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Support group for the rich helps them stay that way

Members of TIGER 21 share knowledge in an effort to preserve their wealth

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Whoever said “knowledge is power” clearly understood the wealthy.

Most of the high-net-worth individuals I know are smart, savvy people. They became successful in large part because of their thirst for knowledge – their willingness to learn more about the creation and preservation of wealth.

So it comes as little surprise that, over the past few years, New-York based TIGER 21 has come up in a lot of conversations.

Canadians are also going to start hearing more about it, as it is about to expand here. The group bills itself as a peer-to-peer networking group for high-net-worth individuals. More accurate to call it a private, members-only think tank, where affluent people get together to discuss, debate, and rebut issues either directly or indirectly related to wealth.

The membership in TIGER 21 (an acronym for The Investment Group for Enhanced Results in the 21st century) is exclusive. Members must have a minimum of \$10-million in investable assets (in practice, many are billionaires). Annual dues are \$30,000 a year, and members must be able to commit to meeting for at least 10 eight-hour sessions a year. That’s a significant commitment of both time and money.

Members must agree to verbally sharing personal financial information – including the contents of their investment portfolios – with other members. This information is kept confidential within the group, and is backed up by a strict agreement all members must sign before joining.

A former real estate entrepreneur, Michael Sonnenfeldt tells me he founded the group 10 years ago after selling his second business. “When I had sold my first business years before, I didn’t appreciate how difficult it was to preserve and manage capital wisely,” he admitted. “And I was so young, that it didn’t occur to me that it would be difficult to earn it again.”

Mr. Sonnenfeldt was determined to do it right the second time around. His solution: Establish a discussion group where high-net-worth individuals could learn best practices from each other, empowering themselves to become better stewards of their own wealth. As Mr. Sonnenfeldt explains, it is this shared knowledge – “collective intelligence” in the group’s parlance – that is the true value of a TIGER 21 membership.

“Members plug into a confidential community of peers that they could not access by themselves,” Mr. Sonnenfeldt says. “That allows them to explore issues of wealth that they can’t with family members, club members, or friends because it’s just not socially acceptable. Finding this confidential, trusting environment of economic peers turns out to be very valuable.”

Of course, there are other peer-to-peer networks: The Executive Committee (TEC), renamed Vistage in the United States) and Young Presidents’ Organization (YPO), to name just two. “[These] are fantastic peer-to-peer learning organizations,” Mr. Sonnenfeldt acknowledges. “But their focus is almost exclusively on being a CEO and building businesses. So [they are] particularly focused on wealth creation. We’re the only peer-to-peer that’s focused on wealth preservation.”

Part of that focus is the annual portfolio defence. Once a year, members open up their portfolios to their peers, providing a rationale for the financial decisions and investments they've made. As Mr. Sonnenfeldt explains, the probing questions and often-brutal candour of other wealthy people can make for some pretty heated discussions.

"When you sit at the table with 12 peers, their agenda is to be supportive in what we call a 'carefrontational' manner," he said. "We encourage confrontation in a caring way. Because sometimes many of our members are strong-willed – this is part of the reason why they're so successful. But now they have to think about and step back, and take some feedback about blind spots."

TIGER 21 has about 140 members, with discussion groups in most major cities in the United States. It has recently decided to expand into Canada, with groups of 12-14 members in each of Montreal, Toronto, Calgary, and Vancouver.

This international network will be an extraordinarily powerful tool for wealthy individuals looking to expand their knowledge. "What we're most interested in is expanding and deepening the membership experience," he said. "If someone in Vancouver wants an introduction into some kind of investment that's based in New York, there's a good chance that one of our members in New York can do that, and vice versa."

My instinct tells me there's a strong buzz building around this group and its introduction into Canada. At \$30,000 a year, membership in TIGER 21 certainly isn't cheap. But the knowledge it will give members will almost certainly be a very powerful thing.

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