

by Bill Spalding

Secrets of the Millionaire's Tool Kit

Eleven years ago, the book *The Millionaire Next Door* became a runaway bestseller. People were amazed that the guy down the street could actually be a millionaire. Today, we are more accustomed to the idea of “neighborhood millionaires” and some of you reading this article may be among them. Recently, the widely-quoted 2007 World Wealth Report disclosed that Atlanta already has about 64,000 millionaires and that figure is expected to grow by more than 62 percent in the next four years.¹

Most millionaires and near-millionaires did not inherit their wealth. More than 80 percent are first-generation millionaires who have saved and invested well and benefited from growth in their investments.²

However, they and other high-net-worth individuals find their financial support requirements growing more and more complex. There is a need for more analysis and more individualized services, much like what I offer to my high-net-worth clients, and what might be called “the millionaire’s tool kit.”

One of the tools I use with high-net-worth individuals in my practice is private financial placements, which provide income at higher rates than traditional CDs for pre-qualified investors. For retirement planning, I utilize a sophisticated analysis that is much more technically accurate than the usual retirement income calculators. Linked to historical data, the software uses market simulations in ten-year timeframes that are based on actual market cycles—not on flat percentages of growth—creating a picture that is totally personalized to the individual’s investments and lifestyle.

If you have any questions or financial issues you would like to see addressed in a future column, e-mail bill@spaldingwealth.com

A new tool that I am introducing to clients is also technology based and appeals to affluent baby boomers and others whose lifestyles may include frequent travel or second homes. Through a secure and deeply encrypted private Web site, clients can access their entire financial situation in one electronic file. Not only does the site serve as a tremendous time-saver, it is able to produce a *snapshot of net*

worth on a daily basis. The site can house all financial records, including:

- Assets, including real estate
- Bank accounts (the program has access to nine thousand different financial institutions)
- All investment vehicles (stocks, bonds, mutual funds, CDs, etc.)
- Credit cards, with online bill-paying capability
- Other financial accounts, including regular utility or other recurring bills with online bill-paying capability
- Frequent flyer points and other financial-related records

One of the most unique benefits of this tool is its ability to house important records. Insurance policies, deeds and wills can be scanned and kept in folders. Health care directives can be always available. I like to say that using this program is like “a love letter to your children” because all financial information is in one place. With many of us being more mobile than ever before, and record-keeping more of a challenge, this program makes critical information accessible from anywhere in the world, using high level security access that is re-encrypted upon each use.

Technology is changing many things in our financial lives and these examples reveal that traditional methods require updating to work well in a mobile, complex society. Be sure that your financial advisor is employing new and innovative tools to manage your portfolio.

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FOOTNOTES

¹ 2007 World Wealth Report, <http://www.capgemini.com>, accessed July 5, 2007. Definition of high net worth individual is someone with at least \$1 million net assets, exclusive of residences

² Thomas J. Stanley, Ph.D., William D. Danko, Ph.D., *The Millionaire Next Door* (Marietta, GA: Longstreet Press, 1996), p. 3.

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