

# Creating Winning Strategies for Ultra-High-Net-Worth Clients

U.S. investors with \$50 million or more in total assets could grow by 30% by 2025. Leveraging technology and addressing next-generation concerns gives advisors opportunities to build their ultra-high-net-worth client business.

The wealth management industry is on the cusp of a seismic shift. By 2025, the number of ultra-high-net-worth (UHNW) clients, those with \$50 million or more in assets, is set to soar by 30% over 2021 levels.<sup>1</sup>

While UHNW clients are eager to see their money grow, affluent investors and their families face multiple challenges and opportunities to preserve and expand their wealth. Wealth managers who work with them must be ready to meet their clients' evolving expectations.

Each year brings its own set of unique circumstances, and 2024 is no exception. With major global elections, high inflation, and mixed economic data keeping interest rates high, markets remain in flux. And, with an administration change occurring in Washington in the new year, tax policies in the U.S. may also change early in 2025.

Beyond the macroeconomic events, advisors must show sensitivity and understanding of unique family dynamics. Now more than ever, families are

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thinking expansively about the meaning of their wealth, family values and legacy, and the world around them. Advisors working with UHNW clients must grasp their quantitative and qualitative needs.

To grow their business and address UHNW clients' diverse needs, advisors must understand the market forces that are most important to these individuals and their families. This approach requires firms to leverage technology that streamlines a firm's operations while delivering significant added value across tax management, estate planning, charitable giving, household accounting, retirement, and more.

## Navigating economic challenges

Equity markets turned in a robust 2023, even as interest rates rose to their highest levels in decades and inflation lingers. Balancing the need for growth while protecting principal takes finesse, especially as the outlook for future monetary policy remains murky. Advisors should explore how to lock in high yields while taking advantage of other growth opportunities.

Economic uncertainty comes as a historic estate tax exemption may be sunset unless Congress moves to act. Several significant tax cuts are set to expire in 2026, including the generous lifetime estate exemption established by the Tax Cuts and Jobs Act of 2017. The exemption allows married couples to exempt just over \$27 million of their estate. The law changes in 2025 when that amount will be cut roughly in half.<sup>2</sup> Clients who wait until the end of 2025 to see if Congress acts may risk an opportunity to take advantage of a historic chance to mitigate estate taxes, as these are complicated documents that take time to set up.<sup>3</sup>

## Caring for UHNW clients' wealth and legacy

UHNW clients tend to think broadly about their wealth. They consider how it affects their family legacy, expresses their beliefs and values, and how it can impact the world around them. These clients want to instill their values about money in younger generations and ensure they are good stewards of family wealth in the future. A UBS report about teaching children about money acknowledges the additional burden wealthy parents have communicating money values.<sup>4</sup>

Many wealthy parents avoid talking about money because they fear creating a sense of entitlement in their children. This approach to the family's wealth signals that talking about money is inappropriate. Instead, advisors can encourage families to consistently communicate that wealth is not a birthright but something gained through hard work.

Teaching children about the benefits and responsibilities of money – and giving them the skills to understand what being financially fortunate means – helps instill those values. Many families create a family constitution or statement of beliefs and values that outline how to be good stewards of the family's wealth.

Involving children in philanthropy and charitable giving, whether through volunteering or helping to create a charity budget, allows younger generations to understand the impact the family wants to make on the larger world and gives them a voice on how to drive their time and family treasure to causes they care about.

Philanthropic-giving discussions are also a time when advisors can step in to meet younger generations. A trusted advisor can help them set up charitable giving vehicles such as donor-advised funds, charitable remainder trusts, and charitable lead trusts. All three of these vehicles have their place, and an advisor can explain how each one benefits the family and their preferred charity.

— By addressing the needs of the next generation, advisors can offer real value to clients, such as ensuring that philanthropic needs are met or that tax issues are resolved.

## Advisors' unique role to prepare the next generation

Legacy-planning goals also include exploring critical estate planning documents. Planning is essential for any client, but it is especially critical for UHNW clients due to the complexity of their estates.

Part of that planning means ensuring younger generations are cared for in wills and trusts and that philanthropic wishes are carried out. Preparing these documents and ensuring they are legally enforceable can take several months or more. It may take additional time because of the potential rush of UHNW individuals and couples looking to take advantage of the generous estate tax exemptions that could sunset in 2025.

Advisors who understand the unique family dynamics of their UHNW clients should also offer compassion and professional guidance to families as the older generation passes. During those emotional times, grieving families seek advice on what to do next. Empathy's "Cost of Dying" report suggests that families can take 420 hours working on financial matters.<sup>5</sup> Advisors should offer a caring, guiding voice to help grieving families after a loved one passes. An advisor that helps ensure that their client's wishes are fulfilled will demonstrate their skills to the heirs, setting themselves up to earn the business of the new generation.

## Leveraging technology to assist UHNW clients

Advisors who want to increase their roster of UHNW clients need to understand the financial challenges of complex assets and estates while understanding their unique familial and relationship needs.

A robust tech stack will allow firms to scale their business while offering their expertise to more clients. The UHNW set seeks a high-touch, holistic approach to money management, and technological advances make it possible for advisors to deliver significant added value across tax management, estate planning, charitable giving, household accounting, retirement, and more without needing specialists in all these fields.

Additionally, advisors who digitize their business can establish themselves as trusted sources and work with younger generations who expect their advisors to have tech capabilities.

## How best to grow UHNW business

Over the next several years, the number of individuals and families who qualify as ultra-high-net-worth clients will continue to grow, and advisors who want to cater to this significant segment need to adjust their strategies to win their business.

As the financial landscape becomes increasingly complex, the advisors who will stand out are those who harness the power of technology to enhance, not replace, human connection. By adopting advanced technological tools, advisors can provide UHNW clients with bespoke solutions that anticipate and address their evolving needs. This strategic use of technology ensures that advisors can offer proactive, personalized guidance, making them trusted allies in their clients' pursuit of financial success and legacy preservation.

1. [How to Tap Into the 'Phenomenal' Growth of Wealthy Clients](#), ThinkAdvisor, March 16, 2023
2. [Reference Table: Expiring Provisions in the "Tax Cuts and Jobs Act" \(TCJA, P.L. 115-97\)](#), Congressional Research Service, November 21, 2023
3. [The Clock Is Ticking on Tax Cuts: Act Now to Avoid Missing Out](#), Kiplinger, March 4, 2024
4. [Teaching children about money](#), UBS
5. [The cost of dying](#), Empathy



## About SS&C's Black Diamond Wealth Platform

Advisors looking to expand their client base with advanced technology can leverage the services offered by SS&C's Black Diamond® Wealth Platform. The platform provides advanced data management solutions for wealth management, trust companies, and more. It also gives clients an elegant portal to holistically review their wealth via an easy-to-read dashboard and options to communicate digitally with their advisor.

In addition, Black Diamond provides an integrated CRM that allows advisors to build their UHNW business with technology that streamlines back-office processes and enables firms to use the data they collect to serve clients' needs better.

### For more information

Advisors interested in learning more about attracting UHNW and next-generation clients can do that with a sophisticated enterprise platform. If you have questions about this paper or want to learn how SS&C's Black Diamond Wealth Platform can support your unique business, call 1-800-727-0605, email [info@advent.com](mailto:info@advent.com), or visit [blackdiamond.advent.com](https://blackdiamond.advent.com).