

The Case for Residency Options



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Enhancing Wealth Management and Legacy Planning to Improve Quality of Life: The Case for Residency Options

Through our conversations with high-net-worth individuals across the globe, we have found that investors have broadened their definition of wealth. Beyond financial assets, they are now also considering their health, legacy, and the quality of life they enjoy with their families as key contributors to their holistic wealth.

The current global pandemic has only heightened this trend, as many savvy investors are experiencing the drawbacks of their limited mobility during these uncertain times. In search of better healthcare options, open and flexible business environments, and access to education and professional opportunities, investors are now actively exploring alternate residency programs.

Wealth Management encompasses not only traditional asset class investment and legacy planning, but also advising on opportunities that enhance a client's quality of life

High-net-worth individuals across the global share many core values and aspirations for their families. They consistently:

- a) Seek stable and robust career and professional development opportunities for themselves and their dependents;
- b) Support their children's aspirations through international education and experiences;
- c) Focus on preservation of wealth, diversification of financial exposure, and mitigation of country risk; and
- d) Prefer proximity to family, access to the best healthcare, and an enhanced standard of living in socially stable communities



To address these needs, wealth managers have begun offering alternate residency options as a way of improving their clients' access to life changing opportunities, not only for wealth creation and preservation, but also for their physical health and safety.

Residency investment should be a proactive decision, not a reactive one

While highly educated and qualified immigrants were traditionally welcomed through student and work visa programs across the United States and the European Union, it has become increasingly difficult in recent years to access these opportunities. Work visas for both regions have become difficult to obtain and require renewals that have administrative processing hurdles.

However, wealthy families have the opportunity to avoid these hurdles by obtaining lawful permanent residency through programs such as the EB-5 Investment Visa in the United States and the Portuguese Golden Visa in Europe. The one true commonality is that the value of these residency options have staying power. Both programs, supported by their respective governments, have seen exponential growth in the last 12 months due to the benefits they offer.

During uncertain times, such as the past few months of geopolitical disruption and instability, and public health concerns forcing border closures, astute investors who have actively incorporated alternate residency options in their wealth management strategies are reaping the benefits of this additional comfort.

What is driving the decision to explore alternate residency options?

Now more than ever, what matters most to high net worth families are living standards, top-tier educational institutions, safety and security, environmental factors such as clean air and water and the community in which they live.



Alternate residency allows investors to ensure that their core values and aspirations are not limited by their country of origin. Professionals are free to expand their career trajectory options and can create wealth. Children can study at the best universities in the most desirable locations. Families can escape political and security risks in their home countries, and a higher standard of living in a safer environment.

While not everyone who chooses to obtain an alternate residency will choose to emigrate, every investor is seeking to create additional options for the future that would not

otherwise be accessible to them. These options are at the core of legacy planning: building and securing a promising future for yourself and your family.

High net worth families continue to be welcome across the world, as their investments promote businesses, spur innovation, and generate talent, which are essential to driving economic growth. Two of the most popular investor residency programs globally, the EB-5 Program for the United States and the Golden Visa Program for Portugal, have seen historical growth and interest in the last 12 months, as the awareness of their respective migration benefits become more broadly known.

Advantages of U.S. Residency via the EB-5 Program Overview

As home to the highest number of high-net-worth individuals in the world and as the world's largest consumer market, the United States offers boundless opportunities for education, career growth, and wealth creation. It has historically been the foundation of the global economy, and will continue to be for the foreseeable future, providing a safe destination for wealth creation and preservation, physical security, and future prosperity.

According to the S&P Dow Jones Indices as of Dec 2019, U.S. companies make up 73% of the global IT sector, 65% of the global Healthcare industry, and nearly half of the Finance industry. This is, in part, due to the steady flow of capital to the U.S., both monetary and human.

It is well known, however, that accessing these opportunities now as a foreigner can be difficult and burdensome. The traditional tracks of H1-B and L-1 in the U.S. are both being constrained.

The U.S. EB-5 Investment Visa Program grants Green Cards to foreign investors and their immediate family (spouses and children up to the age of 21) within 24-30 months, subject to approval of the source of funds and background checks of the applicant by the USCIS.

Students applying to study at U.S. universities with a Green Card do not face admissions quotas, and may experience significantly higher university admission acceptance rates compared to international students needing an F1 visa, sometimes as much as 20x.

Additionally, Green Card holders have access to merit based scholarships, and potential tuition savings. With a Green Card, students can intern at any company without the need for sponsorship and take full-time positions avoiding the H-1B lottery completely.

Green Card holders have the ability to pursue work opportunities, both during their studies and after graduating, across any industry and in any location. They do not need to worry about the constant pressures of the ever changing legal landscape of the visa rules, and have the freedom to live anywhere in the U.S. for as long as they choose.

It is important to note that permanent residence in the U.S. does not require the Green Card Holder to emigrate to the U.S. They have the choice of maintaining an active Green Card and residency status simply by entering the U.S. at least once every 180 days, a task that can be for business or pleasure and does not require a minimum number of days per trip.

An EB-5 Visa holder can apply for U.S. Citizenship after 5 years of residency, should they choose to do so. One of the main benefits of citizenship is access to visa free travel: U.S. citizens can currently travel to 185 countries without a visa.

EB-5 Program Overview



Year created: 1990



Minimum Investment: \$900,000



Visas granted / year: 10,000







Capital Raised: over \$40B

In these unprecedented and highly volatile global conditions, the EB-5 Investor Program helps manage the combination of risk and opportunity by creating security, reliably diversifying risk through greater protection from volatile markets and political instability.

Advantages of Portuguese Residency

Portugal's Golden Visa program is one of the most successful residency programs in Europe. It offers one of the easiest, quickest, and least expensive, routes to E.U. citizenship.

Portugal Golden Visa Overview

-  **Year created: 2012**
-  **Minimum Investment: €350,000**
-  **Visas granted 2019: 1,736**
-  **Capital Raised: \$4.2B**

In 2018, Portugal was ranked the 4th most peaceful nation in the world according to the Global Peace Index. Furthermore, Portugal is consistently seen as one of the best countries to retire, offering a great standard of living at relatively low costs.

As part of the European Union, residents of Portugal have visa-free travel access throughout the 26 countries of the E.U. Schengen Area.

The Portuguese Golden Visa offers residency through real estate investment, and gives investors the ability to earn income by renting out their property if they

choose. Investors can secure residency for their spouse and any children under the age of 18. Unmarried children above the age of 18 can be considered dependents if they are pursuing full time education.

Portugal's resident income tax laws and tax management structures are attractive for investors, as they face potentially no additional taxes on global income.

Although Portuguese is the official language, the majority of the population speaks English and Portuguese fluency is not required to apply for citizenship.

With a short 7-day residency requirement in the first year, and only 14 days in the subsequent years, Portugal offers families that want to remain in their home country a residency option that can be built around a European holiday home. Citizenship is available after 5 years of residency.

With its quick processing times, minimal in-country residency requirements, simple tax regime, and the benefits of visa-free Schengen travel, the Portugal Golden Visa is an excellent option for families that prefer the European lifestyle.

Why would we like you to discuss alternate residency with your clients?

LCR Capital Partners has substantially expanded its global footprint over the last 5 years. With over 850 clients from 38 countries, we continually see the themes outlined above with respect to why global families choose to obtain a second residency. LCR and our global team have vast and diverse experience

working in formal relationships with Wealth Managers, Chartered Accountants and Trusted Advisors across the globe to better educate and serve their clients on residency implications and options.

Most of our clients hear about options for alternate residency from their trusted wealth advisors, chartered accountants, education counselors, and any other close family ties that counsel them when taking significant milestone decisions.

The current pandemic has driven many high net worth families to start exploring long term contingency plans. As countries start to lift lockdowns and reopen their borders, investors are keen to have greater mobility and access to more stable, long term, opportunities for their families.

By extending your wealth management and legacy planning portfolio options to include alternate residency, you can proactively create value beyond financial wealth for your clients. Help your clients and their families unlock the benefits that a truly global lifestyle can offer.

Have this conversation with your clients today. They will be happy you did.

