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## Immigrant Investors, An Underserved Market

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By Lynnette Khalfani-Cox

Finding new clients is a challenge for all financial advisers. But most advisers are overlooking an untapped and growing client base: wealthy foreign investors seeking to gain permanent residency in the U.S.

Courting well-heeled foreigners looking to relocate to America is “a very niche field,” says Michael Gibson, founder of USAadvisors.org. But it’s also an area that’s wide open for financial advisers.

Gibson’s specialty: providing business research and transactional analysis for those trying to get fast-tracked green cards or visas through the EB-5 Visa program.

EB-5 investor status gives permanent residency to foreign nationals who can directly or indirectly create at least 10 jobs in America by investing a minimum of \$1 million here. The investment threshold is dropped to \$500,000 if a foreign national invests through “Regional Centers” in rural areas or urban regions with high unemployment rates.

So Gibson—who also runs the EB5Info.com website—performs due diligence on Regional Centers and creates customized research reports that analyze the likelihood that a center’s investment projects are viable, and will meet government-mandated job requirements.

EB-5 green cards also allow affluent foreign investors (and their family members) to work in the U.S. in any capacity, go to school, or retire here.

“Any financial services firm that does not cater to these people is going to be missing out a huge source of revenue over the next few years,” Gibson says.

“They’re not just opening bank accounts and buying houses,” he notes. “Most of the clients we deal with have net assets north of \$5 million and they need a broad array of financial services, including insurance and investments, estate planning, tax services, and help planning for their children.”

Greg Siskind, an immigration attorney with Siskind Susser who also runs VisaLaw.com, echoes Gibson’s sentiment. “I’ve not heard of the big Wall Street firms being involved in a major way in this business,” he says. “So I think it’s an area of opportunity.”

Each year, 10,000 visas are available for EB-5 investors looking to come to America.

According to the U.S. State Department, the number of so-called “investor green cards” issued nearly tripled to 4,218 in the fiscal year 2009 ended September 30, compared to just 1,443 EB-5 visas issued in fiscal year 2008.

Gibson and Siskind offered four recommendations for financial advisers seeking foreign nationals as clients:

- Leverage diversity and foreign language skills

“If they have foreign language skills and can cater to these individuals,” that’s a huge advantage, Gibson notes.

- Investigate multiple Regional Centers

Since most centers haven’t been operating long enough to complete their projects or establish an investment track record, Gibson said he fears that many projects marketed to investors “won’t be successful commercially, or in terms of job creation.”

- Establish broader networks

Regional Centers and immigration lawyers are good sources of referrals for EB-5 clients, but they rely on referrals, too. Many centers pay about \$25,000 for investor referrals, Gibson said.

- Deepen conversations with clients

Financial advisers may have existing clients whose relatives or associates could be good candidates for EB-5 visas. Explore this area, but Siskind recommends being realistic with clients and advising them that the EB-5 process involves “tying up your funds for several years, and having some uncertainty about the end of the process.”

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