

A Priority on Wealth Preservation

Simple strategies to help protect the wealth you've worked to build.



When it comes to the discussion on financial planning, words like “growth,” “build” and “maximize” are often heard. While it’s certainly important to ensure that your wealth appreciates, it’s equally critical to implement strategies to help protect those assets.

Here are some simple steps to safeguard your nest egg and, ultimately, your legacy.

01 | STICK TO YOUR PLAN, BUT REVISIT IT WITH REGULARITY.

Whether you are preparing for the sale of a business, saving for upcoming education costs or approaching retirement, a holistic financial plan is essential. As interest rates rise, market volatility increases and the future of the global economy continues to evolve, your financial strategies might need to shift. It’s important to regularly monitor your portfolio and investments to ensure that you are on pace to meet your goals. Consider reviewing your portfolio or consulting with your financial advisor with a regular cadence—at minimum, on an annual basis.

02 | ESTABLISH AN EMERGENCY ACCOUNT.

Though it’s hard to plan for the unpredictable, a general rule of thumb is to have a savings of approximately three to six months of expenses in liquid financial vehicles. When the unexpected inevitably happens, you can access these funds and avoid incurring penalties by prematurely withdrawing money from retirement accounts, CDs, etc.

03 | CONSIDER ALTERNATIVE INVESTMENTS.

Incorporating alternative investments can help diversify your portfolio with products that may offset market downturns and help mitigate risk. Private equity investments, real estate, collectibles, etc. are just some examples of investments to explore.

04 | HAVE A BACK-UP PLAN.

Long-term care insurance (LTC) may be a worthwhile investment to cover any costly personal care needs that may arise in the future. Though LTC insurance is often expensive and confusing, it can be instrumental in protecting your family and legacy. Bob Oros, Chairman and CEO of Hightower notes, “It is always best to be bought when in great health,” cautioning, “not every policy offers equal benefits, so be sure to comparison shop.”

05 | MAXIMIZE RETIREMENT SAVINGS.

There are a range of approaches to make the most of your retirement savings. For example, individuals aged 50 and older are eligible to make catch-up contributions to 401(k)s and IRAs, boosting the impact of these accounts as they approach retirement age. It's also typically prudent to avoid making withdrawals for as long as possible until you are required to (for traditional IRAs, the year in which you turn age 72, or 73 if you reach age 72 after December 31, 2021) to benefit from the tax-deferred growth of assets.

06 | OPTIMIZE YOUR TAX STRATEGY.

Approach tax time strategically, incorporating techniques to reduce your obligation so that you are required to pay Uncle Sam the least amount permitted by law. Strategies such as tax-loss harvesting and strategic gifting can be meaningful in helping to reduce your burden.

07 | MAKE A LEGACY PLAN.

Estate planning is a standard part of any savvy wealth management strategy. At a basic level, it's critical to craft trust documents, designate beneficiaries and assign a power of attorney. Ensure, however, that you dig deeper into your estate plan so that it is written in a manner that's closely aligned with your true intentions. Thoughtful planning can make all the difference in promoting the efficient distribution of your assets with the least amount of taxes, while preserving your legacy.

08 | INSTILL A SENSE OF RESPONSIBILITY IN FUTURE GENERATIONS.

According to author Peter J. Klein, CFA, "Future generations are less likely to squander wealth when they see themselves as stewards of their family legacy with a greater purpose." Establish a sense of purpose for your wealth by incorporating a philanthropic component within your wealth management plan.

09 | PARTNER WITH THE RIGHT TEAM.

A complex portfolio that involves a diverse group of multi-generational stakeholders typically requires a team of professionals to manage that wealth. Do research, gather referrals and conduct interviews to find the right team. Some professionals that may comprise your team include a Certified Public Accountant, estate planning attorney and financial advisor.

Developing a plan to preserve and grow multigenerational wealth requires a multifaceted approach. A holistic financial plan and a strong network of professionals can make all the difference.

Please reach out to one of our advisors if you have questions about wealth preservation.



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