

JACKSONVILLE'S *Premier*

FEB. 14-20, 2014

WEALTH MANAGERS

THE PATH TO WEALTH MANAGEMENT

How two local
teams got together

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JACKSONVILLE
Business Journal

Trend to wealth management hits Northeast Florida

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Across the country, many financial professionals soon plan to shift the focus of their businesses to wealth management. However, local experts say the pace and popularity of this change to wealth management vary among Jacksonville-area financial planners and advisers.

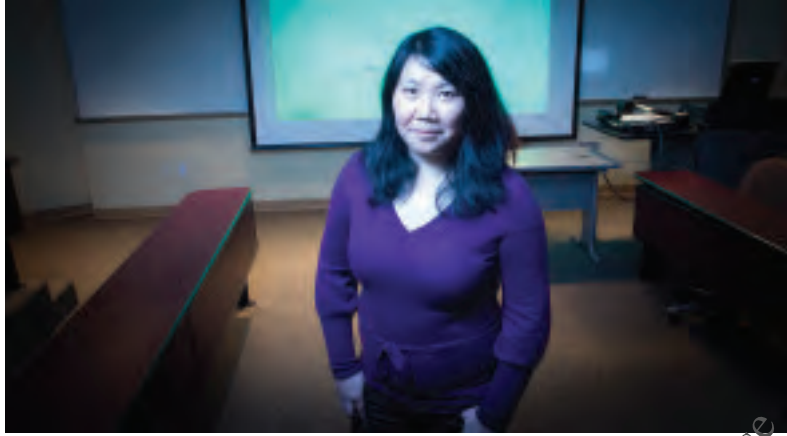
A recent study by the Financial Planning Association's Research and Practice Institute revealed the trend of financial experts zooming in on the wealth management specialty as a new primary business plan.

The study was released at the end of last year and included data collected from responses by nearly 2,400 financial professionals, including financial advisers, support staff and nonadviser managers.

The study found 76 percent of money managers, 72 percent of investment planners, 53 percent of financial planners and 30 percent of wealth managers plan to change their business's overall position in the next five years. Among those who said they were changing, 44 percent of money managers, 46 percent of wealth managers and 62 percent of financial planners intend to make that focus be wealth management.

The study defines wealth managers as "those advisers who specialize in comprehensive wealth management and transfer issues including stock-option planning, executive compensation, complex trust and estate planning, and charitable giving."

But wealth management isn't designed to serve as a springboard into a new career, said Jennifer King, a



Jacksonville University assistant professor of finance Maggie Foley.

local certified financial planner and president of the Northeast Florida chapter of the Financial Planning Association.

"You just don't jump into wealth management," she said. "Part of it is a career progression."

Wealth management clients typically have at least \$5 million in net worth. In Jacksonville, it generally refers to the management of private, high-net-worth individuals, said Maggie Foley, an assistant professor of finance at Jacksonville University.

But wealth management may not be that clear-cut, said Walter Chown, founder and director of local firm Stillwater Wealth Management.

"To me, that is a term that is used often without a whole lot of definition," Chown said. "It can mean a lot of different things to different people."

The popularity of wealth management programs is pinned to the recovering economy worldwide and improved confidence in the stock and real estate markets among wealthy

clients, Foley said.

Although wealth management is seeing gains nationally, it's not yet surging in Jacksonville, Foley said. This is reflected in the lack of big-name firms such as Goldman Sachs in Jacksonville. Also, many of the area's ultra-rich often seek these brands in offices based out of larger metropolitan cities, she said.

"There's not so much demand in wealth management as in Miami," Foley said. "But rich people are going back to traditional investment ways, so there's more [overall] demand."

However, King said she's noticed a gradual move to wealth management among local financial professionals. Among those active in the local FPA chapter, about half consider themselves involved in wealth management.

"I think part of it is the aging planner group who have been in the industry — an evolution of experience and knowledge," King said.

Many in wealth management locally are a part of a team ensemble

practice, such as LBA Wealth Management.

When addressing a wealthy client's needs, Dave Albanese, chief investment officer at LBA, usually brings in certified public accountants, certified financial planners and chartered financial analysts to provide a spectrum of expertise.

As at LBA Wealth Management, nearly all of Kristin McLauchlan's customers are in the higher end of the financial bracket. She's the chairman and CEO of Legacy Trust Co., which has operated in Ponte Vedra Beach for the past 12 years.

"Jacksonville has a lot of hidden wealth," said McLauchlan, whose clients typically have at least \$5 million in assets. "Jacksonville can certainly support our business."

But marketing to include wealth management as a component in a suite of products is increasing in popularity, McLauchlan said.

"I don't know if it is going to change how anybody is going to do business. Now you get everyone in the business saying, 'I'm in wealth management,'" McLauchlan said.

Albanese agrees.

"It's gotten away from just being used for the wealthy — it's being used for the mass affluence," he said.

But the future for wealth management in Jacksonville, and its role in the area's financial sector, is still to be determined, Foley said.

"As people are getting richer and older, there will be high demand" for wealth management, Foley said. "Jacksonville is kind of a young, transit kind of city, but the financial industry in Jacksonville is growing very fast."

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LIFESTYLES: Colleagues in the office are also brothers-in-law

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Vedra Beach.

"We both made the decision to move our families down to Florida," said Dunn, 64.

The men are not only longtime friends and colleagues but brothers-in-law.

Aitken explained how he met his now-wife, Letitia, at a social engagement also attended by Dunn and his wife, Monica, who is Letitia's sister. The couple hit it off and have been married for 12 years.

Aitken and Dunn now not only work together closely as partners at their wealth management firm off State Road A1A but also live just down the block from each other in the same beach subdivision, just five minutes from their office.

Is the intertwined nature of their personal and professional lives ever too close for comfort?

"I think by the weekends, we spend time with our families and different friends, and some of the

same friends sometimes," Dunn said.

The business partners also share a number of interests, including fine wine and dining, golfing and fitness (Aitken pointed to the suit he'd discarded during a midday run to the gym, balled up in a plastic bag in the corner of the office).

But when Aitken and Dunn roll up their sleeves at the office, they are high-achievers and have a host of accomplishments to speak of in the industry. Both Dunn and Aitken have been named multiple times to Barron's Top 100 Independent Financial Advisors. And their firm ranks No. 5 on the Business Journal's 2014 List of Wealth Management, according to assets under local management.

The advisers realized the wisdom of combining their assets several years ago to run a boutique consulting firm with the assets and product line of a larger corporate entity. They come from a similar school of thought in the fiduciary responsibility of putting clients first.

"We kind of evolved into doing something very similar," Aitken said. "We were running very successful practices and shared some of the same clients."

The firm handles very high-worth clients (with a \$2.5 million minimum for new clients), with their service split about evenly between families and institutions.

"It's amazing — we're one of the fastest-growing teams in the business," Aitken said.

At \$3 billion, the office's assets are up by 50 percent; its revenue by 40 percent.

The two wealth managers say they balance out each other's strengths. Dunn handles more of the institutional side of the business, Aitken the personal side.

"But we cross over a lot, too," Aitken said.

The same might be said for Aitken and Dunn themselves.

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