that they know life can throw curveballs. They understand that situations and locations change quickly. This considered view towards investing and saving for a financial goal implies a desire to control their destiny and desires.

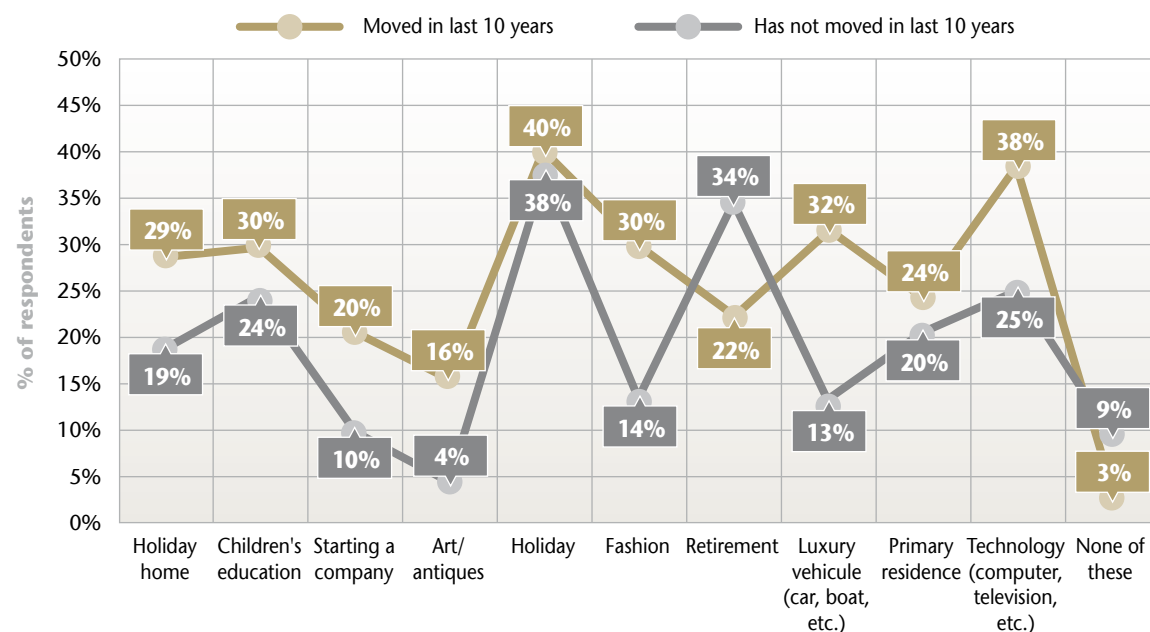
But these attitudes are not simply confined to our travellers - they apply to those who have not been travelling as well. Yet there are still subtle differences in their investing and saving goals as well.

As we discovered earlier in this report, those who are older, are less likely to have moved in the preceding 10 years. They will tend to be more world-weary than our global-gallivants. May be this explains why, after planning for a holiday, the older stayers are more likely to have an objective which revolves around saving or investing for retirement.

**HNWs in the UK are most actively saving and investing for retirement, with almost half of them currently pursuing this goal. Just 12% of respondents from Germany are doing the same.**

**Figure 10: Financial goals**

Q. Do you have a financial goal for which you are currently investing/saving towards?



## Choosing the right financial tools

Whether it is long-term investment and protection products for those concerned by the future, or by ensuring flexibility within the terms of those products, wealth managers could be considering their partners and product providers as they continue to deliver to the world's most demanding client group.

When we asked Europe's wealthy HOW they intended to save and using which investment or savings product, their answers produced interesting and distinct opportunities.

Although most of our movers and stayers tended towards similar products where it came to saving and investments (namely ISAs and standard savings accounts), there were some subtle shifts in emphasis.

For those who had moved in the last 10 years, the next most frequently used investment or savings product was life assurance, with 29% of movers favouring this product. Life assurance offers significant benefits for clients, including tax efficiency across borders, international portability and the ability to adjust the level of investment and protection implicit in the policy.

This flexibility is one of life assurances greatest strengths - allowing HNWs to save and invest, while offering protection to the policy holder's family and business interests too.

Meanwhile those who have not moved in the last 10 years, are more inclined towards more traditional products, with funds (24%) coming third behind ISAs and standard savings accounts. >>>

**Figure 11: Goal saving types**

Q. And which investment or savings product are you using to save for the following goals?

Method of saving for goal	Moved in the last 10 years	Not moved in the last 10 years
Pension	20%	21%
ISA	31%	39%
Standard savings account	33%	40%
Funds	28%	24%
Life assurance	29%	19%
Goal based investment portfolio	20%	16%

>>> HNWs are goal oriented and tend to have high levels of financial product sophistication and knowledge, which means their choices are often appropriate for their situation. Yet by exploring some of the features of other products and by teaching clients, wealth managers can allow HNWs even greater independence and peace of mind to achieve their goals, regardless of whether they are staying or going.

When it comes to financial planning then, financial advisors have a lot to consider. At present, they are not necessarily the main source of financial advice for our European elite. With significant numbers preferring the personal, emotional advice of a friend or family member, financial advisors could do more to ape those same attractive relationship characteristics.

They will only be able to do this however, if they have a clear understanding of their client's objectives. With HNWs being driven by goals and ambitions, knowing whether they are saving for retirement, starting a business or simply to spend on the latest gadget, can have a big bearing on the nature of the products and advice provided.

And that is before we consider the implications such products have. We have seen how irrespective of whether they stay at home or go elsewhere, HNWs are already utilising sophisticated and simple financial products alike to reach their goals. Although with more HNWs travelling than ever before, it has become increasingly important to consider the flexibility, portability and efficiency those products offer.

## Conclusion

**T**his report has taken in a range of aspects of the financial lives of Europe's wealthy. We've seen that their behaviour is in part linked to the globalised world in which we live.

Driven by the demands of digital, the instantaneous and continually changing world, European HNWs are evolving, particularly those who are out there, exploring everything Earth has to offer.

They earn more; they are more entrepreneurial and they work longer as a result. They are motivated for a broader range of reasons than those who remain ensconced in their immediate enclave, including building personal and community-based legacies.

They don't stop at working hard though. They prefer more involved leisure activities - pushing the boundaries of life to the limit. They are impulsive and pragmatic shoppers and yet, when they save, they do so with many more objectives in mind.

In short they are the best of our globalised world. Through their actions they are reshaping the world in their image and their restless natures.

But importantly, their boisterous behaviour is beginning to shape their requirements for financial advice. Their global ambitions mean their reliance on trusted sources of information, including wealth managers, is only likely to grow. But in the case of advisors, they are hesitant. Why?

It may be a by-product of their busy lives, but it is worth considering whether the advice and products available are up to the 21st century challenge.

We think advice and advisors are more than capable of clearing the bar, but propositions will require careful calibration if wealth advice is to remain relevant in the globalised world of Europe's gilded elite.

The rewards for revolutionising relationships with the rich remain significant. And we vow to do our bit to assist in that process.

The content of this report is intended solely to provide general guidance to the reader of these pages on the future of life insurance market and the services offered by NPG Wealth Management Group, its subsidiaries and affiliate companies based on an independent survey conducted by Scorpio Partnership. The information contained within these pages is not intended as an offer or solicitation for the purchase or sale of any life assurance product. Neither is the information intended to constitute any form of legal, fiscal or investment advice and it should therefore be used only in conjunction with appropriate professional advice obtained from a suitable qualified professional source. NPG Wealth Management Group, its affiliated companies and subsidiaries does not guarantee that the information contained within these pages is complete, accurate or up to date. NPG Wealth Management Group therefore expressly disclaims any and all liability to any person in respect of anything, done or omitted to be done wholly or partly in reliance upon the whole or any part of the content of this report.

