THE GLOBAL FIELD OF MULTI-FAMILY OFFICES: AN INSTITUTIONALIST PERSPECTIVE

Short running title: **The Global Field of Multi-Family Offices**

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ABSTRACT

We apply the notion of the organisational field to internationally operating multi-family offices. These organisations specialise on the preservation of enterprising and geographically dispersed families' fortunes. They provide their services across generations and countries. Based on secondary data of *Bloomberg*'s Top 50 Family Offices, we show that they constitute a global organisational field that comprises two clusters of homogeneity. Clients may decide between two different configurations of activities, depending on their preferences regarding asset management, resource management, family management, and service architecture. The findings also reveal that multi-family offices make relatively similar value propositions all over the world. The distinctiveness of the clusters within the field is not driven by the embeddedness of the multi-family offices in different national environments or their various degrees of international experience. Rather, it is weakly affected by two out of four possible value propositions, namely the exclusiveness and the transparency of services.

Keywords: multi-family office, financial services, wealth management, organisational field, business model

INTRODUCTION

The notion of the organisational field (DiMaggio and Powell, 1983) is one of the most influential theoretical concepts in management research and continues to be important (Greenwood and Meyer, 2008). Most empirical studies on organisational fields have selected the industry as unit of analysis. We follow the definition of industry "as a set of forces that are engaged in the same line of business and that are widely recognized as constituting a sphere of activity" (Hambrick *et al*, 2005, p. 317) and analyse the organisational field of multi-family offices on a global level.

Wealthy families in the Americas, Europe and Asia are often served by specialised institutions: a single-family office provides services to a blood-related family, whereas a multi-family office may serve multiple, unrelated families. Multi-family offices are particularly popular because, first, single-family offices often alter themselves into multi-family offices over time because of the growing number of family members and their increasingly complex demands (Decker and Lange, 2013; Rosplock, 2014). Second, many companies from different segments in the financial services industry diversify into the potentially lucrative business with wealthy families (Hauser, 2001; Rosplock and Hauser, 2014). Third, there is an increasing geographic dispersion and internationalization of the families and their businesses, associated with the need for advice from each jurisdiction where the individual members live (Lowenhaupt, 2008; Rosplock and Hauser, 2014; Welsh *et al*, 2013).

Organisational fields are predominantly studied within national borders, although they are not theoretically restricted to them (Tempel and Walgenbach, 2007). Internationally operating multi-family offices provide the unique opportunity to explore the existence and characteristics of an organisational field that transcends national borders. Hence our first research question is: *do global organisational fields exist?* To provide an answer, we apply the criteria originally suggested by DiMaggio and Powell (1983) and show that there is indeed a global field of multi-family offices.

There is a controversial debate whether organisational fields, as they mature, are characterised by uniform homogeneity in forms and practices (DiMaggio and Powell, 1983) or by heterogeneity on the field level and homogeneity on the level of sub-fields (Quirke, 2013). This leads us to our second research question: *if a global organisational field of multi-family offices exists, is it dominated by homogeneity or do distinct clusters within this field exist?* Drawing on the business model-concept, our analyses of *Bloomberg*'s Top 50 Family Offices (2012) reveal two clusters.

To the extent that a global organisational field is characterised by clusters of homogeneity, different factors may drive their distinctiveness, such as the embeddedness in national environments (Casper and Hancké, 1999) or the degree of international experience (Guler and Guillén, 2010). Thus, our third research question is: *which factors are driving cluster distinctiveness?* Our empirical analysis rules out the aforementioned factors as driving forces of cluster distinctiveness. Only two value propositions –exclusiveness and transparency – weakly drive cluster distinctiveness.

From a theoretical perspective, the study is important because it is still unclear whether global organisational fields exist that are characterised by a high level of homogeneity. From a practitioner perspective, the study is relevant because it sheds light on the question of whether or not the value propositions of multi-family offices that are located in different regions need to be tailored to the cultural environments in which they are embedded. Our finding that multi-family offices make relatively similar value propositions all over the world holds important implications for managers of multi-family offices and their clients.

CONCEPTUAL FRAMEWORK

Organisational Fields

In their seminal contribution, DiMaggio and Powell ask, "What makes organizations so similar?" (1983, p. 147). They argue that organisational forms in modern society are surprisingly homogeneous, particularly within an organisational field. The latter is "a recognized area of institutional life: key suppliers, resource and product consumers, regulatory agencies, and other organizations that produce similar services or products" (DiMaggio and Powell, 1983, p. 148). DiMaggio and Powell claim that "once a field becomes well established, however, there is an inexorable push towards homogenization" (1983, p. 148) due to isomorphic pressures. Despite being old, DiMaggio and Powell's concept is still highly influential (Greenwood and Meyer, 2008). Nonetheless, the extant literature has neither explored the possible existence of global organisational fields nor analysed empirically whether global organisational fields – if they exist – are homogeneous, as predicted by DiMaggio and Powell (1983), or rather heterogeneous, as predicted by proponents of national business systems (e.g., Whitley, 1999).

Actually, organisational fields often show significant heterogeneity and comprise distinct clusters of homogeneous organisations as an outcome of a weak regulatory environment, multiple institutional logics within a field, and changing environmental demands to which actors must respond (Quirke, 2013). In this respect, evidence by Casper and Hancké (1999) on the global diffusion of the quality management system ISO 9000 in the automobile industry in France and Germany is instructive. Their key finding is that this new organisational model has been implemented in different ways, because of different national institutional settings – such as industrial relations – in these two countries. Given that the objects of our study – globally operating multi-family offices – are headquartered in different continents, a global segmentation due to different institutional logics and environmental demands (macro-level factors) is possible (Hassan *et al*, 2003).

International experience might also drive a segmentation of organisational fields. Guler and Guillén (2010), referring to the cross-border expansion of U.S.-based venture capital companies, reveal that past international experience might lead to learning and a subsequent adjustment of strategies. Multi-family offices that have accumulated international experience may have adopted organisational forms and activities that differ from those adopted by competitors that focus on the domestic market or have just started to internationalise. From a marketing perspective, this idea is similar to the initial premise in segmenting markets "that the market is not entirely homogeneous" (Beane and Ennis, 1987, p. 20), even if it is global in nature. Put differently, the aforementioned theoretical traditions focus on "the two indispensable global strategy ends of standardization and adaptation" (Hassan *et al*, 2003, p. 446).

Business Models of Multi-Family Offices

A business model explains and specifies activity systems consisting of *design elements* and value propositions (or *design themes*) (Morris *et al,* 2005; Zott and Amit, 2010; Zott *et al,* 2011). We adjust this concept to the family office-context.

Turning to the *design elements*, first, *activity content* describes *what* activities family offices perform (Zott and Amit, 2010). Family offices provide services that span both the family and the business domains, such as wealth management, family business assistance, asset management or real estate (Beaverstock *et al,* 2013; Decker and Lange, 2013; Wessel *et al,* 2014). Second, *activity structure* describes *how* the activities are linked (Zott and Amit, 2010). Many client families, especially those with globally dispersed members and a variety of entrepreneurial activities, prefer a structure that captures a client family's needs in their entirety. Other clients use their family offices for selected services such as asset management or real estate only, requiring a specialised activity structure that focuses on a well-defined area of expertise (Hauser, 2001; Lowenhaupt, 2008). Third, *activity governance* specifies *who* is involved in creating and performing the services (Zott and Amit, 2010). Family offices are strongly affected by the families they serve (Welsh *et al,* 2013). Their involvement in activity governance is important. Organisations can put more or less emphasis on each of these design elements and combine them into different configurations.

Design themes act as value propositions within these configurations (Zott and Amit, 2007, 2010). Clients usually value various aspects of the activities performed (Maas and Graf, 2008). The *exclusiveness* of the services is central. Many clients aim at preserving their wealth for subsequent generations (Beaverstock *et al,* 2013). Thus, they appreciate a family office's *long-term orientation* of the relationship with its clients and its *experience* in serving wealthy families over generations. Because of the increasing complexity of financial products and the global dispersion of families, complementarities and efficiency are created by the *corporate structure* in which family offices are embedded and the *transparency* of activities (Decker and Lange, 2013). Client families whose members are geographically dispersed may benefit from the *global presence* of family offices, because it bears the potential of a broader knowledge base, for example, referring to taxation or inheritance law (Lowenhaupt, 2008).

METHODS

Capturing Features of Organisational Fields

Referring to the first research question, we explored the extent to which multi-family offices emerge as a global organisational field by applying the four criteria established by DiMaggio and Powell (1983, p. 148):

> "an increase in the extent of interaction among organizations in the field, the emergence of sharply defined interorganizational structures of domination and patterns of coalition, an increase in the information load with which organizations in the field must contend, and the development of a mutual awareness among participants in a set of organizations that they are involved in a common enterprise."

To our knowledge, there is no established instrument to measure these criteria. We observed and scanned the content of the international media coverage of family offices and described salient debates. For instance, we retrieved information published by FOX Family Office Exchange, Hubbis or Capgemini. We also observed blogs revealing developments in the financial services industry and websites of national regulators, such as the SEC (*Securities and Exchange Commission*) in the U.S., the BaFin (*Bundesanstalt für Finanzdienstleistungsaufsicht*) in Germany, the *Agency for the Development of the Financial Centre* in Luxembourg, or the FIDC (*Dubai International Financial Centre*). The analysis of information from different countries is crucial to avoid distortion.

Assessing Business Models

For the second and third research question, we focused on the websites of the multi-family offices included in *Bloomberg*'s list of the Top 50 Family Offices worldwide of the year 2012 (see Appendix). We collected data by codifying the offline copies of the official corporate websites as of April 2, 2013. Available online information has also been used by previous studies in the financial services industry (e.g., Bravo *et al*, 2012; Waite and Harrison, 2002). If both country characteristics and client responsiveness variables are important for global segmentation (Hassan and Craft, 2012), the business models of the selected multi-family offices will reflect them and reveal similarities and differences.

Our newly developed coding scheme integrates the literatures on organisational fields and business models (e.g., George and Bock, 2011; Morris *et al,* 2005; Quirke, 2013; Sorescu *et al*, 2011; Zott and Amit, 2007) and conversations with managers and owners of family offices. Three independent coders content-analysed all websites.

Design elements. We built three formative indices (Diamantopoulos and Winklhofer, 2001) that reflected different dimensions of *activity content*. They can be described as *asset management* (covering, for instance, estate management, risk management and asset protection), *resource management* (including, for example, asset control, lifestyle administration and human capital development), and *family management* (consisting of, for example, family business assistance, family governance and philanthropic advisory).

Referring to the *activity structure*, we assessed whether the observed multi-family offices pursued a holistic or a specialised approach. We scanned the websites for expressions such as “holistic service offering”, “integrated services”, or “full range of services”. When we did not find any of these expressions, we based our coding on the number and types of services provided. When a multi-family office explicitly stated that it only offered a special type of services, we defined this as a specialised activity structure.

Based on the descriptions on the websites, we also assessed whether or not the client families were explicitly involved in *activity governance*.

Design themes. We measured *experience* by defining age categories. We split the family offices at the median value (21.50 years) and specified two categories, with 1 = *high experience* (above the median age) and 0 = *low experience*. *Exclusiveness* is given, if a multi-family office serves a selected type of client families. One of the most important criteria for being a client of a family office is the required amount of assets under management. Many family offices define new client minimum thresholds (Decker and Lange, 2013). We assert a high exclusiveness if the required new client minimum of assets exceeds 20 million USD. We assessed whether a multi-family office favoured a *long-term relationship* with its clients, if this was explicitly stated on its website (for example, "maintaining long-term client relationships" or "We focus on the long-term"). The *corporate structure* can create value, because a multi-family office being part of a financial holding company implies that a client possibly has more options to make financial investments based on a broader range of financial products. Hence, we assessed whether or not a multi-family office was part of a holding company. Multi-family offices that have *international offices* beyond their home continent may be better able to create value for geographically dispersed and multi-jurisdictional client families than those that mainly operate on a single continent. We also tested the influence of national embeddedness, i.e., whether a multi-family office is headquartered in *North America* or other continents. Finally, client efficiency is created by *transparency* in the exchange of information between the multi-family office and its client families. We assessed whether the observed multi-family offices explicitly stated frequent reporting to their clients.

Table 1 summarises the descriptive statistics and the correlations among the customer responsiveness and macro-level variables used to assess the business models.

--- Table 1 about here ---

RESULTS

Multi-Family Offices as a Global Organisational Field

Referring to the four criteria established by DiMaggio and Powell (1983), we find that, *first*, there has been a significant increase in the *extent of interaction* among organisations, particularly through associations and meetings. The FOX Family Office Exchange, for instance, is a global network which serves the needs of wealthy families and their advisers. FOX has established nine councils in which well-matched peers work together on a common task such as managing a multi-national and multi-generational family office (FOX Global Family Council, established in 2005) or the challenges of multi-family offices (FOX Multi-Family Office Council, established in

2006). FOX organises multi-day conferences and workshops, offers webinars and online peer discussion groups, and disseminates research findings. Other important meeting places are, for instance, the *Financial Times* Family Office Forum or the Asian Family Office Forum; the latter forum includes international and Asian family offices, family businesses, entrepreneurs and family advisers. Apart from the management of family assets, important issues are how to prepare the next generation for leadership, strengthen family cohesion or engage in philanthropy. Interaction among family offices also occurs through co-investments. The Society of Family Offices Asia, for instance, was created as a platform for co-investment (Hubbis, 2013).

Second, *interorganizational patterns of coalition* among family offices are discernible, especially with regard to regulation. A case in point was the concerted action, directed at the Commodity Futures Trading Commission, family offices undertook in late 2012 to free them from the requirement to register as Commodity Pool Operators. Mariann Mihailidis, who oversees the FOX member councils, expressed this openly in a blog:

> "This is one more example of how family offices working together can influence the outcome of regulation in Washington. We congratulate the Private Investor Coalition and all of the family offices who wrote letters on achieving the desired outcome" (Mihailidis, 2013).

This comment shows that competing family offices are well-aware of the importance of collective action for influencing regulators in their favour. This behaviour of orienting actions toward each other is typical for a population of actors constituting an organisational field (Beckert, 2010). The fact that Mihailidis' website states that "Mariann worked in one of America's leading family offices for four years" (*Family Office Exchange*, 2013) also indicates inter-organisational structures of domination. Furthermore, the fact that regulators, such as the SEC (*Securities and Exchange Commission*) in the U.S., the BaFin (*Bundesanstalt für Finanzdienstleistungsaufsicht*) in Germany, the *Agency for the Development of the Financial Centre* in Luxembourg, or the FIDC (*Dubai International Financial Centre*), have developed their own definitions of types of family offices, has also had an influence on the emergence of patterns of coalition.

Third, family offices face an *increase in the information load* with which they must contend. Key trends are summarised in the Capgemini Industry Report (2012). First, family offices have to cope with more regulation. Second, rich families and individuals are demanding increasingly complex financial services in a broad range of areas (e.g., precious metals or farmland). This is, third, fuelled by the emergence of new asset classes. Fourth, families are becoming more globally dispersed than ever (Lowenhaupt, 2008). As a result, family offices are expected to manage investments in foreign countries and conduct cross-border transactions. This necessitates the knowledge of different legal and taxation systems (Gapgemini, 2012). According to William Chan, the founder and CEO of the Asian Family Office Stamford Privee, this is particularly relevant for Asian families:

> "A typical family tree poses a lot of cross border issues – that's heightened in Asia, where many wealthy families send their children to study in the U.S. or the UK, for example, and the children end up settling overseas, getting married and pursuing careers there. This creates various issues around succession and transferring wealth" (Hubbis, 2013).

Fourth, the existence of the yearly *Bloomberg* Top 50 ranking demonstrates that there is a *mutual awareness* among organisations of this type. There are strong indications that family offices are involved in a "common enterprise", namely providing (ultra-)wealthy, entrepreneurial families with independent investment and other advice. The key word is "open architecture". Advisers select products from a range of providers and are not allowed to push the products of their own institutions, a practice many large banks have been accused of in the wake of the financial crisis. This has nurtured the growth of multi-family offices (Decker and Lange, 2013).

Homogeneity or Heterogeneity within a Global Organisational Field

Cluster analysis was used to assess whether the combination of and emphasis put on design elements leads to heterogeneity among multi-family offices (Hair *et al,* 1998; Ketchen and Shook, 1996). Two clusters emerged, comprising 37 (Cluster 1) and 13 multi-family offices (Cluster 2).

--- Table 2 about here ---

We tested the impact of the design elements on the likelihood of whether a multi-family office belongs to a certain cluster with MANOVA (Luo *et al,* 2011). Table 2 shows the cluster means, standard errors, and the relative level of emphasis given to the design elements within each cluster. Wilk's lambda MANOVA omnibus test was significant ($F(5, 44) = 28.518$, $p = 0.000$)). There are differences in two out of three design elements, namely in all dimensions of activity content and in activity structure. Specifically, the multi-family offices in Cluster 1 put more emphasis on asset management, resource management, family management (activity content) and holistic service architecture (activity structure) than those in Cluster 2. The difference between the clusters based on family involvement in activity governance is not significant. This finding reflects that the active involvement of client families, that is typical for single-family offices, is not part of the usual business model of a multi-family office (Rosplock, 2014).

Cluster Distinctiveness

The regional base of the multi-family offices does not differ significantly; 86.5 percent of the family offices in Cluster 1 and 84.6 percent of their counterparts in Cluster 2 are headquartered in the U.S. This is only a small difference, which becomes even less pertinent if we consider that HSBC Private Wealth Solutions, which is in Cluster 1 and by far the largest of the Top 50 family offices, is headquartered in Hong Kong and not in the U.S., and only has offices in the Asian region. The national origin of the multi-family offices does not seem to drive the differences between the two clusters.

--- Table 3 about here ---

We conducted MANCOVA to explore similarities and differences in more detail (Luo *et al*, 2011). Wilk's lambda omnibus MANCOVA test was not significant (F (7, 40) = 1.738, p = 0.128). The results reported in Table 3 show that only the differences in the emphasis put on *transparency* in the interaction with the clients and the required minimum of assets that new clients must bring in (*exclusiveness*) are marginally significant value propositions. Neither *experience* nor *long-term relationships* nor *corporate structure* significantly drives cluster distinctiveness. The multi-family offices in both clusters put low emphasis on global presence (*international offices*). They are predominantly headquartered in *North America*, indicating that there are no differences between the clusters referring to international orientation and national embeddedness.

DISCUSSION

Implications for Research

First, this study sheds light on the activities that multi-family offices perform for their clients. Due to the cross-sectional character of the data, the specification of trends is limited, but a qualitative assessment of the two clusters is nonetheless revealing. Multi-family offices of Cluster 1 have been longer in existence; they have more assets under management, a higher number of employees, more offices beyond the home continent and serve more multi-generational families than those of Cluster 2. Multi-family offices of Cluster 2 have a significantly higher number of offices. This is surprising given that family offices of Cluster 1 are, on average, larger in all respects. Possibly, the smaller and younger family offices of Cluster 2 try to gain ground against the more established organisations of Cluster 1 by having more offices (especially in their home continent). This might be an indicator that multi-family offices in Cluster 2 aim at evolving into organisations like those included in Cluster 1. . If this development occurred, this would further strengthen our claim that a global organisational field of multi-family offices exists that is characterized by a substantial level of homogeneity.

Second, we combine the four criteria specified by DiMaggio and Powell (1983) in order to assess whether a set of economic actors constitutes a global organisational field with the interdisciplinary business model-concept (Zott *et al*, 2010). The application of the four criteria and the fact that there is a significant level of homogeneity among the business models of the world's 50 largest multi-family offices shows that a global organisational field is not only a theoretical possibility but actually exists. Thus, the notion of organisational fields is also applicable to phenomena that transcend national borders.

Third, against the assumptions of the national business systems-approach, the activities of multi-family offices are not subject to local adaptations. Although most multi-family offices primarily focus on their home region, regional embeddedness does not drive heterogeneity among their business models. In this highly specialised industry, globally diffused activities are not "used or interpreted in different ways in different societal contexts" (Tempel and Walgenbach, 2007, p. 13). However, caution is necessary concerning generalizability. In other industries, the claim that globally diffused activities must be adapted to the local context might find strong support.

Implications for Practice

The differences between the clusters are mainly driven by activity systems. Clients may decide between different activity systems, depending on their preferences regarding asset management, resource management, family management, and service architecture. More specifically, clients may choose multi-family offices offering more holistic or specialised activity structures.

Financial service providers should be aware of this distinction, because the provision of a holistic structure requires significantly more resources than a specialisation on selected activities.

Marketing practitioners can use the instrument developed in this study to improve brand and product positioning (Hassan and Craft, 2012). It can be a starting-point for the development of a communication device. The latter may help marketing practitioners to capture the activities of their multi-family offices in and across national contexts and explain them to their clients.

Finally, the result that multi-family offices make relatively similar value propositions all over the world holds important implications for managers of multi-family offices. Expanding into other world regions without potentially costly adaptations might be a promising strategic option for large multi-family offices that currently primarily concentrate on their home region.

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TABLE 1. MEANS, STANDARD DEVIATIONS AND CORRELATIONS

	Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12	13
1	**asset management**	0.933	0.178													
2	**resource management**	0.693	0.342	0.104												
3	**family management**	0.700	0.338	0.301*	0.403**											
4	**holistic architecture**	0.440	0.501	0.259	0.366**	0.393**										
5	**family involvement**	0.460	0.503	0.121	0.243	0.188	-0.010									
6	**experience**	0.500	0.505	0.151	-0.039	0.299*	-0.161	0.120								
7	**exclusiveness**	0.220	0.418	-0.073	0.243	0.091	0.210	-0.200	-0.048							
8	**long-term relationship**	0.620	0.490	0.171	-0.060	0.160	0.030	-0.021	0.206	-0.082						
9	**corporate structure**	0.320	0.471	0.178	-0.096	0.273	-0.003	0.141	0.343*	0.050	0.007					
10	**international offices**	0.140	0.351	-0.174	-0.032	0.132	-0.009	-0.141	0.058	0.203	-0.040	-0.153				
11	**transparency**	0.460	0.503	0.121	0.440**	0.387**	0.152	0.275	0.120	-0.103	0.227	0.055	-0.025			
12	**North America**	0.860	0.351	-0.044	0.145	0.040	0.125	-0.090	0.173	-0.064	-0.078	0.153	-0.169	-0.090		
13	**bank as corporate parent**	0.680	0.471	-0.178	-0.115	-0.017	0.090	-0.313*	-0.086	-0.153	0.170	-0.449**	0.153	-0.055	0.094	
14	**log families**	1.886	0.665	0.331*	-0.051	0.235	-0.090	0.090	0.336*	-0.139	0.151	0.527**	-0.012	0.137	0.212	-0.264

Significance levels: * $p < 0.05$, ** $p < 0.01$.

TABLE 2. MEANS AND STANDARD DEVIATIONS FOR THE TWO CLUSTERS - MANOVA

Design elements	**Cluster**				***F*-values**	**Significance of *F***
	Cluster 1 (N = 37)		**Cluster 2 (N = 13)**			
	Mean	**SD**	**Mean**	**SD**		
asset management	*High*		*High*			
	0.991	0.055	0.769	0.285	**20.978**	**0.000*** **
resource management	*High*		*Medium*			
	0.766	0.323	0.487	0.322	**7.174**	**0.010***
family management	*High*		*Low*			
	0.856	0.185	0.256	0.277	**77.021**	**0.000*** **
holistic architecture	*Medium*		*Low*			
	0.590	0.498	0.000	0.000	**18.304**	**0.000*** **
family involvement	*Medium*		*Medium*			
	0.490	0.507	0.380	0.506	0.389	0.536

*** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$; $^{+}$ $p < 0.10$

TABLE 3. CLUSTER DISTINCTIVENESS – MANCOVA ACROSS THE TWO IDENTIFIED CLUSTERS

	Cluster				*F*-values	Significance of *F*
	1 (N = 37)		2 (N = 13)			
Drivers of distinctiveness	**Mean**	**SD**	**Mean**	**SD**		
experience	*Medium* 0.548	0.080	*Low to medium* 0.362	0.138	1.321	0.256
exclusiveness	*Low* 0.290	0.067	*Very low* 0.020	0.115	**4.024**	**0.051**$^{+}$
long-term relationship focus	*Medium to high* 0.689	0.079	*Medium* 0.425	0.135	2.770	0.103
corporate structure	*Low to medium* 0.362	0.062	*Low* 0.202	0.107	1.606	0.211
international offices	*Low* 0.159	0.059	*Very low* 0.085	0.102	0.394	0.533
transparency	*Medium* 0.538	0.083	*Low* 0.238	0.142	**3.236**	**0.079**$^{+}$
North America	*Dominant* 0.860	0.347	*Dominant* 0.850	0.376	0.118	0.733

Covariates appearing in the model are evaluated at the following values: *bank as a corporate parent* = 0.680; *log families* = 1.886.
*** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$; $^{+}$ $p < 0.10$

APPENDIX. BLOOMBERG'S TOP 50 FAMILY OFFICES

Rank	**Firm Name** ***Main office location***	**Assets as of 12/31/10** In millions	**Assets as of 12/31/09** In millions	**Number of multi-generational families**	**New client minimum** In millions
1	HSBC PRIVATE WEALTH SOLUTIONS *Hong Kong*	$102,000	$77,000	235	None
2	BESSEMER TRUST *New York*	$44,500	$37,600	2,086	$10
3	UBS WEALTH MANAGEMENT *New York*	$34,000	$29,000	250	$100
4	WILMINGTON FAMILY OFFICE (A unit of Wilmington Trust, owned by M&T Bank) *Wilmington, Delaware*	$26,500	$27,000	309	$10
5	WELLS FARGO FAMILY WEALTH *Minneapolis*	$21,000	$21,000	311	$50
6	HAWTHORN PNC FAMILY WEALTH (A unit of PMC Financial) *Philadelphia*	$19,600	$16,700	500	$20
7	GENSPRING FAMILY OFFICES (Affiliate of SunTrust Banks) *Palm Beach Gardens, Florida*	$19,538	$18,830	732	$25
8	GLENMEDE *Philadelphia*	$19,200	$17,460	1,700	$3
9	HARRIS MYCFO (A unit of Bank of Montreal) *Palo Alto, California*	$18,258	$17,280	254	$25
10	NETWORK SERVICES PTE *Singapore and London*	$17,000	$14,000	5	$50
11	ATLANTIC TRUST (A unit of Invesco) *Atlanta*	$14,750	$13,268	2,206	$5
12	OXFORD FINANCIAL GROUP *Carmel, Indiana*	$10,441	$6,467	76	$2
13	VERITABLE INVESTMENT CONSULTANTS Newtown Square, Pennsylvania	$10,100	$8,600	181	$20
14	SILVERCREST ASSET MANAGEMENT GROUP *New York*	$9,227	$8,815	83	$5
15	TAG ASSOCIATES *New York*	$6,700	$6,500	20	$10
16	BANQUE HERITAGE *Geneva*	$6,200	$5,600	48	$10
17	TIEDEMANN WEALTH MANAGEMENT *New York*	$6,200	$5,600	85	$20
18	COMMERCE TRUST (A unit of Commerce Bancshares) *St. Louis*	$6,000	$5,200	74	None
19	BALLENTINE PARTNERS *Waltham, Massachusetts*	$5,830	$5,341	57	$20
20	BBR PARTNERS *New York*	$5,392	$4,099	72	$20
21	1875 FINANCE *Geneva*	$4,500	$3,800	3	$5
22	FEDERAL STREET ADVISORS *Boston*	$4,158	$3,498	18	$20
23	CONSTELLATION WEALTH ADVISORS *New York*	$4,000	$3,800	200	$10

APPENDIX (*continued*)

24	PITCAIRN *Jenkintown, Pennsylvania*	$4,000	$3,400	43	$25
25	MARCUARD FAMILY OFFICE *Zurich*	$3,613	$2,510	43	$30
26	LAIRD NORTON TYEE *Seattle*	$3,609	$3,202	399	$10
27	BAKER STREET ADVISORS *San Francisco*	$3,600	$3,360	25	$5
28	ATHENA CAPITAL ADVISORS *Lincoln, Massachusetts*	$3,521	$3,068	26	$20
29	CLARFELD FINANCIAL ADVISORS *Tarrytown, New York*	$3,450	$3,000	275	$5
30	MONITOR CAPITAL PARTNERS *Amsterdam*	$2,990	$2,080	70	$20
31	THRESHOLD GROUP *Gig Harbor, Washington*	$2,700	$1,560	19	$50
32	VOGEL CONSULTING Brookfield, Wisconsin	$2,470**	$1,992**	24	None
33	CORNERSTONE ADVISORS *Bellevue, Washington*	$2,260	$2,013	46	$5
34	SIGNATURE *Norfolk, Virginia*	$2,158	$2,088	153	$5
35	HOMRICH BERG FAMILY OFFICE *Atlanta*	$2,099	$1,880	30	$20
36	ARLINGTON FAMILY OFFICES *Birmingham, Alabama*	$2,000	$1,500	17	$20
37	PRIVATE CLIENT SERVICES *Tiburon, California*	$2,000**	$500**	4	$100
38	TAG EISNER *New York*	$2,000**	$2,000**	100	$5
39	SAVANT CAPITAL MANAGEMENT *Rockford, Illinois*	$1,950	$1,583	226	$1
40	MONACO ASSET MANAGEMENT *Monaco*	$1,900	$1,500	120	$2
41	HIGHMOUNT CAPITAL *New York*	$1,877	$1,558	84	$3
42	SENTINEL TRUST *Houston*	$1,700	$1,600	20	$25
43	BRIGHTON JONES *Seattle*	$1,685	$1,517	9	$15
44	KANALY TRUST *Houston*	$1,640	$1,500	486	$10
45	FINANCIAL MANAGEMENT PARTNERS *Clayton, Missouri*	$1,575	$1,315	70	$10
46	MERISTEM *Minnetonka, Minnesota*	$1,550	$1,429	107	Minimum annual fee: $30,000
47	BNR PARTNERS *Chicago*	$1,500**	$1,400**	7	Minimum annual fee: $100,000
48	CHARLES A. BARRAGATO & CO. *New York*	$1,500	$1,400	70	$20
49	MANCHESTER CAPITAL MANAGEMENT *Manchester, Vermont*	$1,500	$1,300	35	$25
50	WMS PARTNERS *Towson, Maryland*	$1,497	$1,293	21	$20

*** Some or all of the firm's money is outsourced. Source: Bloomberg*