



## Wealth Planning Report

# What Are Your Biggest Financial Concerns?

**I**t goes without saying that you play the decisive role in making the choices that will determine whether you will realize your financial dreams. That's why it makes sense to have true clarity about the specific financial issues and concerns that are most important to you and those you care about. Only then can you take well-informed steps for action.

In our experience—and supported by research—we find that affluent investors tend to share five major key concerns for planning their financial futures. Think about your own financial life as you review the following key concerns. You may have additional concerns that are unique to your situation, but likely many (and perhaps all) of these challenges are on your list.

### Concern #1: Preserving wealth

The goal with wealth preservation is to produce a secure investment outcome consistent with your time frame for planning and personal tolerance for sensible investment risks. Preserving a wealth floor throughout one's lifetime has become the single biggest financial issue that most of today's affluent investors face. Just ask yourself this question: How sure are you that you have, or will eventually have, enough wealth that is necessary to meet your essential needs, enjoy your primary goals and live out your lifetime without worry?

A vast majority of affluent investors are asking themselves this very question. In one landmark study:

- Nearly 90 percent said that they were quite concerned about preserving their wealth.
- Nearly three-quarters of investors—71.5 percent—said that they worry about having enough money to last throughout their retirements.

What's more, we find that these issues have consistently been at the top of the list of affluent investors for many years.

### Concern #2: Enhancing wealth

The affluent also prefer to enhance their wealth by minimizing the tax impact on their current and future financial picture. Tax mitigation has been a particularly important issue

among high income earners, due to continuing discussion in Congress about increasing taxes again on high earners and those with significant assets to finance ever expanding progressive spending agendas.

Obviously, no one can be sure what the future holds when it comes to the decision of Congress about tax rates and other aspects of the tax code. Certain big tax increases are already built-in to the law and take effect in a couple years. If you're ignoring the issue and waiting for complete clarity, you'll probably be waiting until it could be too late! Tax mitigation needs to be integral for your financial planning regardless of how benign or hostile the political environment may become.

### Concern #3: Transferring wealth

Do you have a plan already in place for passing your wealth on to family members, the way you really want? If so, when did you last review it together with your attorney? Is it and your beneficiary arrangements outside your legal documents up to date and reflect laws as they currently are or soon will be—as well as your family's current and future income needs, goals and wealth?

It is very easy to ignore this crucial concern because addressing it requires asking yourself uncomfortable questions, such as how you want your assets to be distributed at death and when should your heirs receive an inheritance, and should that bequest be outright or phased over time so it is not wasted.

But failing to ensure that your wealth goes exactly when and where you want it to go, based on what you know today, can lead to family trouble and misunderstandings later on. Serious ramifications on everything from your ability to help your family members achieve worthwhile goals (such as college or professional education) to the success and sustainability of a family-owned business are impacted.

### Concern #4: Protecting wealth

Affluent families don't just want to preserve their wealth against substantial losses in the financial or real estate markets. They also seek to protect their assets from being unjustly taken from them by unexpected things beyond their control: potential creditors, litigants, ex-spouses and children's spouses, and even identity thieves. Insurance is available for many of these exposures; but for many exposures it is not.

This means that planning comprehensive wealth management may also need to include specialized wealth protection arrangements—controlling risks through business processes, employment agreements and legal forms of ownership such as various trusts and family entities.

### Concern #5: Donating your wealth

Increasingly, affluent investors are looking beyond their own families for ways they can impact the world at large. It is possible to leave too much to children in some family situations. For these clients, making meaningful gifts to the right charities in the right ways at the right time is becoming a key issue.

Responsible charitable giving has a unique set of challenges—selecting the appropriate means of giving to favored causes and specific organizations that will have the biggest effect based on your values and vision. Any gifting strategy you put in place should be structured for maximum effectiveness, of course. At the same time, however, you must ensure that your philanthropic objectives are in balance with other key financial goals, such as lifetime retirement income, potential long-term care needs, and the long-term financial security of your family, especially spouses and children with special needs situations.

### Conclusion

Review again your list of top financial concerns. Compare them with your own list and think carefully through your own circumstances. You likely will agree that each one taken on its

own is daunting enough. But you are going to face many of these challenges and possibly even all five, especially if you never seriously engaged in financial or wealth planning before. Many affluent families after years of accumulation have not done so. Doing so in the right way can hugely impact your ability to achieve and maintain a financially secure, comfortable, and meaningful life—especially as you age and are less able to make sound choices.

None of these five areas of planning concern stands in isolation. Wealth protection, for example, is often intertwined with wealth transfer needs. And charitable giving can often be structured to support or in combination with goals in each of the other four areas. You need an integrated strategy, and a professional specialist you can trust to help you plan ahead.

Remember, all the key areas of your financial life are interrelated in ways both large and small. Arranging strategies for just one area and neglecting others is a recipe for suboptimal outcomes, misaligned with your goals, values and dreams. For the most successful outcome for all concerned, you need to deal with each area through a systematic process while maintaining an integrated approach to your complete wealth management.

Seek out an experienced CFP® professional specializing in wealth management for envisioning your life planning, and to stress test the life planning you already have in place.

This is an executive summary of our wealth management ebook. For a complimentary copy of our complete report, please [contact us](#).



**Paul Byron Hill**, MBA, MFP, MSFS, ChFC®, RICP®, CFP® is a nationally recognized Wealth Management Certified Professional™ and Certified Financial Planner™ professional, written about in *Fortune*, *Forbes*, *Bloomberg Businessweek*, and *Money*. Paul is the co-author of *Retire Abundantly*. Reuters AdvisePoint once recognized Mr. Hill as one of 500 “Top Advisers” in the U.S. and featured him in an interview on their website.

Paul founded Professional Financial Strategies, Inc. in 1993 as one of the first fiduciary planning firms that specializes in retirement and wealth management for affluent and aspiring families. Paul is a personal chief financial officer acting in best interest of clients. He brings together a proven process and a network of specialists for making informed decisions for systematic strategies, secure income, mitigating taxes, protecting assets, and preserving wealth for family and purposeful causes.

Mr. Hill received a BA with distinction from the University of Rochester and later an MBA in finance from its Simon School of Business. He earned an MS in financial services from The American College along with his Chartered Financial Consultant and Retirement Income Certified Professional designations, and then received an MS in financial planning from the College for Financial Planning (now at the University of Phoenix). The College for Financial Planning appointed him as adjunct faculty, and he taught at St. John Fisher College. Who’s Who presented Paul with the Albert Nelson Marquis Lifetime Achievement Award, and featured him with others in *The Wall Street Journal* and other publications.

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