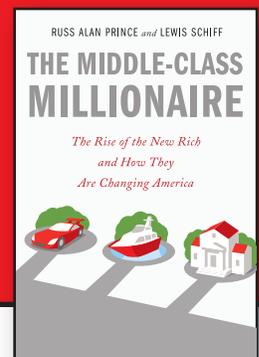


Millionaire Intelligence Among Private Client Attorneys

*The Attitudes and Habits
of Highly Successful
Private Client Attorneys*

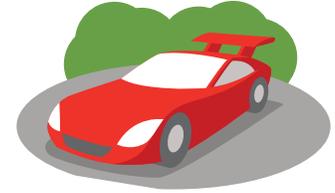
Russ Alan Prince
Marcia S. Nelson
Hannah Shaw Grove
Lewis Schiff



Based on research from the new book **THE MIDDLE-CLASS MILLIONAIRE**



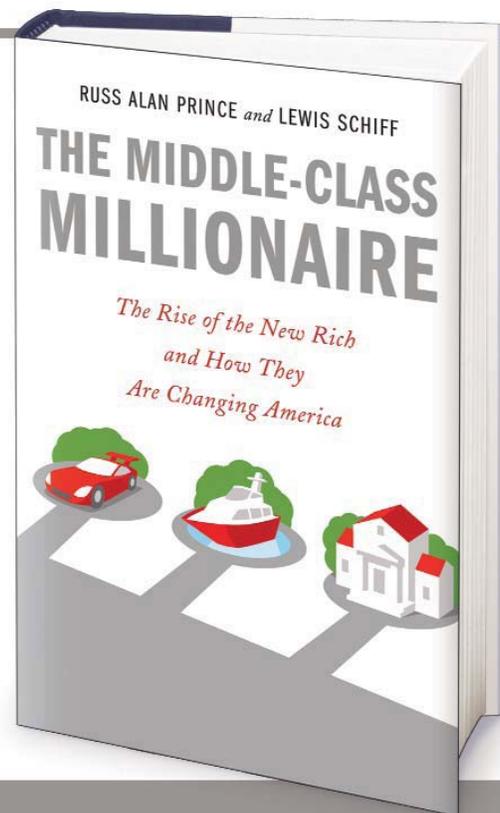
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**Discover who they are and how to tap
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Millionaire Intelligence Among Private Client Attorneys:

The Attitudes and Habits of Highly Successful Private Client Attorneys

By Russ Alan Prince Marcia S. Nelson Hannah Shaw Grove Lewis Schiff

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Executive Summary

- ▶ Choosing to be a private client attorney over another legal specialty neither hurts you nor helps you create significant wealth. Rather, what matters most are the traits, behaviors and attitudes you demonstrate as an attorney.
- ▶ Attorneys at all levels of net worth have the same perception of how money can improve their lives. However, successful attorneys implement those ideas more effectively.
- ▶ Private client attorneys who have high net worth exhibit similar behaviors and traits to successful people in other fields.
- ▶ Private client attorneys with higher net worth exhibit different work habits from those with lower net worth. In particular:
 - They work longer hours and consider themselves to be more available to work during off hours.
 - They consider themselves to be “better connected” in their communities.
 - They are more determined to succeed when negotiating with others.
- ▶ Private client attorneys with high net worth excel at one or more of the talents identified in this research paper. They can increase their success by focusing on areas in which they are less proficient.
- ▶ Private client attorneys with lower net worth can increase their success by improving their work behaviors in any one of the areas identified by high-net-worth attorneys as crucial to success.

Introduction

Survey research by Prince & Associates, Inc., has determined that among Americans who espouse typical middle-class values, those with assets of more than \$1 million exhibit a distinctly different set of beliefs, attitudes and behaviors involving work and wealth-building than do those with incomes in the range of \$50,000 to \$80,000 – people in approximately the third quartile of U.S. household annual income.

The research, as described in the book *The Middle-Class Millionaire*, written by Russ Alan Prince and Lewis Schiff, showed that the wealthier group of survey respondents work longer hours and make greater efforts at networking than the other members of the middle class. These “Middle-Class Millionaires,” as Prince and Schiff dubbed them, were also much more likely to ascribe their success to such factors as “gaining a financial stake in my work” and “choosing a career on the basis of its financial rewards.” These attitudes and competencies, which Prince and Schiff have grouped together under the rubric of “Millionaire Intelligence,” can be summed up as four essential qualities: hard work, networking, enlightened self-interest and self-efficacy.

Like all good studies, the survey that defined Millionaire Intelligence raised almost as many questions as it answered. For instance, the survey showed that two-thirds of Middle-Class Millionaires were either self-employed or partners in professional corporations, while two-thirds of the middle-class survey respondents were salaried employees. Had the research largely measured the greater opportunities afforded to those who earn their living outside the strictures of wage work? The survey also had not asked respondents to categorize their occupations. If it

had, would the survey have found that a greater number of the Middle-Class Millionaires were found in fields such as legal and financial services, where the opportunities for wealth-building are greater?

These and other questions finally led us to wonder what we might discover by surveying the values, attitudes and work habits of private client attorneys. What might such a survey reveal about the markers of success within this one particular field? Since private client attorneys, regardless of income, are a specialty within the legal profession, would the qualities of Millionaire Intelligence register more commonly among all of them? Or would Middle-Class Millionaire private client attorneys – those possessing a net worth between \$1 million and \$10 million – demonstrate higher levels of hard work, networking, self-interest and self-efficacy than did those with less than \$1 million in assets? Either way, the results would help reveal whether Millionaire Intelligence is a function of occupational choice or whether it might more likely serve as a reliable predictor of success across all occupations.

More specifically, we saw that testing the Millionaire Intelligence of private client attorneys would provide an excellent opportunity to learn more about just what it takes to succeed in this field. A survey of this kind might help expose which beliefs and practices are most distinctive and prevalent among its top-earning members. By cataloging the extent to which Middle-Class Millionaire private client attorneys think and act differently from Aspiring private client attorneys, we could identify a strong set of evidence-based recommendations that would help guide all private client attorneys to improve the performance of their practices.

Methodology

Prince & Associates, Inc., surveyed a group of 418 private client attorneys, chosen at random, from major metropolitan areas all over the U.S. These private client attorneys were contacted by phone. The results were statistically weighted and controlled for age, length of time in the business, geography, education and gender, so the sample accurately reflects the makeup of some 8,000 private client attorneys.

Over the course of the survey, we restricted this group to only experienced private client attorneys and excluded those with less than 10 years in the business. We also excluded any private client attorneys who reported drawing less than 70 percent of their revenues from estate planning, asset protection planning, tax planning, succession planning and charitable planning. Finally, since we are interested in the attitudes and behaviors that contribute to financial success, we excluded private client attorneys who reported significant inherited wealth. All 418 reported that their wealth is “self-made.”

The attorneys were offered a set of 24 questions, which fell broadly into two categories. The first category offered questions that tested attitudes and beliefs about work and money, and asked the attorneys to assess the relative importance of various factors that contribute to their success. The second category of questions dealt with measurable behaviors or events. The respondents were asked to estimate, for instance, how many hours they work each week, their annual number of vacation days, and how many times they have experienced serious career or business setbacks.

Of the 418 private client attorneys, a total of 88.3 percent reported a net worth below \$1 million. We called them “Aspiring” private client attorneys. The other 11.7 percent of attorneys reported a net worth between \$1 million to \$10 million. These we have labeled “Middle-Class Millionaire” private client attorneys” (*Exhibit 1*).

Results

Despite some important areas of agreement, the survey showed that Middle-Class Millionaire private client attorneys often exhibit very different attitudes toward work priorities than do most of the aspiring private client attorneys.

Attitudes toward wealth: One area of profound agreement is that the vast majority of members of both groups do not consider themselves “financially wealthy today” (*Exhibit 2*). Just 22.4 percent of Middle-Class Millionaire private client attorneys said they are wealthy, while 8.9 percent of aspiring private client attorneys, those with assets under \$1 million, said they are wealthy.

We found, as you might predict, that members of the two groups have very different ideas of what constitutes “wealth” (*Exhibit 3*). Among Middle-Class Millionaires, the mean is a net worth of \$16.2 million and the median is a net worth of \$11.7 million in order “to feel wealthy.” Among aspiring private client attorneys, the goal is much lower. The mean net worth is \$5.1 million, with a median of \$3.8 million, in order to feel wealthy.

Attitudes toward work: We found some areas of agreement and some significant differences among the private cli-

ent attorneys in describing those things that are “very or extremely important’ in achieving financial success.”

Both groups place a high value on having access to many people. Between 83 percent and 92 percent of both groups agree that “knowing people who know many people” (Exhibit 4) and “knowing many, many people” (Exhibit 5) are both important to achieving financial success. Middle-Class Millionaires are dubious, however, about the value of “making an effort to work with ‘good people.’” Just



53.1 percent of Middle-Class Millionaire private client attorneys see the value in that, as opposed to 76.7 percent of aspiring attorneys (Exhibit 6).

Middle-Class Millionaire private client attorneys are far more likely to think in terms of their direct self-interest. Almost 94 percent of Middle-Class Millionaire attorneys pointed to “when negotiating, coming out a winner” as being important to success, as opposed to 79.7 percent of aspiring attorneys (Exhibit 7). More than 57 percent of Middle-Class Millionaire attorneys described their most common negotiating approach as “Do whatever you need to do to win,” compared with 43.6 percent of aspiring attorneys (Exhibit 8). One area of relative agreement: 32.7 percent of Middle-Class Millionaire attorneys and 36.3 percent of aspiring attorneys agree that negotiating “should always be win-win.” (Exhibit 9).

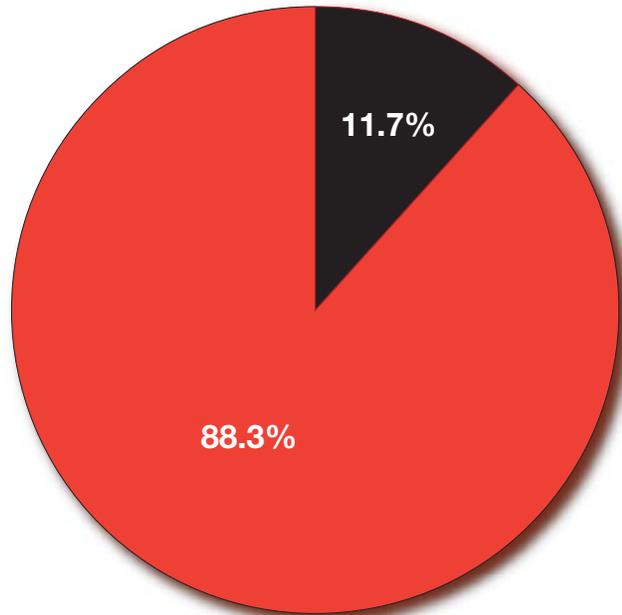


Exhibit 1: Segmenting private client attorneys

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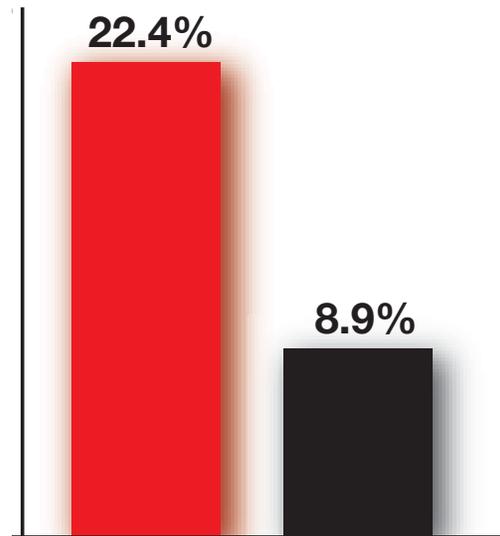
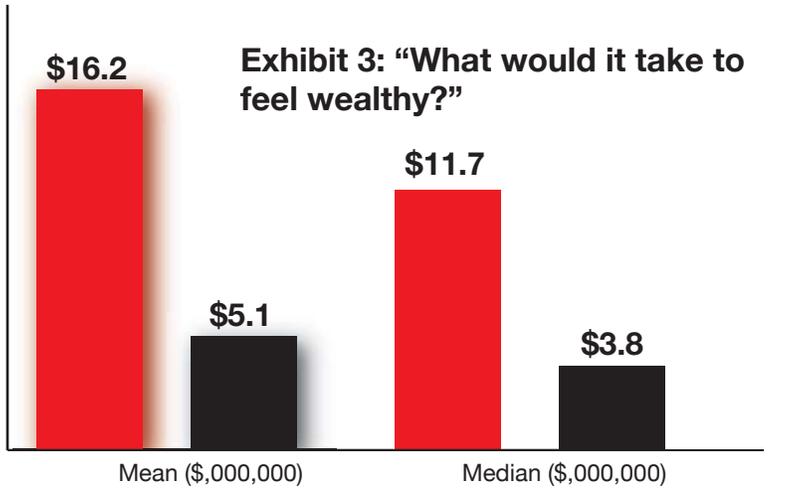


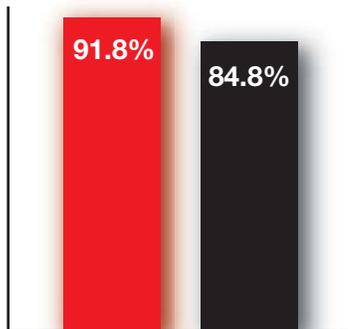
Exhibit 2: “I feel financially wealthy today.”

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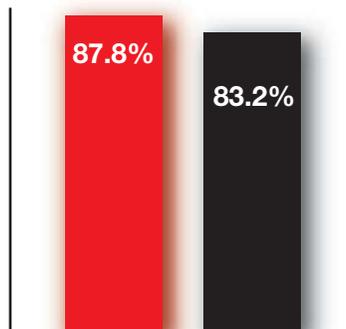
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"What is 'very or extremely important' in achieving financial success?"



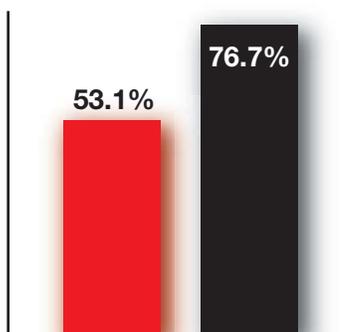
Ex. 4: "Knowing people who know many people."

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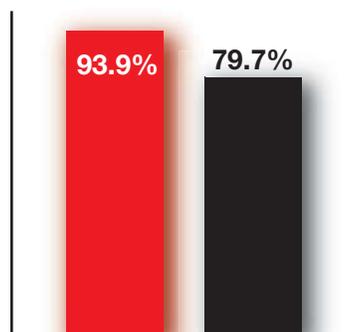
Ex. 5: "Knowing many, many people."

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Ex. 6: "Making an effort to work with 'good people.'"

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Ex. 7: "When negotiating, coming out a 'winner.'"

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The Middle-Class Millionaire attorneys are also more likely to agree on the importance of "obtaining an ownership stake in your work," by a margin of 59.2 percent to 36.3 percent (*Exhibit 10*). About 63 percent of Middle-Class Millionaire attorneys said "taking advantage of weaknesses in others" is important, a statement only 31.9 percent of aspiring attorneys agreed with (*Exhibit 11*).

Middle-Class Millionaire attorneys are more likely to see the value of taking risks and learning from setbacks. Almost 75.5 percent of Middle-Class Millionaire



attorneys referred to "learning from bad business or career decisions" as important to their success. Only 65.3 percent of aspiring attorneys feel the same (*Exhibit 12*). More than 59 percent of Middle-Class Millionaire attorneys claim that choosing "projects with greater risk and prospective reward" is important, a statement that just 49.3 percent of aspiring attorneys agreed with (*Exhibit 13*).

Attitudes toward money and success: With some very notable exceptions, the survey found broad areas of agreement among all attorneys regarding their values and ideas about getting ahead.

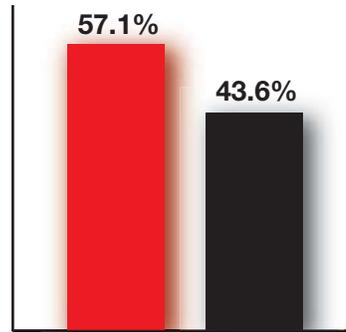
Nearly all private client attorneys have remarkably similar attitudes about the importance of hard work, persistence and related values. Nearly all attorneys agree that "Anyone can become a million-

aire if he works hard enough (between 94 and 96 percent: *Exhibit 14*). Between 72 and 90 percent of all attorneys surveyed agree that “choosing a career for its prospective financial rewards,” (*Exhibit 15*) “seeing things through” (*Exhibit 16*) and “the ability to build rapport with other people” (*Exhibit 17*) are important to achieving financial success.

Not all private client attorneys have similar views of the importance of money in their lives. While almost 90 percent of Middle-Class Millionaire attorneys and 86.7 percent of aspiring attorneys agree that “money lets you soften ‘the bumps in the road’” (*Exhibit 18*) and hardly anyone agrees with the statement that “money can’t buy happiness” (8.2 percent of Middle-Class Millionaire attorneys versus 11.1 percent of aspiring attorneys: *Exhibit 19*), there’s a difference of only 5 percentage points between Middle-Class Millionaire attorneys and aspiring attorneys when asked “if money is important to your personal happiness.” Almost 90 percent of Middle-Class Millionaire attorneys agree with that statement, and 84.4 percent of aspiring attorneys feel the same way (*Exhibit 20*). Fairly similar percentage differences exist between both groups with regard to the statements “Without money, you can’t really enjoy life” (81.6 percent versus 63.7 percent: *Exhibit 21*) and “Money is essential to lead a full life” (79.6 percent versus 68.8 percent: *Exhibit 22*).

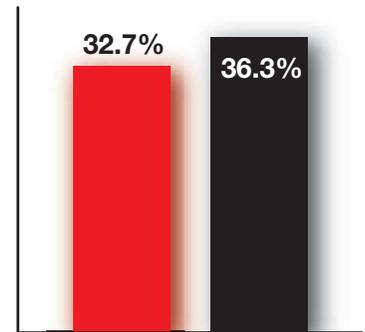
Middle-Class Millionaire attorneys are less likely to believe in “positive thinking.” Just 4.1 percent of Middle-Class Millionaire attorneys say that “thinking like a

“What best describes your negotiation strategy?”



Ex. 8: “Do whatever you need to do to win.”

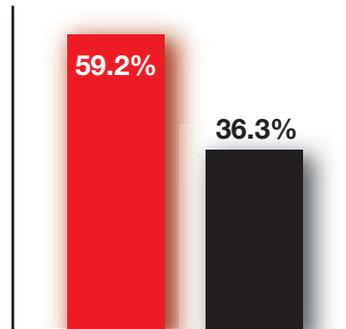
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Ex. 9: “Negotiations should always be win-win.”

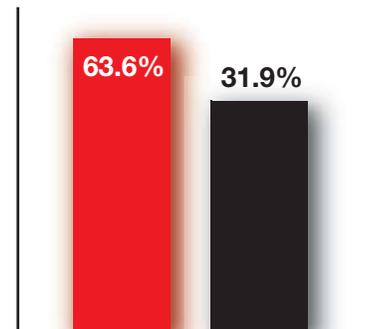
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“What is ‘very or extremely important’ in achieving financial success?”



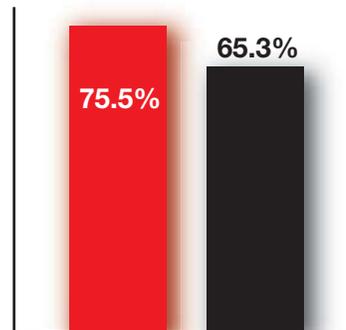
Ex. 10: “Obtaining an ownership stake in your work.”

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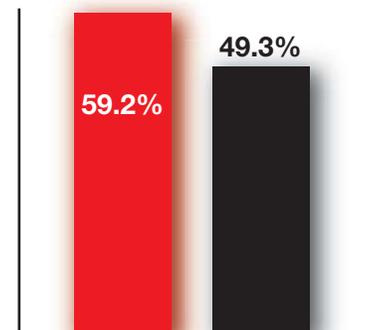
Ex. 11: “Taking advantage of weakness in others.”

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Ex. 12: “Learning from bad business or career decisions.”

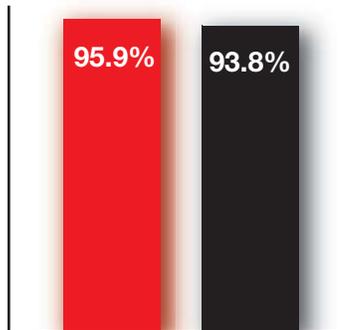
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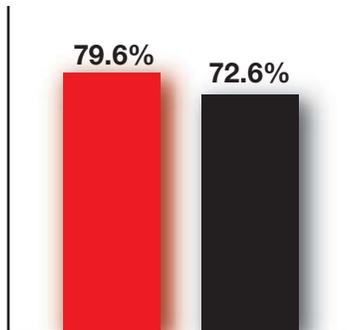
Ex. 13: “Choosing projects with greater risk and prospective reward.”

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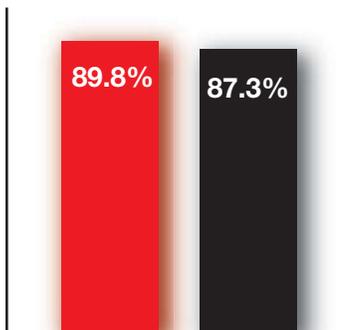
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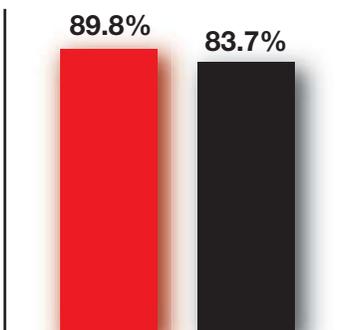
Ex. 14: “Anyone can become a millionaire if he works hard enough.” N=418 Private Client Attorneys



Ex. 15: “Choosing a career for its prospective financial rewards.” N=418 Private Client Attorneys

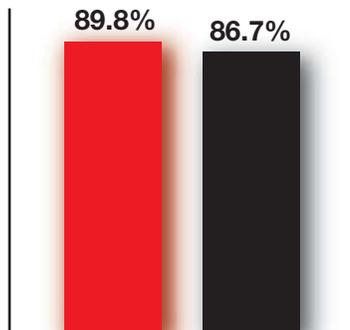


Ex. 16: “Seeing things through.” N=418 Private Client Attorneys

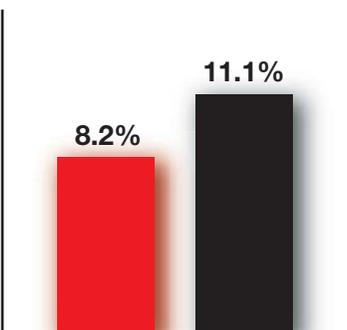


Ex. 17: “The ability to build rapport with other people.” N=418 Private Client Attorneys

“The following statements are ‘very’ or ‘extremely’ accurate.”



Ex. 18: “Money lets you soften the ‘bumps on the road.’” N=418 Private Client Attorneys



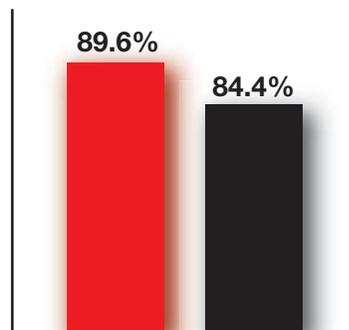
Ex. 19: “Money can’t buy happiness.” N=418 Private Client Attorneys

millionaire” is important to their financial success, compared with 24.9 percent of aspiring attorneys (*Exhibit 23*). Only 40.8 percent of Middle-Class Millionaire attorneys say that “having a ‘success attitude’” is important, compared with 61.2



percent of aspiring attorneys (*Exhibit 24*). Just 6.1 percent of Middle-Class Millionaire attorneys agree that “doing what you love and allowing the money to follow” is important, while 23.8 percent of aspiring attorneys agree (*Exhibit 25*).

*Middle-Class Millionaire attorneys and Aspiring attorneys agree on the importance of hard work, luck and intelligence but disagree on focus. Almost 96 percent of Middle-Class Millionaire attorneys point to “working very hard” as being important to their financial success. Among Aspiring attorneys, 92.4 percent feel the same way (*Exhibit 26*). However, in practice, the Middle-Class*

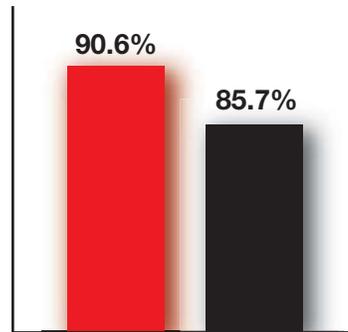


Ex. 20: “Money is important to your personal happiness.” N=418 Private Client Attorneys

Millionaire attorneys distinguish themselves by working 79.1 hours per week on average, compared with 55.8 hours per week for the aspiring attorney (*Exhibit 27*). About 80 percent of both groups of surveyed attorneys see “having a higher IQ” as important to success (*Exhibit 28*) and around 31 percent cited “luck” as being important (*Exhibit 29*). On the other hand, “concentrating all your efforts on one moneymaking endeavor” is important to 59.2 percent of Middle-Class Millionaire attorneys but to just 38.2 percent of aspiring attorneys (*Exhibit 30*). When it comes to “diversifying the ways you make money,” 36.6 percent of aspiring attorneys agree to its importance, while just 22.4 percent of Middle-Class Millionaire attorneys see the wisdom in that (*Exhibit 31*).

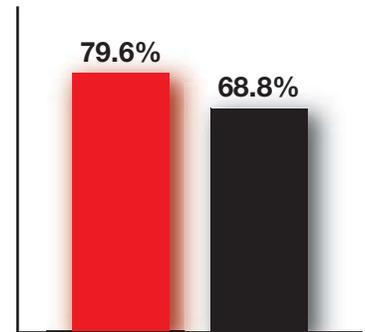
Reported social behaviors. While most attorneys report being socially active, Middle-Class Millionaire attorneys feel they have more influence with others. Almost 86 percent of Middle-Class Millionaire attorneys say they have an active social life, while 67.5 percent of aspiring attorneys make the same claims (*Exhibit 32*). Nearly all Middle-Class Millionaire attorneys, 94 percent, agree that “you tell lots of other people about products or services you like,” versus 71.5 percent of aspiring attorneys (*Exhibit 33*). But Middle-Class Millionaire attorneys appear to be far more influential in the eyes of others. About 80 percent of Middle-Class Millionaire attorneys agree that “people regularly ask you for advice on what to buy,” a statement only 52.6 percent of aspiring attorneys agree with (*Exhibit 34*). Moreover, 67.3 percent

“The following statements are ‘very’ or ‘extremely’ accurate.”



Ex. 21: “Without money, you can’t really enjoy life.”

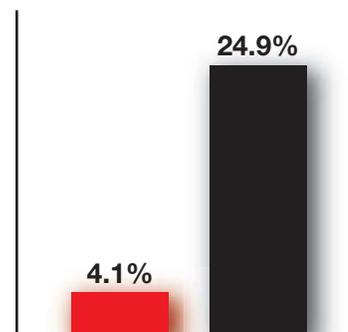
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Ex. 22: “Money is essential to lead a full life.”

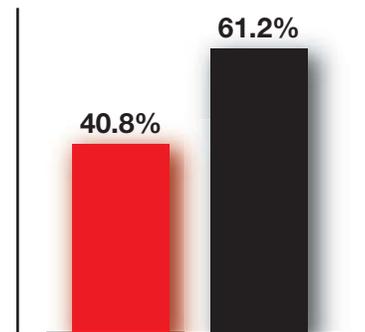
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“What is ‘very or extremely important’ in achieving financial success?”



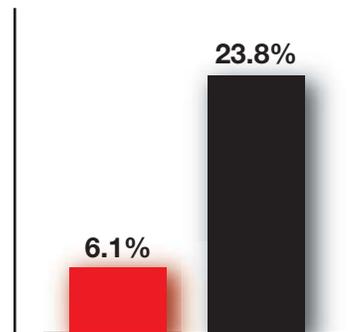
Ex. 23: “Thinking like a millionaire.”

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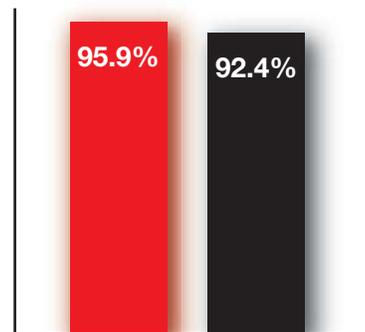
Ex. 24: “Having a ‘success’ attitude.”

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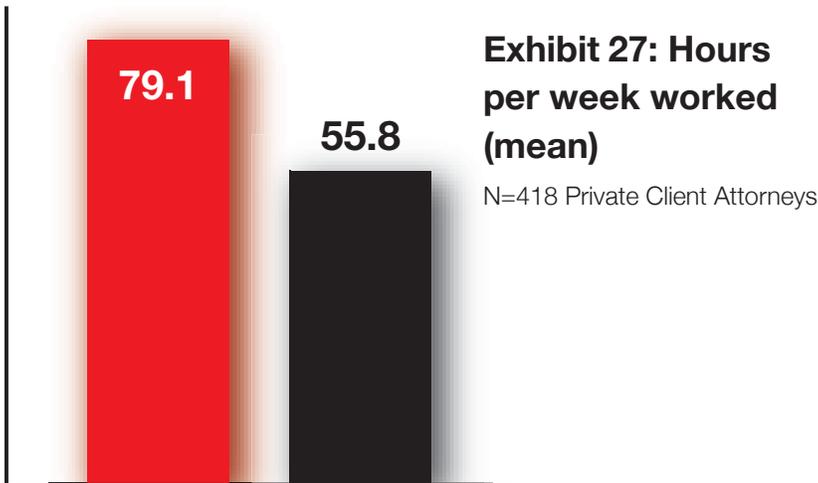
Ex. 25: “Doing what you love and allowing the money to follow.”

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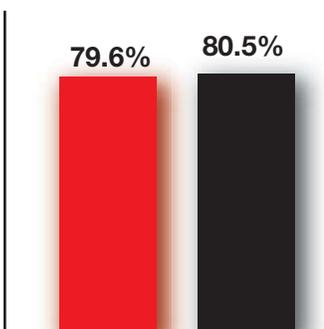


Ex. 26: “Working very hard.”

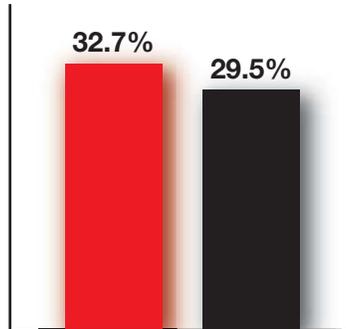
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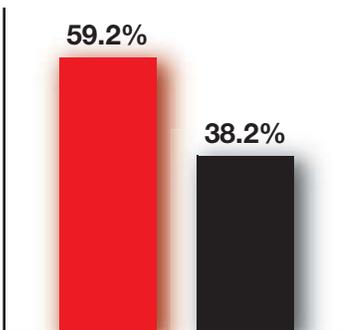
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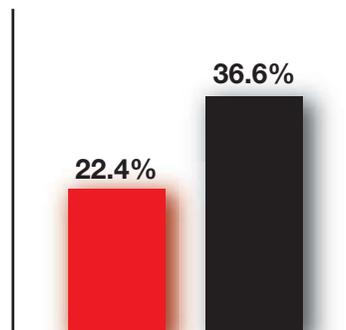
Ex. 28: “Having a higher IQ.”
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Ex. 29: “Luck.”
 N=418 Private Client Attorneys



Ex. 30: “Concentrating all your efforts on one moneymaking endeavor.” N=418 Private Client Attorneys



Ex. 31: “Diversifying the ways you make money.”
 N=418 Private Client Attorneys

of Middle-Class Millionaire attorneys agree that “you often know about new things before other people do.” About 37 percent of aspiring attorneys said the same (*Exhibit 35*).

Recommendations

As we interpret the complete results of this survey, we find that nearly all private client attorneys believe that money is important to their personal happiness, and that hard work and persistence are the most important ways to achieve financial success. However, those attorneys who have achieved the greatest financial success seem to be those who are already the most consistent and disciplined in putting these beliefs to work for them. Based on our findings, we think the following three actions are most likely to yield beneficial results for private client attorneys interested in being more successful.

1. Review your networking habits and see where you can make improvements. Consider that the most successful networkers are on the lookout for information that can help them. What are the five things you want to know more about, and what sort of network has access to that information?

2. Examine your business activities to see whether you are putting your best efforts into the areas where the opportunities are greatest. Focusing on what you do best, rather than diversifying your activities, seems to be the way most successful private client attorneys get to the top. Are there low-value activities you could shed, which would free up your time to find more opportunities in

the area in which you excel? Focusing on what you do best, it seems to us, also tends to put you in a better bargaining position more often, which should lead to better compensation for what you do.

3. Consider that the top earners among private client attorneys work much longer hours. There may be very good reasons why you don't work as many nights and weekends as top-performing private client attorneys do, but consider where you could extend your hours and avail-

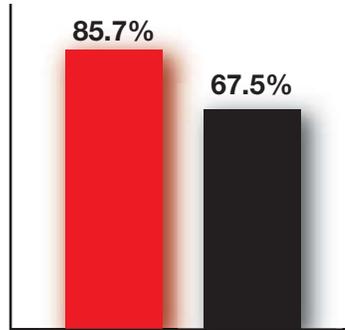


ability without it taking a toll on your life. Are you investing in the right kind of communication technology to make it easier to be available after hours? Use your network to find a technology fix that could help you extend your hours.

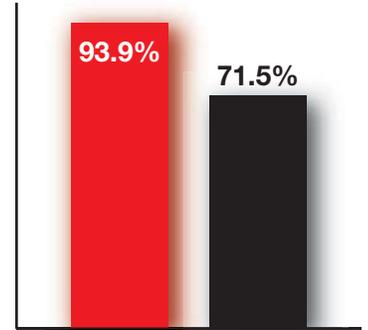
Summary

Nearly all private client attorneys expressed upbeat attitudes toward work, success and the importance of money in their lives. However, our survey found a distinct tendency among wealthier attorneys to put those beliefs into action, especially in the areas of persistence in the face of failure, networking with focus, advancing their self-interest and working long hours. The survey results are fairly conclusive that these are the markers of success in the field of private client attorneys and suggest that all attorneys, regardless of income, would do well to consider how their own attitudes and habits could be adjusted in pursuit of the wealth and success they value. ■

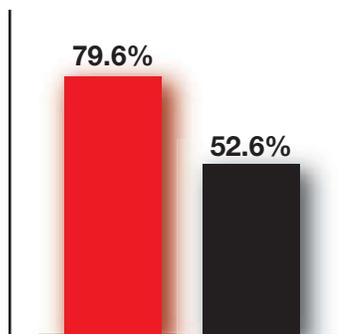
“The following statements are ‘very’ or ‘extremely’ accurate.”



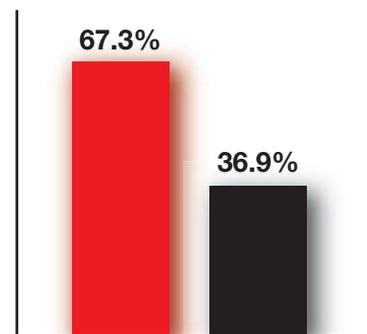
Ex. 32: “You have an active social life.” N=418 Private Client Attorneys



Ex. 33: “You tell lots of people about products or services you like.” N=418 Private Client Attorneys



Ex. 34: “People regularly ask you for advice on what to buy.” N=418 Private Client Attorneys



Ex. 35: “You often know about new things before other people do.” N=418 Private Client Attorneys

About the Authors

Russ Alan Prince is the president of Prince & Associates, Inc. (www.RussAlanPrince.com), the leading market research firm specializing in private wealth. Prince is frequently cited as an expert in the national press, including *The Wall Street Journal*, *The New York Times* and *Forbes*. He is a regular columnist on security and finance for *Elite Traveler* and is editor of *Private Wealth* as well as the author of more than 35 professional development books, including *Inside the Family Office*, *The Sky's the Limit*, *Fortune's Fortress*, *Fame & Fortune* and *Wealth Management*. Prince's most recent book, coauthored with Lewis Schiff, is *The Middle-Class Millionaire: The Rise of the New Rich and How They Are Changing America* (Doubleday). Prince can be reached by e-mail at princeasoc@aol.com.

Marcia S. Nelson is a senior vice president of business development for FMV (www.fmv.com), a national valuation and financial advisory services firm. She manages the firm's relationships in and around the New York metropolitan area and throughout the Northeast. Prior to joining FMV, Ms. Nelson was a financial advisor with UBS Financial Services and established several networking groups, including a women's networking group, a real estate roundtable, an art panel and a small-business symposium. Ms. Nelson received her MBA in Finance and Taxation from Fordham University, and she completed an internship with Loring Ward, a business management firm specializing in serving athletes and entertainers.

Hannah Shaw Grove (www.hsgrove.com) spent more than 15 years in the financial services industry, working closely with affluent investors and their advisors to develop sophisticated financial, planning and servicing solutions. She is the executive editor of *Private Wealth*, the first and only magazine for professionals with ultra-affluent clients, and *Cultivating the Affluent*, a practice management newsletter for financial professionals. Grove is the principal of HSGrove Private Wealth Consultancy and an equity partner of Prince & Associates, Inc., the leading high-net-worth research firm. Grove can be reached at hannah@hsgrove.com.

Lewis Schiff is a senior managing principal of Advanced Planning Group (www.advancedplanning.org), where he leads a team of private wealth experts who specialize in the needs of high-net-worth clients globally. Schiff has developed education and communication programs for many of the leading financial companies serving high-net-worth clients. He is a contributor to *Investment Advisor* magazine and TheStreet.com and maintains a blog about the affluent for InvestmentAdvisor.com. Schiff's most recent book, co-authored with Russ Alan Prince, is *The Middle-Class Millionaire: The Rise of the New Rich and How They Are Changing America* (Doubleday). Schiff can be reached at lewisschiff@advancedplanning.org.

For more information and additional copies, visit <http://attorney.middle-class-millionaire.com>.
ADVANCED PLANNING GROUP 1230 Avenue of Americas, 7th Floor New York, NY 10020
(888) 619-9407 www.advancedplanning.org info@advancedplanning.org