

# Tips and strategies for working with high net worth clients



## Key highlights

- Clients with high net worth also have high expectations, demanding broader thinking from you
- Your role with high net worth clients is bigger than financial planning; it's legacy planning
- Sound strategies can help families with multigenerational wealth minimize taxes

Working with high net worth (HNW) clients can be both rewarding and challenging. Wealthy clients often have complex financial portfolios, a variety of short-term and long-term investment goals, and high service expectations from professionals like you.

Planning for your most affluent clients often goes beyond the standard game plan that may be enacted for your non-high net worth clients. While asset allocation, tax planning, estate planning, risk management and charitable giving are staples of most well-devised financial plans, serving HNW clients requires a higher level of detail. It's important to understand the specific needs and challenges of wealthy clients in order to provide the best possible service and achieve their financial objectives.

## 4 tips for working with high net worth clients

1

### Build strong relationships

One of the key elements of working effectively with HNW clients is establishing a deep and trusting relationship. Beyond understanding their risk tolerance and investment preferences, you'll want to consider their full range of assets and generational wealth transfer goals. There may be reputational aspects to consider, such as the client's name being attached to a well-known business. If the client has significant standing within the community, they may have unique legacy concerns. It's important to understand that your role with HNW clients is bigger than financial planning. It's legacy planning. Establishing your status as a trusted partner may take some time. Nationwide can support you with a number of resources regarding trust, empathy and coaxing helpful information from clients.

2

### Provide tailored guidance and services

HNW clients often have unique financial situations and investment goals that require specialized advice and services. Take the time to understand each client's "big picture" needs and develop customized financial plans and investment strategies that meet their specific goals. This may involve working with the client's network of other professionals, such as accountants and attorneys, to ensure that all aspects of the client's financial situation are considered.

A more day-to-day consideration is that HNW clients value transparency and open communication, so it's important to keep them informed of any changes in their portfolio or the financial markets that might affect their investments. Keep an attentive eye on HNW accounts so that you can promptly answer your clients' questions and provide regular updates on their investments.

**3**

### Manage risk

A very important aspect of working with HNW clients is managing risk. HNW clients often have a large portion of their wealth invested in the stock market or other high-risk investments, which can make them vulnerable to market fluctuations. Stay up to date on risk management strategies, such as diversification, and be able to provide your clients with advice on how to minimize risk while still achieving their financial goals.

**4**

### Stay current on industry trends and regulations

HNW clients expect their financial professional to be knowledgeable and up to date on industry trends and regulations. It's good practice to continuously educate yourself on the latest financial market trends, investment strategies and regulations that may affect your clients' investments. This will help you provide informed and relevant advice to your clients and ensure that their investments are in compliance with industry standards.



## 3 strategies to consider for high net worth clients



### A private foundation

A private foundation can be directed to focus on the causes that your HNW clients care most about. Think of it as "next-level" charitable giving. Such foundations also alleviate the stress of trusting the next generation to be good stewards of the family's wealth in the years to come.



### Life insurance or annuities

These vehicles are often utilized in planning for HNW clients because of their ability to minimize the burden of estate taxes, so they create opportunities to efficiently pass on wealth to the next generation.



### An entity such as a family limited partnership

A family limited partnership (FLP) is an arrangement in which family members combine money to fund a business project. Each family member buys shares of the business and can profit in proportion to the number of shares they own. For wealthy families, especially those whose business or real estate portfolio is rapidly appreciating, it's often non-business purposes — such as tax planning, creditor protection planning and succession planning — that ultimately compel them to choose an FLP as their preferred organizational structure.

 **For more information about serving high net worth and other clients, explore our many materials at [Nationwide.com/SimplifyLegacyPlanning](https://Nationwide.com/SimplifyLegacyPlanning).**



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