



Poll: Connecticut Investors Not As Bullish As Investors Nationwide

by Cara Rosner | Sep 15, 2014



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Most high net worth investors nationwide are optimistic that the economy will hold steady or improve in the coming year, but those in Connecticut don't appear as confident as their peers elsewhere, according to a new poll.

Just 18 percent of high net worth investors in Connecticut expect the state's economy to improve over the next 12 months, according to the Morgan Stanley Investor Pulse Poll released last week.

Affluent investors outside of Connecticut are much more bullish.

Throughout the Tri-State area — which includes Connecticut, the New York City metro area, and New Jersey — 78 percent of investors believe their respective local economies will be the same or stronger in a year, the poll found.

Similarly, 87 percent of investors nationwide expect their local economies to be the same or better in a year.

One distinction when it comes to the Connecticut figure is that the 18 percent only takes into account those who feel the state economy will improve, not those who expect it to stay the same. That broader figure was not available.

Despite Connecticut's relatively low figure, widespread optimism nationwide and in many large metro areas is encouraging, according to Morgan Stanley officials.

High net worth individuals' comfort level gives a meaningful insight into the economy, said Joe Matthews, branch manager and first vice president at Morgan Stanley.

"High net worth investors are an important component of our economy," he said, adding they drive the purchases of cars and other durable goods "in a meaningful way" that bolsters the economy. "That trickles down."

The poll surveyed 1,008 U.S. investors between the ages of 25 and 75 who have \$100,000 or more in investable assets. Among those polled were 300 people from the Tri-State area. The poll took place in May, June, and July and was done for Morgan Stanley by GfK Public Affairs and Corporate Communications.

Most were not only confident about their local economy but they said they believed the national economy is rebounding as well. Seventy-one percent nationwide and 77 percent of Tri-State investors feel the U.S. economy will be the same or better in a year.

They are being buoyed in large part by "general improvement in the overall economy, which is being reflected in the stock market," Matthews said.

The stock market is strengthening for the second straight year and investments in bonds are performing particularly well, he added. The Dow Jones Industrial average was around 12,400 in early 2012 and Thursday topped 17,000.

That's leading investors to feel good about their portfolios as well. In the Tri-State area, 89 percent expect their investments to perform the same or better in the next year, while 90 percent of those polled nationwide share that sentiment.

Most individuals rely on professional guidance when dealing with their investments, said Matthews, which likely makes them more confident in their decisions.

Some investors wonder how long the bull market will last, and worry about the timing and impact of higher interest rates in the future, Gregory Fleming, president of Morgan Stanley Wealth Management and Morgan Stanley Investment Management, said in a statement.

"It's no surprise then that two-thirds of high net worth investors say they rely on a financial professional for advice and guidance," he said.

In the Tri-State area, 76 percent of those polled expect the overall investment climate to “stay the course” or strengthen in the next year.

When asked about retirement, 82 percent of Tri-State investors who haven’t retired yet said they are confident in their planning efforts. Among those who already are retired, 31 percent said their portfolio is exceeding their expectations; another 41 percent said theirs are performing as they planned.

Investors in Connecticut expect to need \$2.7 million to have “their desired retirement lifestyle,” the poll found. Neighboring New Yorkers said they would need \$4.1 million in retirement.

Just more than half, 54 percent, of Connecticut investors polled said they are at least halfway to their retirement goal. By comparison, 70 percent of New Yorkers are halfway to their goal.

The poll also found investors largely plan to stay put. Though Connecticut and the surrounding area have relatively high taxes on income and property, the poll found 89 percent of Tri-State area investors plan to stay where they are, rather than move to a state with a lower tax burden.