
How HNW investors generate income

By Editor Test *Sat, Jun 30, 2012*

With interest rates at historic lows, investors are looking to alternative investments for higher returns.

People with at least \$250,000 in investable assets are looking for dividend-producing stocks and corporate bonds as sources of income, according to a new poll from Fidelity Investments.

The poll was taken during the live “Fidelity Viewpoints Forum: Investing for Income” in Boston on June 13 where five Fidelity portfolio managers discussed a range of topics including Eurozone implications to the U.S. economy, opportunities in emerging markets, and that they believe many U.S. corporations are currently a quality investment in stocks and bonds.

Key findings of the poll include:

- 44% of investors said they would put their next investing dollar in U.S. stocks, 16% would put it in investment-grade corporate bonds, 9% chose high-yield bonds and 9% chose “under the mattress,” i.e., cash.
- Regarding the next six months, 54% of respondents were bullish about dividend-producing stocks and 15% were bullish about investment-grade corporate bonds.
- 28% cite the Eurozone crisis as their most pressing financial worry, while 27% indicate U.S. debt problems and 24% cite high unemployment/recession.
- Only 18% percent of high net worth investors expect fixed income investments to match or exceed their return over the past 12 months—about 7%—over the next 12 months.
- 32% think their fixed income returns will drop below 4% and the same percentage expects between 4% and 6%.
- 86% of high net worth investors believe taxes will be higher next year - both on income and on capital gains and dividends. But 52% don't intend to implement new tax strategies.

Investors who are balancing higher risk and higher yields, can read a new Fidelity Viewpoint article based on the content shared by the portfolio managers at the forum and entitled “[The upside-down world of income investing.](#)”