



Media contact
Marvin Pollack
press@familyoffice.com
312-327-1200

FOX Study Finds Multi-Family Offices Experiencing Solid Growth Over the Last Two Years

Firms emphasize productivity as they struggle to staff client-facing positions

CHICAGO, February 20, 2013 – Multi-family offices (MFO) and wealth advisors recorded solid growth the last two years finds a new benchmarking study by the Family Office Exchange (FOX), a global membership organization of single family offices and their advisors.

The FOX Multi-family Office and Wealth Advisor Benchmarking study finds that despite a weak economy, the median firm grew revenues by 13% from 2010 to 2011 and by 8% in 2012.

The report finds industry growth occurring in spite of some key operational challenges.

“The continued reliance on exceptionally talented, yet hard-to-find, client-facing personnel makes improving productivity a paramount goal for most firms,” says FOX Managing Director of Research David Lincoln.

Given the high cost and relative scarcity of top-tier client-facing talent, many firms are relying on a substantial number of less experienced servicing personnel and administrative support staff to meet their client needs.

Among the other key findings:

- Pricing and financial success varies widely from firm to firm.
- Although an asset-based fee for most services remains common, firms are adopting other approaches, most notably a basis points plus retainer model.
- Firms appear to have a better handle on how to use pricing to offset high service delivery costs with 86% charging higher fees for more complex clients.

About the FOX MFO and Wealth Advisor Benchmarking Study

The FOX Multi-family Office and Wealth Advisor Benchmarking study is the latest research in a series

dating back to the mid-1990s. The study surveys the business unit heads of MFOs and wealth advisors on financials, pricing, talent and productivity.

“The task of managing complex, expensive, and relatively new businesses is complicated by a lack of good benchmarks,” says FOX CEO Sara Hamilton. “How profitable are these businesses? How efficient? The goal of this study is to provide the industry with high-quality data that enable management teams to make better decisions and communicate more effectively with stakeholders.”

The FOX Multi-family Office and Wealth Advisor Benchmarking study is conducted annually. Participation in the study is open to current MFO members of FOX as well as qualified non-member MFOs. All participants receive a detailed copy of the final results. Inquiries for future non-member participation should be directed to benchmarking@familyoffice.com.

About Family Office Exchange

Family Office Exchange supports a global member network of wealthy families and their advisors who are pursuing best practices for optimal management of their families’ wealth and legacy. The community includes over 6,000 people from 650 organizations in 20 countries who utilize FOX’s resources each year for advice, networking, education, and comparative metrics.

FOX is headquartered in Chicago and London, with offices in New York and Boston. For more information about FOX, call 1.312.327.1200 (The Americas) or 44.(0)20.7520.9443 (Europe, Africa, Asia/Pacific) or visit www.familyoffice.com.

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