

New Spectrem Report Reveals Personal Trust Assets Managed by Banks Declined Again

CHICAGO, ILLINOIS, UNITED STATES, October 17, 2017 /EINPresswire.com/ -- Despite one of the longest bull markets in U.S. history and record numbers of wealthy U.S. households, the use of financial institutions to manage personal trust assets declined again in 2016, Spectrem Group reported today in its 2017 Comprehensive Bank Trust Update. Since 2009, during the height of the Great Recession, the amount of personal trust assets within U.S. institutions has decreased significantly and now stands at just over \$892 billion.



The steady decline in bank-managed personal trust assets illustrates the challenges financial institutions have in attracting wealthy investors to their trust business. The fact the pure numbers of accounts and the decline in assets are occurring at a time when the U.S. markets are rolling through record highs are an indication banks are failing to attract business that is available to them.

The 2017 Comprehensive Bank Trust Update reveals that non-bank trust companies continue to increase their market share. Additionally, many trust assets are moving to smaller trust companies that are developing relationships with RIAs and other independent investment managers.

The decline in bank-managed trust assets flies in the face of recent attention in the media to fiduciary status thanks to proposed fiduciary regulations for retirement assets.

Other key findings in the 2017 Personal Trust Update include:

- Trust ownership among the wealthiest investors (those with a net worth above \$25 million) reached 88 percent in 2016, with 70 percent of those investors owning more than one trust. But only 16 percent of those investors use a corporate trustee.
- The consolidation of trust accounts continues, as the top 10 institutions in the trust industry hold 57.7 percent of all assets.

“The trust industry should be flourishing considering the continued growth of wealth in America and the renewed attention to fiduciary status, but our research shows that the market is at best stagnant,” said Spectrem President George H. Walper, Jr. “In order to determine the complete health of the industry, our Comprehensive Bank Trust Update has gone further this year than ever before, looking at the industry on a state-by-state basis to see if there is a regional aspect to the trust business.”

About Spectrem Group: Spectrem Group (www.spectrem.com) strategically analyzes its ongoing primary research with investors to assist financial providers and advisors in understanding the Voice of the Investor.

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George H. Walper, Jr.
Spectrem Group
(224) 544-5350
email us here

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