Cerulli: 30% of U.S. HNW investors identify as ‘self-directed’

By Editorial Staff *Thu, Mar 12, 2015*

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Nearly 30% of high-net-worth investors in the United States defined themselves as self-directed investors, according a recent report from Cerulli Associates.

“This helps explain the dispersion of assets among providers, and although the direct channel’s surge in the high-net-worth market share gains have stemmed in more recent years, providers continue to boost their high-net-worth capabilities and presence among younger, tech-savvy wealth creators,” said Donnie Ethier, an associate director at Cerulli. “For wealth managers, they represent increasingly worthy competitors that will likely test traditional managers’ willingness, and aptitude, to adapt to next-generation investors.”

The report, *High-Net-Worth and Ultra-High-Net-Worth Markets 2014: Addressing the Unique Needs of Wealthy Families*, analyzed high net worth investors with more than $5 million in assets and “ultra” high net worth investors with more than $20 million in assets.

The high balances help explain where assets have flowed as investors have expanded their provider relationships. According to Cerulli, more than half of high-net-worth investors have direct or online trading account balances between $500,000 and $1 million.

“High-net-worth and ultra-high-net-worth clients that are using a self-directed model represent a significant opportunity for asset managers that pass due diligence screenings,” said Ethier. “In the end, direct providers are yet another avenue for external managers to reach the pool of high-net-worth assets.”