

How technology can improve wealth management for HNWIs

Article

What we've noticed: Earlier this month, Insider Intelligence published its **How High-Net-Worth Individuals Invest [report](#)**, which highlighted details about this demographic, what it needs from wealth managers, and how it's changing.

HNWhat's? HNWIs include individuals or households with at least **\$1 million** in liquid assets. And while only composing **6.8%** of US households, they control nearly **three-quarters** of total

household financial assets, per the Federal Reserve's 2019 Survey of Consumer Finance.

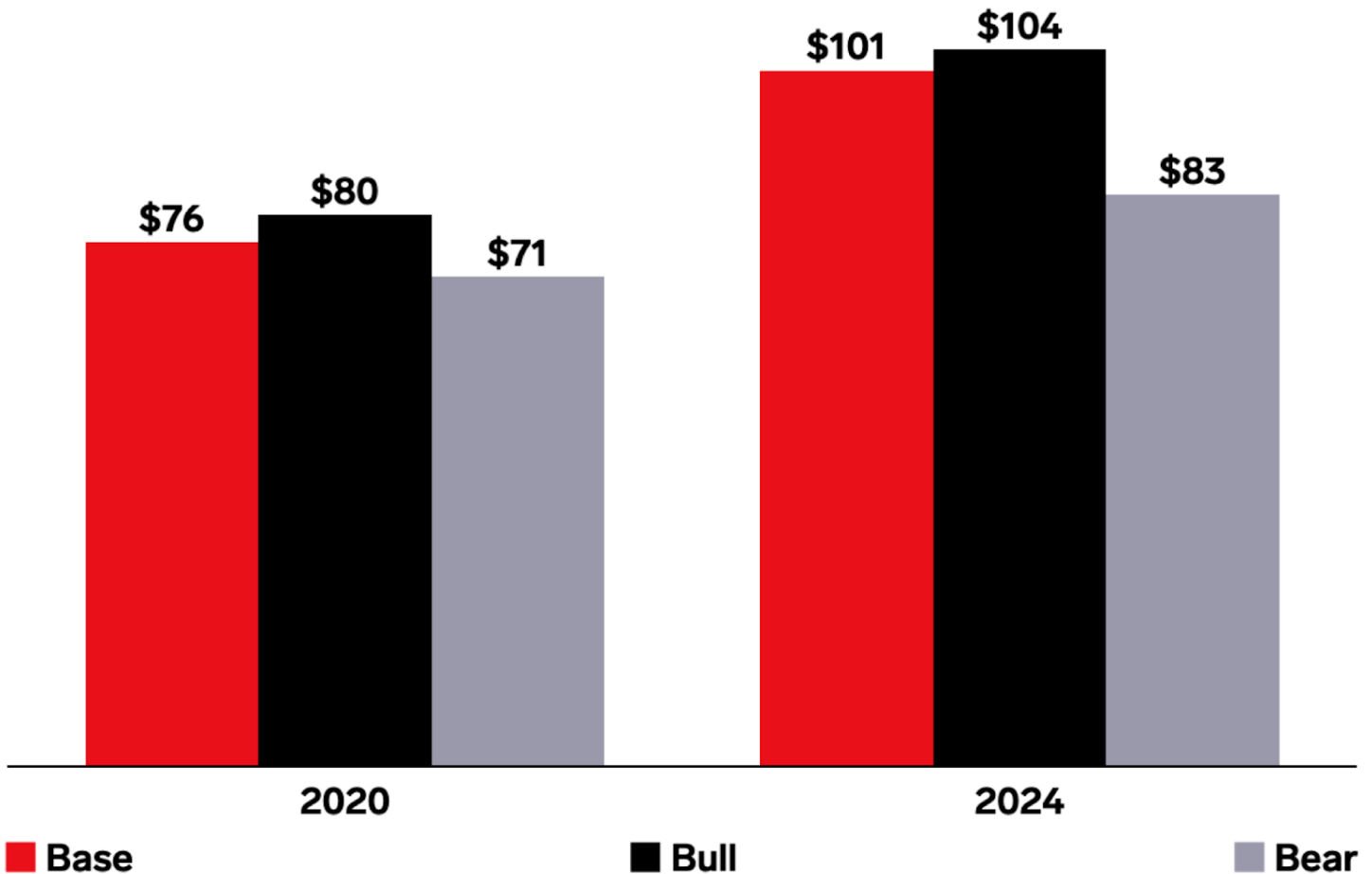
Why it's worth watching: Baby boomers will pass down **\$68 trillion** in wealth over the next 30 years, meaning that HNWI's are increasingly younger and tech-savvier. And the pandemic heightened older consumers' expectations regarding digital financial services as well.

What can wealth managers do? Wealth managers have homework to do to enhance their offerings, and we've identified three key things the next generation of HNWI's want improvements in:

- **Onboarding.** Some wealth management firms still take weeks to onboard HNWI clients, but they're now stepping up their efforts to launch end-to-end digital onboarding systems. Technology can help wealth managers streamline onboarding by automating data entry and compliance checks.
- **Omnichannel capabilities.** By 2024, **20%** of engagement will occur face-to-face, **25%** via apps, and **15%** through videoconferencing, per Oliver Wyman estimates—highlighting the need for omnichannel strategies. By adding multiple customer support channels and chatbots, wealth managers can streamline communication with users across engagement points.
- **ESG.** HNWI's said they plan to allocate **41%** of their portfolios to sustainable investment products by the end of 2020—a share that will rise to **46%** by the end of 2021. However, there are challenges with such investments, including no universal standards and disclosure requirements on such data. Digital tools will be essential in forming a sound ESG strategy to assess investment targets and better serve clients.

Worldwide HNWI's Wealth Across 3 Scenarios: Base, Bull, and Bear, 2020 & 2024

trillions



Note: Wealth in 2018=\$72 trillion and in 2019=\$79 trillion; HNWIs are defined as households with financial assets greater than or equal to \$1 million

Source: Oliver Wyman, "After the Storm," 2020

Methodology: Oliver Wyman forecasted the wealth growth of HNWIs across 3 scenarios: base (recession and rebound), bull (accelerated rebound), and bear (sustained downturn).

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