

VOLUME FIVE

Tapping into the Millionaire Professional

Summary of Findings

Contrary to popular stereotypes, most American millionaires are self-made, according to the Fidelity Millionaire OutlookSM survey. The vast majority (75%) have accumulated their wealth, and only a quarter (25%) credit inheritance for it. What's more, the professions of American millionaires strongly correlate with their pressing concerns and what they need from financial advisors. For instance, while entrepreneurs are risk-takers in starting and building their own businesses, a closer look at these millionaires reveals they are conservative investors, more concerned with keeping than with creating wealth.

This report identifies the most common American millionaire professions and how they can help provide insights on investment needs and expectations from financial advisors. Understanding this can help financial advisors to better target high-net-worth clients and prospects, proactively meet their needs, and strengthen their relationships — and by doing so, potentially grow their own careers and wealth.

THE FIDELITY MILLIONAIRE OUTLOOKSM SERIES

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Business-Building Insight from Fidelity Investments

As the fifth in the Fidelity Millionaire OutlookSM series, this report analyzes how millionaires earned their wealth and how their specific professions influence their financial needs. In the following pages, you will:

- **Discover** how the millionaires surveyed achieved their wealth
- **Understand** how different professional paths shape millionaires' needs from advisors
- **Learn how to take action** by focusing on the unique needs of high-net-worth clients and prospects based on their professions

Why Professions Matter

Beyond their wealth, millionaires are a diverse group. They differ in how they attained their wealth, what they do to maintain and grow it, and how they manage it.

Millionaires of different professions have different needs, pressing concerns, and expectations of financial advisors. Understanding those needs and concerns — whether it's a medical professional struggling with insurance or an entrepreneur looking for new financing — can help advisors to fine-tune their approach and services, focus their practice around specific industries that mint millionaires, and thus play a more effective and vital role in their clients' financial lives.

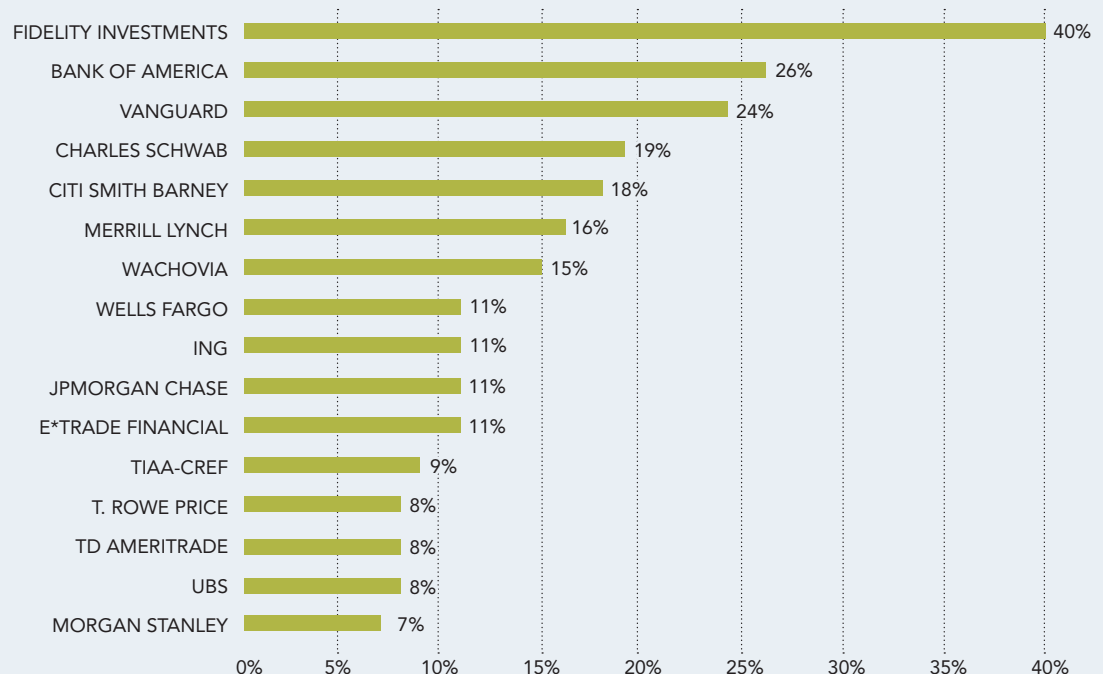
About the Fidelity Millionaire OutlookSM Survey

Fidelity Investments (Fidelity) conducts regular surveys of U.S. households with investable assets of at least \$1 million, excluding workplace retirement accounts and any real estate holdings. The research analyzes millionaires' attitudes and behaviors on a variety of investing topics, including financial concerns, economic outlook, and use of financial advisors. The survey, which did not identify Fidelity as the sponsor, was conducted by Burke, Inc., an independent firm that is unaffiliated with Fidelity and has been conducting research since 1931. The insights in this report emerge directly from the analyses of the survey data. Conducted in January 2008, the survey received completed responses from 1,000 financial decision makers in U.S. millionaire households and has a margin of error of +/- 3%.

About Millionaires

More millionaires use Fidelity Investments than any other financial provider in the U.S.

According to the Fidelity Millionaire Outlook survey, of the respondents, Fidelity Investments (Fidelity) is the No. 1 financial provider for U.S. millionaire households. Fidelity has the highest penetration of U.S. millionaire households: 40% of households with at least \$1 million in investable assets (not including workplace retirement accounts and any real estate) have at least one account with Fidelity.



Source: Fidelity Millionaire Outlook, January 2008

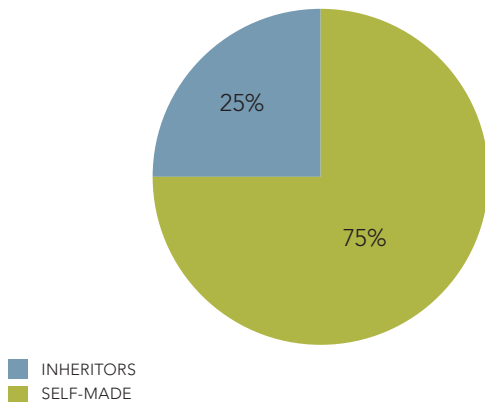
The Myth of Inherited Millions

Findings from the Fidelity Millionaire Outlook survey reveal that the vast majority of America’s millionaires are self-made. Three out of four millionaires (75%) built their wealth from scratch (see Figure 1) and did not achieve a millionaire status until the age of 47 on average. Moreover, the remaining quarter of U.S. millionaires — those who credit inheritance for their wealth — are also far from embodying the stereotype of the idle rich. Virtually all (96%) millionaires who inherited their money either continue to work or have worked and are plagued by pressing financial concerns similar to those of self-made millionaires.

In some key areas, millionaires who inherited their money are different from those who built their wealth. They:

- **Have more assets but lower income.** Contrary to popular stereotypes, millionaires who credit inheritance for their wealth make their money work for them. According to the survey, they boast 15% higher investable assets than self-made millionaires (see Figure 2). Millionaires who inherited their money are slightly older and more likely to be retired than self-made millionaires. That’s one reason millionaire heirs earn 18% less than their self-made peers, who have an average annual income of \$390,000. Another reason — inheritors are twice as likely as self-made millionaires to work in a field with lower salaries, such as education or government. Self-made millionaires, on the other hand, cluster in entrepreneurial, technological, medical, and financial services jobs.

FIGURE 1:
ONLY 1 IN 4 MILLIONAIRES INHERITED THEIR WEALTH



Source: Fidelity Millionaire Outlook, January 2008

FIGURE 2:
MILLIONAIRES WHO INHERITED THEIR WEALTH HAVE MORE, EARN LESS

	INVESTABLE ASSETS (AVERAGE)	INCOME (AVERAGE)	AGE (AVERAGE)	RETIRED
Inheritors	\$4.7 million	\$320,000	61	58%
Self-Made	\$4.1 million	\$390,000	59	50%

Source: Fidelity Millionaire Outlook, January 2008

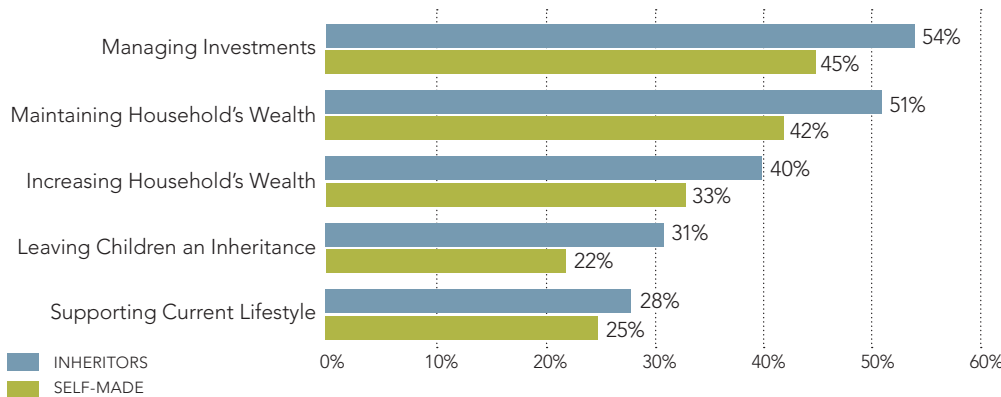
■ **Worry more about wealth.** Not only are inheritors not insulated from financial troubles, they also share more anxiety about their money than their self-made counterparts (see Figure 3). For example, millionaires who inherited their wealth are more likely to worry about maintaining the wealth they've received than are the millionaires who had to work for their money. Similarly, more inheritors are concerned about increasing their wealth and managing their investments than self-made millionaires. One exception — given inheritors' privileged background, they are half as likely as self-made millionaires (12% vs. 26%) to worry about caring for an aging parent or family member.

■ **Depend on experts for investment decision making.** Perhaps to help alleviate the anxiety of managing their passed-on wealth, inheritors are less likely to take a go-it-alone approach. Instead, they are more likely than self-made millionaires to need and seek validation when making investment decisions (see Figure 4). Given this, a greater proportion of inheritors (74%) work with financial

advisors than self-made millionaires (65%). Moreover, inheritors are rewarding clients who pay their advisors an average of \$8,200 in fees or commissions annually — 18% more than the self-made millionaires.

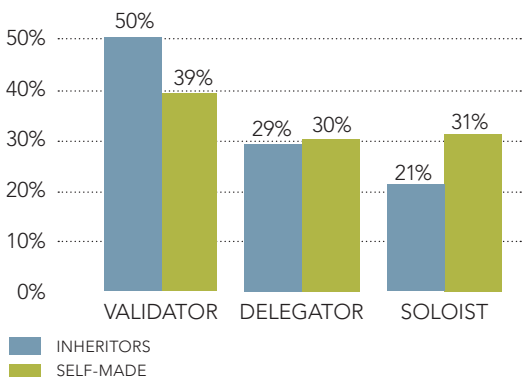
How Millionaires Differ in Their Investment Decision-Making Style. The Fidelity Millionaire OutlookSM research discovered three distinct decision-making styles of millionaires, as outlined in *The Key to Retaining Millionaire Clients*, a previous white paper in this series. At one end of an investment decision-making continuum are the Delegators, who fully outsource the management of their financial assets to advisors. At the other end of the investment decision-making continuum are the Soloists, who make and implement their own investment decisions with minimal guidance from advisors. In the middle are the Validators, who prefer to partner with advisors and jointly make decisions about their investments.

FIGURE 3:
INHERITORS ARE MORE ANXIOUS ABOUT THEIR WEALTH THAN SELF-MADE MILLIONAIRES



Q: Which of the following, if any, is a pressing concern to your household?
Source: Fidelity Millionaire Outlook, January 2008

FIGURE 4:
INHERITORS SEEK VALIDATION



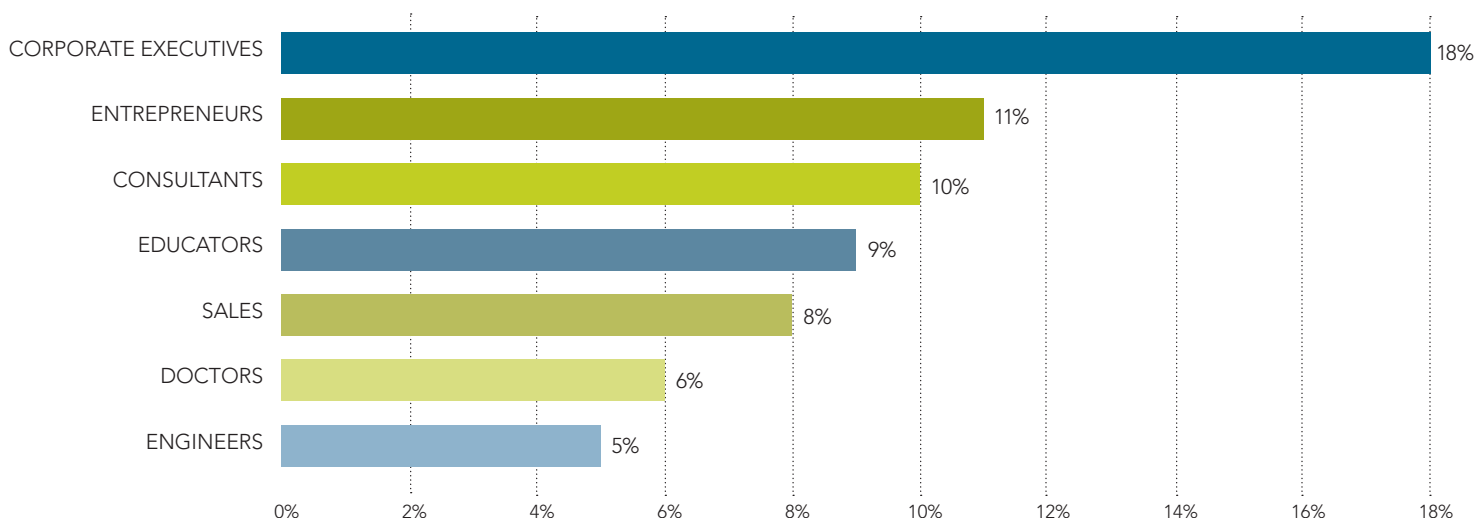
Source: Fidelity Millionaire Outlook, January 2008

Millionaire-Making Professions

Examining millionaires through the lens of their chosen profession adds even more insight. The Fidelity Millionaire Outlook research discovered the seven most common professional paths for America’s millionaires (see Figure 5) — and where advisors can find these lucrative clients.

A glance at the demographics of the top seven U.S. millionaire professions (see Figure 6) shows that these investors have distinct characteristics — which require different approaches and services from advisors. How are these millionaires different? To take a few examples, entrepreneurs are the wealthiest and reached millionaire status at the earliest age; educators — while still narrowly male-dominated — include the most women; and consultants boast the priciest homes. Following are the profiles of each of these millionaire types, ordered by their proportion of the millionaire population.

FIGURE 5:
CORPORATE EXECUTIVES TOP THE LIST OF THE MOST COMMON MILLIONAIRE PROFESSIONALS



Source: Fidelity Millionaire Outlook, January 2008

FIGURE 6:
MILLIONAIRE PROFESSIONALS ARE NOT ALL THE SAME

	ALL MILLIONAIRES	CORPORATE EXECUTIVES	ENTREPRENEURS	CONSULTANTS	EDUCATORS	SALES	DOCTORS	ENGINEERS
Current age (average)	59	58	60	58	61	59	60	59
Male	74%	87%	80%	77%	53%	80%	62%	90%
Investable assets (average)	\$4.3 million	\$4.9 million	\$6.1 million	\$5.3 million	\$3.3 million	\$4.9 million	\$6 million	\$4.9 million
Household income (average)	\$380,000	\$470,000	\$480,000	\$390,000	\$300,000	\$360,000	\$330,000	\$320,000
Age when first became millionaire (average)	47	46	42	46	54	47	48	48
Age when first hired a financial advisor (average)	39	39	35	36	46	37	41	38
Household debt (average)	\$220,000	\$220,000	\$180,000	\$160,000	\$190,000	\$210,000	\$310,000	\$190,000
Value of primary home (average)	\$1 million	\$1.2 million	\$1.2 million	\$1.3 million	\$750,000	\$1.1 million	\$940,000	\$800,000

Source: Fidelity Millionaire Outlook, January 2008

Corporate Executives Work and Worry

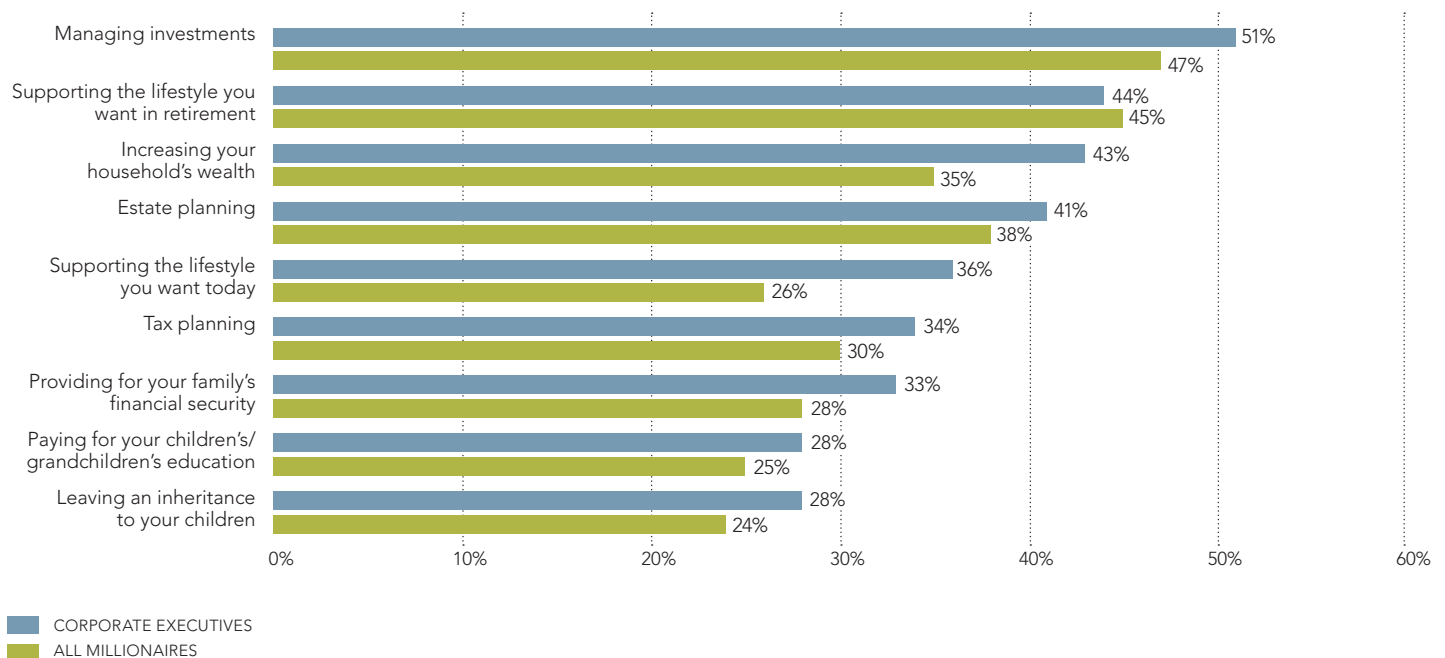
These business leaders account for 18% of all millionaires and represent the most common millionaire profession. Corporate executives:

- **Are highly paid men.** With \$470,000 in average annual household income, corporate executives are the highest-paid group of millionaire professionals after entrepreneurs, and have accumulated an average of \$4.9 million in investable assets. Overwhelmingly male (87%), they are more likely to work full-time (46%) than millionaires overall (39%). Why? These millionaires set a higher bar for financial achievement. They don't feel wealthy until reaching an average of \$2.4 million in investable assets, 20% higher than millionaires overall.
- **Stay up worrying about money.** Despite their higher incomes, corporate executives share a greater financial anxiety than millionaires overall. They are more likely than other millionaires to worry about growing their assets,

affording their current lifestyle, and providing for their families (see Figure 7). Yet having a retirement nest egg is less of a worry for corporate executives, likely due to their corporate positions — 73% have employer-sponsored retirement plans (more than most other millionaires except educators), and these executives' retirement accounts hold an average of \$1.3 million.

- **Seek to control the management of their assets.** Only a quarter (24%) of corporate executives are Delegators who fully outsource the management of their assets to advisors. Instead, the vast majority are either Validators who actively seek to partner in the decision making about their investments with an advisor (45%) or Soloists who prefer to make their decisions on their own (31%). Internet-savvy, almost half (48%) of millionaire corporate executives like to manage their investments online, more than any other millionaire group. Those who work with financial advisors (69%) pay them an average of \$8,500 in fees a year.

FIGURE 7:
CORPORATE EXECUTIVES WORRY MORE THAN OTHER MILLIONAIRES



Q: Which of the following, if any, is a pressing concern to your household?

Source: Fidelity Millionaire Outlook, January 2008

Actions to Consider

Financial advisors looking to attract and serve corporate executive millionaires should consider:

- **Emphasize access to exclusive opportunities such as IPOs or limited partnerships.** Corporate executives seek growth through innovative investments. To meet their needs, showcase the benefits of and connect these investors with opportunities in alternative vehicles, such as private equity or venture capital partnerships.
- **Offer holistic wealth management.** Corporate executives are likely to be put at ease when you assure them that all their financial needs — investment management, tax planning, estate strategies — are being managed together and holistically.
- **Emphasize retirement expertise.** Since corporate executives depend on employer-sponsored plans to accumulate sizable retirement assets, they will need assistance in creating a sensible withdrawal strategy for their later years. Help them understand the rules around required minimum distributions and show them tax-efficient ways to turn part of their retirement nest eggs into assets to pass on to their heirs.

Entrepreneurs: The Richest Millionaires

Quick to act on business opportunities, the survey indicates that entrepreneurs have both the highest investable assets and the highest incomes of all millionaires. Entrepreneurs:

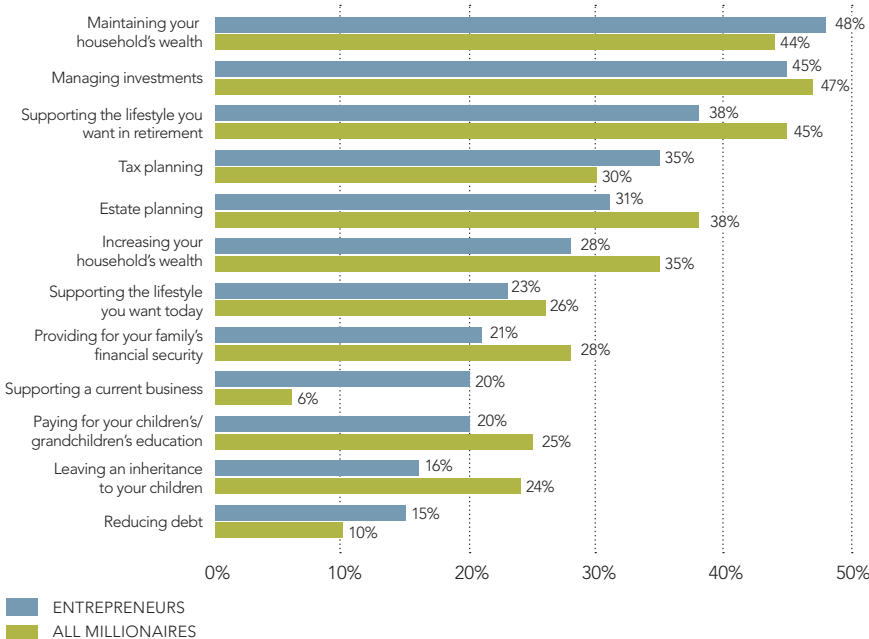
- **Get rich fast — and don't slow down.** According to the study, entrepreneurs first reach millionaire status at 42, on average, five years earlier than all other millionaires. Not surprisingly, they have accumulated investable assets of \$6.1 million on average, 42% more than millionaires overall and higher than any other millionaire profession. Even with that early success, and at a current average age of 60, most millionaire entrepreneurs still work full-time (51%). Their resistance to retirement helps entrepreneurs both earn more and keep more. They boast an average pretax annual household income of \$480,000, 26% higher than that for all millionaires (\$380,000) and higher than any other millionaire group.

- **Take risks with their business, but not with their money.** While entrepreneurs may conventionally be considered risk-takers, they take a different view when it comes to their finances. After sales professionals, they are the least likely among all millionaires (9%) to put a large portion of their portfolio in what they consider "risky" investments, and

are far more concerned with asset preservation than asset accumulation (see Figure 8). Still, after corporate executives, entrepreneurs are the highest holders of alternative investments such as hedge funds (37%) and venture capital funds (20%). Often benefiting from IPOs, entrepreneurs are more likely to own equities (92%) than any other millionaires. But entrepreneurs also know and practice the value of diversification. More entrepreneurs hold valuable collectibles (54%), such as art or wine, than do all other millionaires. Six in 10 (60%) have real estate investments, and almost half (49%) own international stocks.

- **Rely on advisors.** Typically, entrepreneurial millionaires are also so focused on their businesses that they rely heavily on financial advisors to help manage their financial affairs — two-thirds (65%) work with an advisor, with 38% employing more than one advisor — highest of all millionaires. Advisors' entrepreneurial clients pay an average of \$9,000 in advisor fees or commissions per year, second only to millionaire doctors. But entrepreneurs are high-maintenance clients. More entrepreneurs are Validators (54%) than all other millionaires (see Figure 9), preferring collaborative decision making and frequent, personal communications. Almost three-quarters (73%) say they prefer advice in person or over the phone.

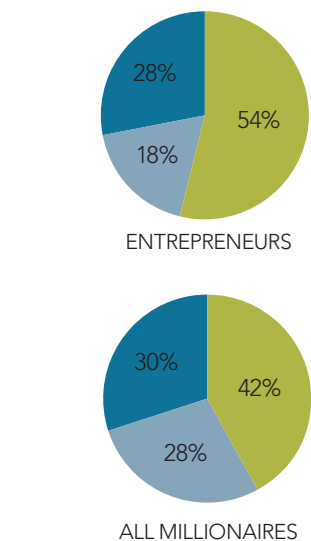
FIGURE 8:
ENTREPRENEURS SEEK TO MAINTAIN THE WEALTH — AND BUSINESSES — THEY'VE BUILT



Q: Which of the following, if any, is a pressing concern to your household?

Source: Fidelity Millionaire Outlook, January 2008

FIGURE 9:
ENTREPRENEURS PARTICIPATE IN THE MANAGEMENT OF THEIR ASSETS



■ DELEGATOR
■ VALIDATOR
■ SOLOIST

Source: Fidelity Millionaire Outlook, January 2008

Actions to Consider

Financial advisors looking to attract and serve entrepreneurial millionaires should consider:

- **Emphasize business-succession offerings.** With entrepreneurs' average age around 60, legacy planning may become a prominent issue for these clients. To help them with wealth-transfer strategies, discuss the benefits of family limited partnerships or trusts used to minimize gift and estate taxes.
- **Create a retirement income plan.** Entrepreneurs will eventually slow down. With no employer-sponsored retirement plans to tap, they'll need to invest in — and will appreciate the tax benefits associated with — individual retirement accounts or annuities and life insurance.
- **Engage entrepreneurs on a personal level.** Proactively reach out to entrepreneurial millionaires in person or on the phone. They are crunched for time and will value a succinct and simple approach to discussing their financial needs.

Consultants: The Image-Driven Millionaires

Representing the third most popular profession among millionaires, consultants:

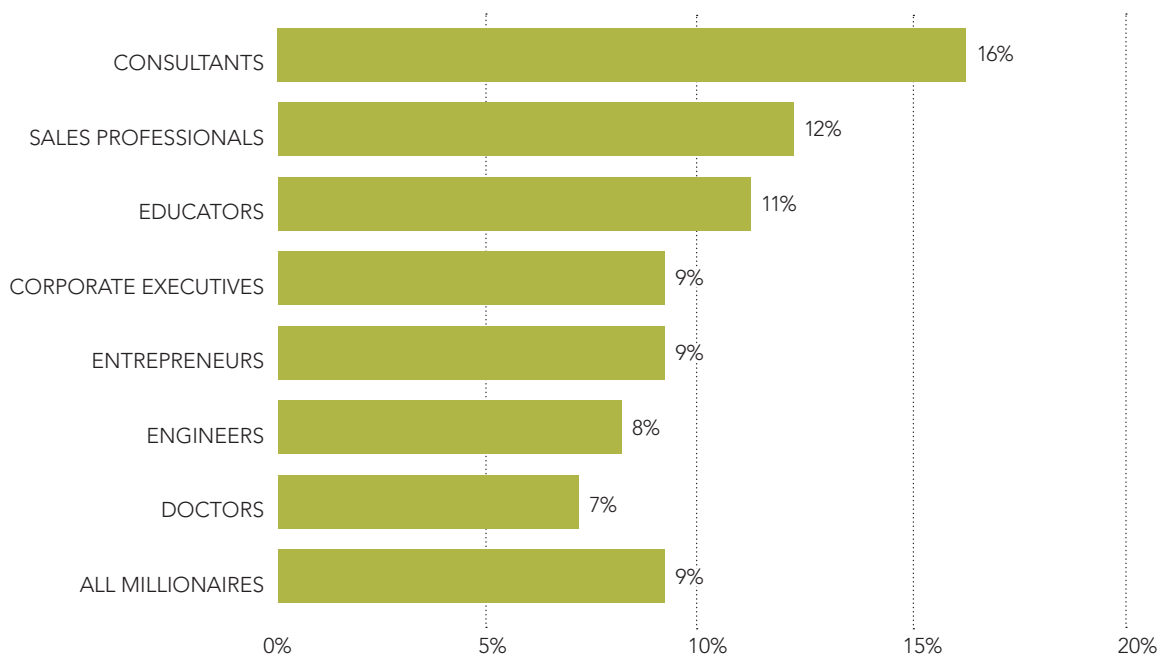
■ **Value image and status.** According to the study, consultants are almost twice as likely as other millionaires to believe that material possessions such as clothes, houses, and cars signify financial success (see Figure 10). These millionaires hold themselves to higher wealth standards, too. They own the most expensive homes of all millionaires, valued at \$1.3 million on average, and don't consider themselves "wealthy" until reaching investable assets of \$26 million, higher than for any other millionaires who admit feeling wealthy. Compared with other millionaires, consultants are perpetual overachievers who started their careers by prioritizing a prestigious degree over anything else at the age of 16, and did not stop at that. Most (52%) boast a master's degree or a PhD, compared with 44% for all millionaires. Fifty-eight years old, on average, consultant millionaires earn pretax annual household income of \$390,000 and boast \$5.3 million in investable assets on average.

■ **Focus on getting richer.** Aggressive investors, most millionaire consultants (78%) cite investment appreciation as their primary source of wealth, and six in 10 (59%) seek to grow rather than preserve their assets. Consistent with this, consultants are the most likely of all millionaires to invest in derivatives (19%) and venture capital funds (20%). What fuels their financial ambition? Their quest for image and lifestyle. More consultants (25%) say affording a desirable lifestyle is the most important benefit of being wealthy than do millionaires overall (20%). Affording that lifestyle is why six out of 10 consultants continue to work (61%), higher than millionaires in any other profession.

■ **Value advice and seek it early.** An overwhelming number of consultants value independent and objective investment advice (86%). These investors hired their first advisors at a young age — 36, on average, three years earlier than millionaires overall. A full 70% of consultants work with financial advisors and pay them an average of \$7,600 in fees or commissions per year. Consultants' top concerns revolve around maintaining their wealth (45%), supporting a desirable lifestyle in retirement (44%), and estate planning (40%).

FIGURE 10:
CONSULTANTS ARE STATUS CONSCIOUS

Percent who agree that "You can tell that someone is successful by the way they dress, the car they drive, or the house they own."



Source: Fidelity Millionaire Outlook, January 2008

Actions to Consider

Financial advisors looking to attract and serve consultant millionaires should consider:

- **Address their desire for performance.** Appeal to consultant millionaires' desire for financial gains by bringing them investment strategies seeking to outperform the market. At the same time, keep them fully informed of the downside risks associated with those strategies, and temper their aggressive investing style with a well-diversified portfolio.
- **Tailor an estate plan for their lifestyle.** In designing consultant-friendly wealth management strategies, focus on ensuring that these clients will have plenty of income for life, perhaps through variable annuities or trusts, allowing them to retain a reliable income stream that supports their image-driven lifestyle.
- **Offer insurance options.** With a fondness for valuable property and possessions, consultants may welcome the opportunity for an insurance review. Help them find and fill potential gaps in their property insurance coverage.

Educators Plan for the Future

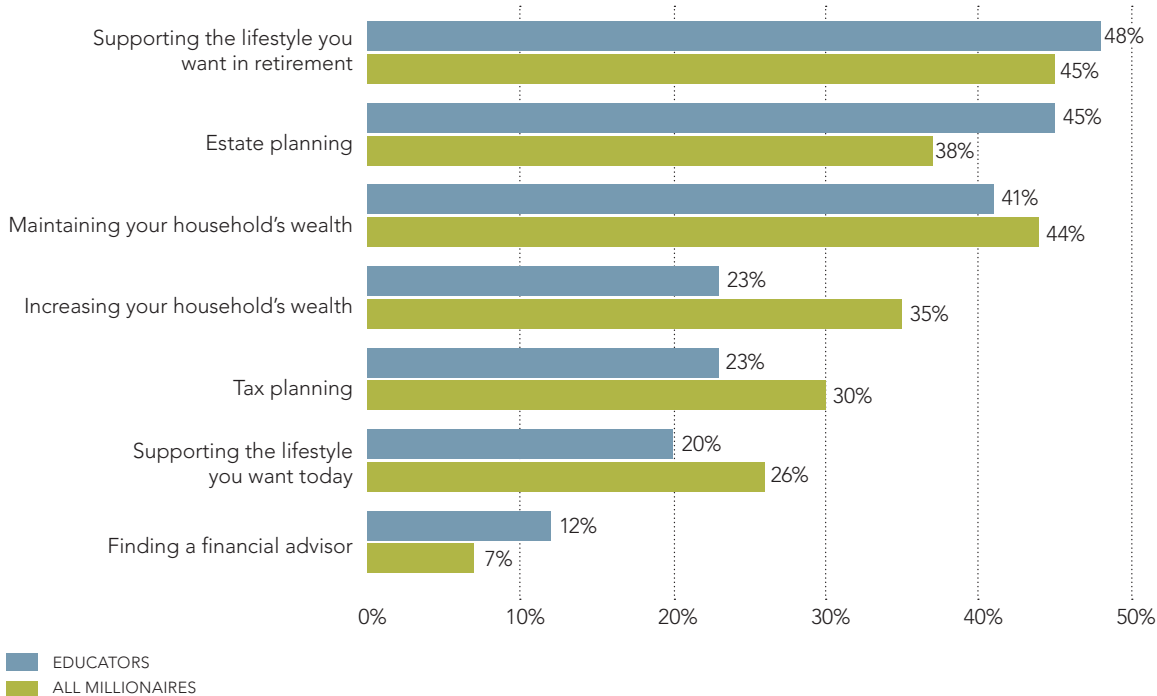
Careful planning and conservative investments place some educators in the millionaire category. These millionaires:

- Resemble “the millionaire next door.”** With their greater gender diversity (47% female, 21% higher than millionaires overall), millionaires who work in education stand out from their counterparts in the top millionaire professions. While educator millionaires are highly compensated, with an average of \$300,000 annual household income, this is 21% lower than other millionaires’ income. Given this, and the fact that they reach millionaire status at the average age of 54, seven years later than other millionaires, educator millionaires are the closest to the classic millionaire-next-door prototype. They claim the lowest investable asset level (\$3.3 million, on average) among all millionaires, but hold the largest retirement accounts (\$1.5 million on average) among all millionaires.

- Are cautious spenders and investors.** Almost nine in 10 (89%) — rivaled only by doctors — educators live below their means. Not surprisingly, nearly half of millionaire educators (49%) report no debt at all, not even a mortgage. Risk-averse with their money, educators have the highest rate of ownership of fixed-income investments (91%). Focused on retirement savings, educators are also more likely than other millionaire professionals to invest in both IRAs (86%) and employer-sponsored retirement plans (73%). They value supporting others as well — educators are nearly twice as likely (11%) as all other millionaires to point to charitable giving as the most important benefit of their wealth.

- Want help when retirement calls.** Educators tend to hire financial advisors later than millionaires overall, at the average age of 46. With their frugal lifestyle, millionaire educators don’t worry about supporting their lifestyle or increasing their wealth, but instead fret over supporting a comfortable retirement, creating an estate plan, and finding a financial advisor (see Figure 11). However, advisors beware — educators’ frugal streak extends to paying for financial advice. The 71% of educators who have an advisor spend 37% less on advisor services (\$4,600, on average) than other millionaires.

FIGURE 11:
EDUCATORS FRET OVER ESTATE PLANNING AND RETIREMENT



Q: Which of the following, if any, is a pressing concern to your household?

Source: Fidelity Millionaire Outlook, January 2008

Actions to Consider

Financial advisors looking to attract and serve educator millionaires should consider:

- **Offer a retirement withdrawal strategy.** Educators are likely to be looking for sound strategies on how to spend down their nest eggs in retirement. Demonstrate various withdrawal schedules, adjusted for inflation, that ensure income for life. It's likely that they will also want to hear about long-term care insurance as a strategy to help protect their assets in retirement.
- **Create an estate plan.** Given educators' concern over estate planning, demonstrate your knowledge of tax-efficient wealth-transfer strategies; show them the benefits of maximizing the gift tax exemption to begin moving wealth to children during their lifetime. Also, given their focus on education, they would likely enjoy hearing about the benefits of 529 plans for their children's and grandchildren's education.
- **Show them different giving strategies.** Educators may like the tax advantages of charitable trusts as an estate planning tool to increase their eventual philanthropic gifts while retaining income for their retirement. Discuss the benefits of donor-advised funds as a simple way to manage their charitable giving.

Sales Professionals Work to Keep Their Millions

Working in sales is an excellent path to millions — according to the survey, more U.S. millionaires work in sales than in the medical or legal professions.

Millionaires in sales:

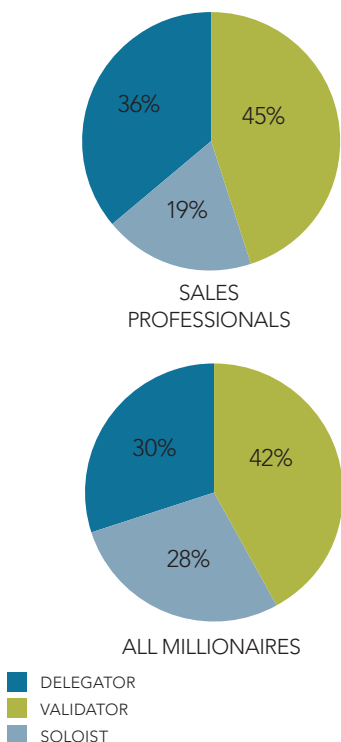
- **Are working men without advanced degrees.** Just like most U.S. millionaires, sales professionals are overwhelmingly male (80%). However, these millionaires differ from their peers in their level of formal education, which is lower than usual for millionaires. Less than a quarter of millionaire sales professionals boast advanced degrees — 20% less than other millionaires. At the same time, millionaire sales professionals are more likely to be divorced and remarried than their peers. With nearly half (49%) of millionaire sales professionals working full-time, they earn an annual pretax household income of \$360,000 and have accumulated \$4.9 million in investable assets on average. The majority (76%) cite salary, bonus, and commissions as their primary source of wealth.

- **Want to preserve their lifestyle and fund kids' education.** More than any other millionaires, sales professionals focus on maintaining their wealth (50%)

and current lifestyle (38%). For example, these millionaires are more likely than other millionaires to invest in conservative fixed-income vehicles, such as bonds (88%). And more than other millionaires, a top pressing concern (41%) for millionaire sales professionals is paying for their children's and grandchildren's education. In fact, millionaire sales professionals are more likely than any other millionaires to own college savings plans (40%). Why? Millionaire sales professionals have three children on average, more than all other millionaires.

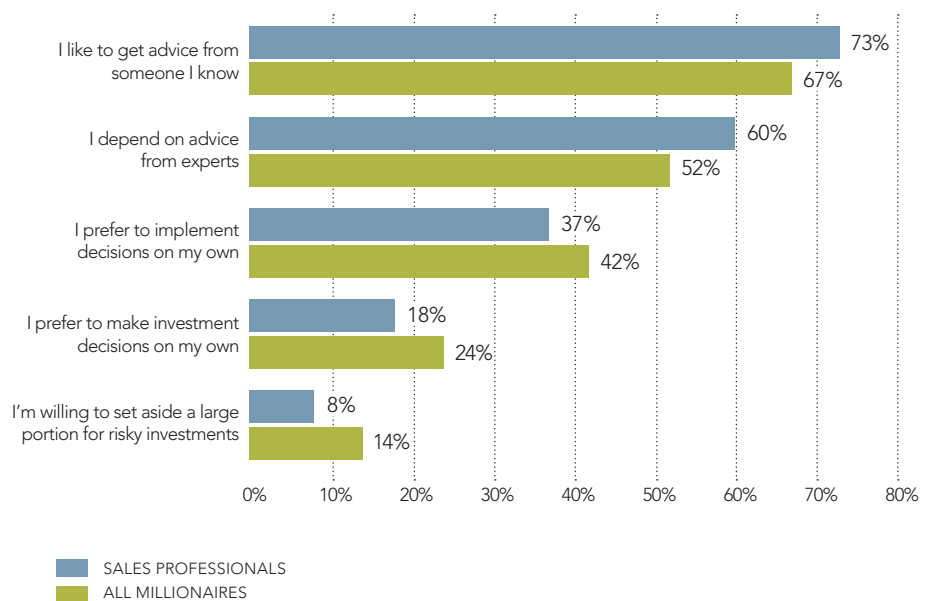
- **Are reluctant to go it alone.** Sales professionals include a larger proportion of Delegators (36%) than any other millionaire group outside of medical professionals; only 19% are Soloists (see Figure 12). The majority (60%) of millionaire sales professionals depend on experts for advice when making investment decisions (see Figure 13). That's why millionaire sales professionals are most likely among all millionaires to work with a paid financial advisor (79%), paying an average of \$6,000 a year in fees or commissions. Similar to their entrepreneurial peers, millionaire sales professionals look for a personal touch, either in person or on the phone, in working with their advisors.

FIGURE 12:
MILLIONAIRE SALES PROFESSIONALS
DELEGATE INVESTMENT DECISIONS



Source: Fidelity Millionaire Outlook, January 2008

FIGURE 13:
MILLIONAIRE SALES PROFESSIONALS LOOK FOR ADVICE AND REASSURANCE



Source: Fidelity Millionaire Outlook, January 2008

Actions to Consider

Financial advisors looking to attract and serve millionaire sales professionals should consider:

- **Bring them investment-income strategies.** Show sales professionals investments that can produce solid income, such as dividend-paying stocks or municipal bonds.
- **Go beyond 529 plans.** Given their concern about paying for education, show sales millionaires the benefits of investing in 529 plans for their children or grandchildren. But also demonstrate how other wealth-transfer vehicles, such as tax-exempt gifts, can be used to help future generations pay for education.
- **Talk to them about estate plans.** With larger families, sales professionals may be looking at how to maximize their heirs' inheritance in an estate plan. Demonstrate how they can avoid the estate tax by taking advantage of trusts.

Doctors Seek Simplicity

Sixth in rank of the top millionaire professions, the survey shows that medical doctors:

- **Owe a high education debt.** As a result of their higher education, doctors carry an average of \$310,000 in debt (including mortgages), compared with an average of \$220,000 for all other millionaires. Millionaire doctors are 60 years old, earn \$330,000 annually, and have \$6 million in investable assets, on average. This makes them the second-richest millionaire professional group after entrepreneurs. The majority (53%) are retired.

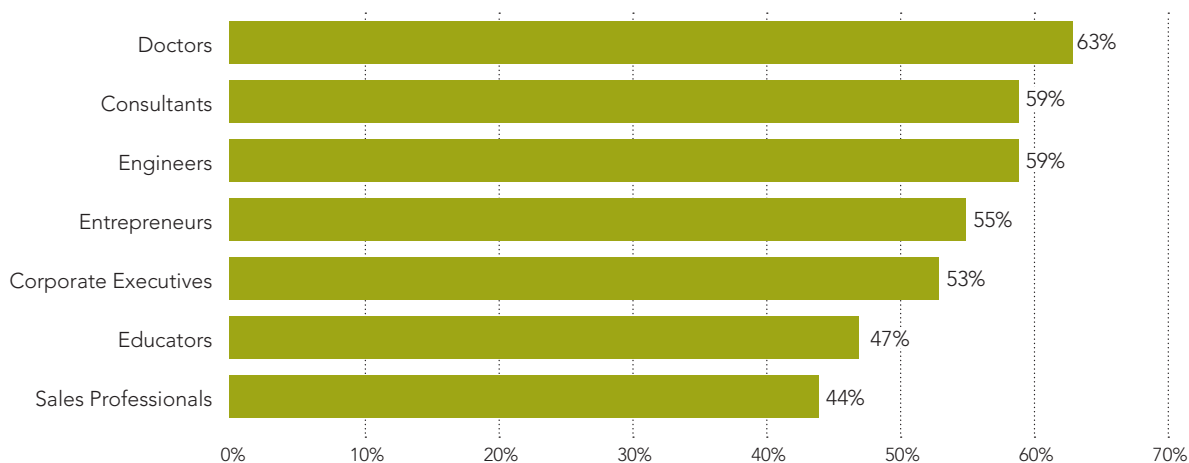
- **Seek to grow their wealth.** Almost two-thirds of millionaire doctors (63%) focus on increasing, rather than preserving, their assets (see Figure 14). In fact, perhaps because of their outstanding debt, millionaire doctors are the most likely of all millionaires to not consider themselves wealthy (23% stated that, compared with 19% of all millionaires). While a handful of millionaire doctors are concerned with repaying their debt (18%), these

millionaires worry more than all other millionaires about leaving an inheritance to their children (37%). This is key to them. Millionaire doctors (32%) are more likely than all other millionaires (19%) to worry about their children's ability to manage money wisely, and about their wealth vanishing with the next generation (27% for doctors vs. 15% for all millionaires).

- **Use professional help, and pay for it.** Most (55%) millionaire doctors depend on expert advice when making investment decisions, and 10% consider finding financial advisors a top concern. Almost four in 10 (37%) doctors are Delegators, higher than any other millionaire professional. Why? They seek to simplify their financial lives (58% stated so). In their pursuit of simplification, nearly seven in 10 doctors (68%) currently work with an advisor, and they pay advisors the most of any millionaires: \$11,000 in fees or commissions per year on average, 50% more than millionaires overall (\$7,300). Millionaire doctors' primary concerns focus on managing investments (58%) and supporting their lifestyle in retirement (46%).

FIGURE 14:
DOCTORS LOOK TO INVESTMENTS TO BOOST WEALTH

Percent who agree that "My primary investment objective is to grow, rather than preserve, wealth."



Source: Fidelity Millionaire Outlook, January 2008

Actions to Consider

Financial advisors looking to attract and serve millionaire doctors should consider:

- **Play to their desire for growth.** Suggest sectors that may allow medical professionals to take advantage of a market recovery, perhaps through a fund of growth stocks. But ensure that they understand the risks involved and have a well-diversified portfolio to offer protection in volatile markets.
- **Reinforce the role of trusts and life insurance.** Demonstrate how various wealth-transfer strategies can help meet these investors' current income needs, while also minimizing taxes. Ease medical professionals' anxiety over inheritance issues by demonstrating how some trusts can be set up to help minimize the chances that heirs will handle the assets irresponsibly.
- **Offer these delegators a comprehensive suite of services.** Make things simple for them with a single point of contact and holistic wealth management, including money management, tax preparation, estate plan services, an aggregated view of their assets, and bill payment. Offer to act as the point person for their tax and estate specialists.

Engineers Are Investment Soloists

Engineers round out the list of the top seven millionaire professions. According to the survey, these millionaires don't fear complexity, seek control in the management of their assets, but prefer conservative investments. Engineers:

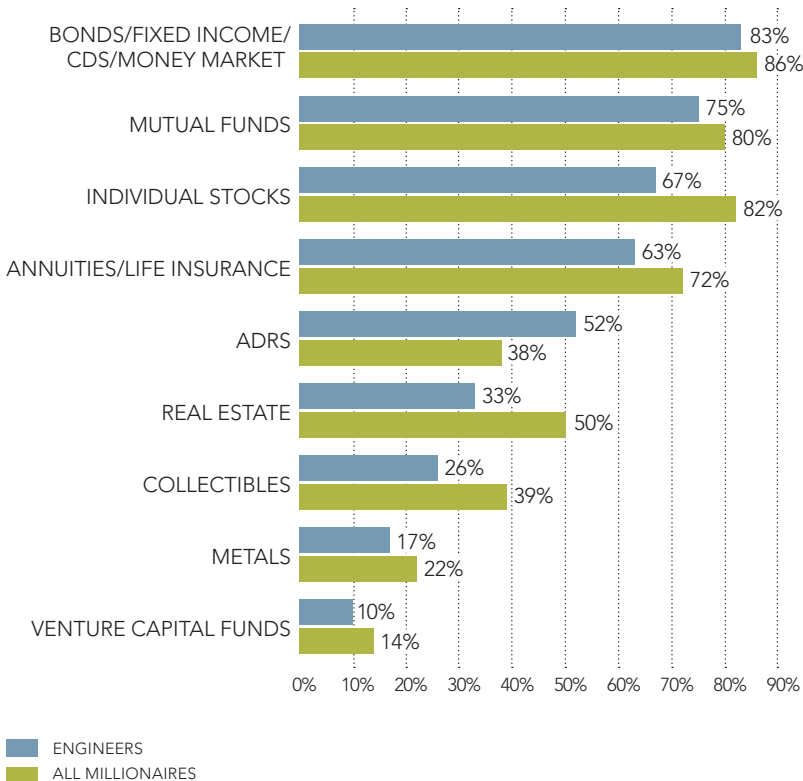
- **Are retired men with little debt.** Overwhelmingly male (90%), the vast majority of engineers (90%) attribute their wealth to compensation, such as salary and bonus. One key to their wealth — keeping their debt (\$190,000 on average) lower than that of other millionaires (\$220,000 on average). Engineer millionaires are 59 years old, earn \$320,000 a year, and hold \$4.9 million in investable assets on average.

- **Seek the freedom of wealth.** More so than other millionaires, engineers feel a greater sense of freedom than other millionaires as a result of their wealth — almost three in 10 (27%) cite the “freedom to do what you like” as

the most important benefit of wealth. Engineer millionaires take a conservative approach to investing; fixed-income investments form the backbone of their portfolios (83%), with fewer engineers owning individual stocks (67%) than all other millionaires (82%; see Figure 15). One notable exception — Engineers invest more heavily internationally than other millionaires do (52% vs. 38%).

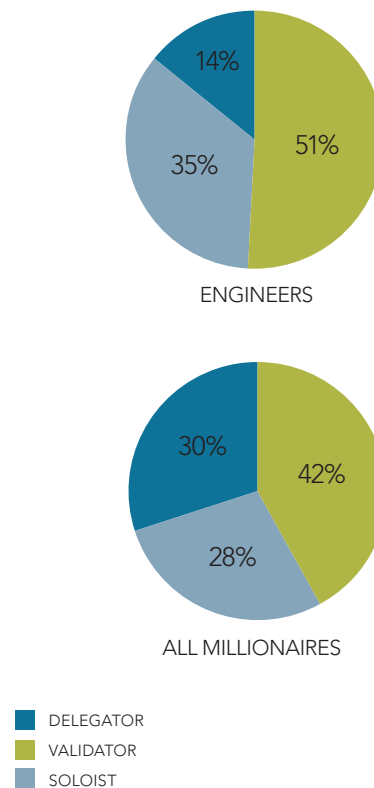
- **Remain hands-on, but seek objectivity.** Thirty-five percent of engineer millionaires are Soloists in their investment decision-making style, more than any other millionaires (see Figure 16). Only 14% are Delegators. Also more than any other millionaires, 35% of engineer millionaires feel no need to simplify their financial lives. This explains why engineers are the least likely of all millionaires to work with a paid financial advisor. Still, most (55%) engineer millionaires choose to do so. Why? An overwhelming majority (83%) state they value independent and objective investment advice.

FIGURE 15:
ENGINEERS HAVE ROOM TO DIVERSIFY



Source: Fidelity Millionaire Outlook, January 2008

FIGURE 16:
ENGINEERS ARE COMFORTABLE MAKING INVESTMENT DECISIONS ON THEIR OWN



Source: Fidelity Millionaire Outlook, January 2008

Actions to Consider

Financial advisors looking to attract and serve millionaire engineers should consider:

- **Bring these millionaires independent investment research from objective sources.** Discuss a wide range of investment strategies with them, including the pros and cons of each. Emphasize the benefits of diversifying their portfolio, including what they might consider riskier investments.
- **Help engineers develop a sound retirement income plan.** Show them various models of withdrawal strategies for their retirement, and discuss the advantages of annuities and life insurance as wealth management techniques that can help them maintain their freedom in retirement by giving them the assurance that they won't outlive their money.
- **Broaden their investment horizons.** Given their taste for ADRs and international investments, explore potentially undervalued overseas opportunities. Engineers may respond to offers for broader investments in foreign markets through ETFs or mutual funds that carry less risk than investments in a single company's ADR.

Focusing on Professions

Understanding the needs and concerns of millionaires based on the source of their wealth can help advisors target those prospective clients and fine-tune the approach, advice, and services provided. Focusing on specific professions can also help enable advisors to streamline their business, acquire more qualified lists, and offer a distinct area of expertise that may further grow their practice.

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