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**RECESSION CHANGES INVESTING, SPENDING PATTERNS
OF HIGH NET WORTH INDIVIDUALS**

Wealthier Americans Making Changes in Both Their Investment and Social Behaviors: AICPA Survey

NEW YORK, N.Y. (June 22, 2009) – U.S. economic woes and stock market volatility have prompted changes in the investment and social behaviors of high-net-worth Americans, according to a new survey of CPA Personal Financial Specialists conducted by the American Institute of Certified Public Accountants.

Lyle K. Benson, Jr., CPA/PFS, founder of L.K. Benson & Company, Baltimore, Md., said the behavioral changes in wealthier Americans illustrate the need for a greater emphasis in financial planning. “We are reassessing our clients’ risk tolerance and when necessary reallocating their current portfolio assets,” Benson said.

CPA Personal Financial Specialists are advising clients to rebalance their portfolios, reassess their tax planning and control their expenses and cash flow. What that means for individual choices about asset classes and portfolio decisions depends on what the individual’s investment goals are, what their risk tolerance is and how much of their net worth is available for investment, according to Benson.

Eighty percent of CPA financial advisors surveyed are strongly recommending their clients move toward a mix of growth and income securities, according to the survey. Sixty-five percent are also recommending more fixed-income securities. A significant number of CPA financial planners – 40 percent – are strongly recommending that their clients hold larger cash positions. Thirty percent are recommending commodities such as gold and precious metals.

“Now more than ever, our clients are seeking our financial expertise to guide them through these uncertain economic times,” said Benson.

In anticipation of future tax increases, 67 percent of CPA financial advisers said their clients are accelerating capital gains, according to the survey. Half of clients are increasing contributions to qualified retirement plans, such as 401(k)s and IRAs. In terms of wealth transfer, nearly 60 percent of CPA financial planners are recommending paying medical and / or education bills directly for family members and 50 percent of CPA financial planners are recommending gifting devalued assets.

Sixty-four percent of personal financial specialists foresee a small increase in the benchmark Standard & Poor's 500 over the next six months. Slightly more than half, 53 percent expect a small increase in bond yields, while 62 percent anticipate a small decrease or no change in commercial real estate values.

Clients are saying that they're dining out less frequently and ordering less expensive wines and premium liquor brands. Many are having items repaired, rather than purchasing new ones and they're taking fewer or less expensive vacations.

Ninety-one percent of the CPA financial planner survey respondents serve individual clients with a net worth valued up to \$5 million.

CPAs holding the Personal Financial Specialist credential are experienced professionals who are in the best position to help their clients to stay on track with their financial plans even when the economy takes unexpected turns. PFS credential holders have the education and expertise to help people develop financial plans that anticipate and protect against downturns. During the last six months, 57 percent of CPA/PFS clients are reviewing their portfolios more frequently, according to the survey.

Methodology / Background Information

The survey was conducted April 22 to June 4 via an online questionnaire emailed to members of the AICPA Financial Planning Membership Section. Of the 529 respondents, 57 percent work with individual clients with a net worth of \$1 million to \$5 million; 34 percent work with individual clients with a net worth of less than \$1 million; three percent of their individual clients have a net worth of over \$15 million; five percent have individual clients with an average net worth of \$6 million – \$10 million; and one percent manage individual clients with a net worth of \$11 million – \$ 15 million. The average client age range is between 56 to 64 years old, 52 percent. The margin of error was plus or minus four percentage points.

More information and full poll results are available on the AICPA Personal Financial Planning Website at <http://pfp.aicpa.org/>.

About the AICPA

The American Institute of Certified Public Accountants (www.aicpa.org) is the national, professional association of CPAs, with more than 350,000 CPA members in business and industry, public practice, government, education, student affiliates, and international associates. It sets ethical standards for the profession and U.S. auditing standards for audits of private companies, non-profit organizations, federal, state and local governments. It develops and grades the Uniform CPA Examination.

To further support members and CPAs, the AICPA maintains the [Economic Crisis Resource Center](http://www.aicpa.org/economy) (www.aicpa.org/economy). With more than 200 items, the site is the most comprehensive online resource for the CPA profession in this economic environment.

The AICPA maintains offices in New York, N.Y., Washington, D.C., Durham, N.C., Ewing, N.J., and Lewisville, TX.

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