

The Financial Wellness Checklist for Corporate Executives



INTRODUCTION

As a successful corporate executive, you face unique challenges. You likely spend so much time at work that you have little left over to focus on your financial future. We created a quick checklist of the necessities that should be part of your financial plan. It is important to be aware of what you need to accomplish, even if you can't get to all of them right away.

The Checklist

To unlock financial wellness, we suggest that you:



Have an emergency fund.

High earners sometimes make the mistake of assuming that they can out-earn bad spending habits. No matter what your income is, having a short supply of cash in case of emergencies allows you to enjoy greater security in your life.



Contribute to your 401(k) or employer sponsored retirement plan.

Contributing to your employer sponsored retirement plan can make a huge impact on your long-term retirement savings. A 401(k) can save you thousands in income tax and many employers match employee contributions.

You should consider contributing the maximum pre-tax amount (employee 401(k) contributions for 2021 top off at \$19,500 for those under age 50 and \$26,000 for those age 50+.)¹

Don't make the mistake of stashing your retirement funds in a savings account. Keeping your assets in cash or a money market account doesn't build wealth, inflation erodes it. Yet, 25% of pre-retirees report their retirement assets are in cash. Cash!²

Have an estate plan.

Life moves fast for most corporate executives. Legacy planning is an important but often overlooked part of your financial strategy. An estate plan enables you to protect your family, maximize gifts to heirs or charitable organizations, minimize family conflicts and ensure your assets are used as you intend.

Know your retirement options.

Too many executives make an avoidable mistake when they retire or leave their employer for another firm: they roll over all of their 401(k) or other retirement assets into an IRA without considering other options.

Knowing whether to take a lump sum, leave the assets, or roll them over can help avoid unnecessary tax erosion to your retirement funds.

Understand and maximize your compensation.

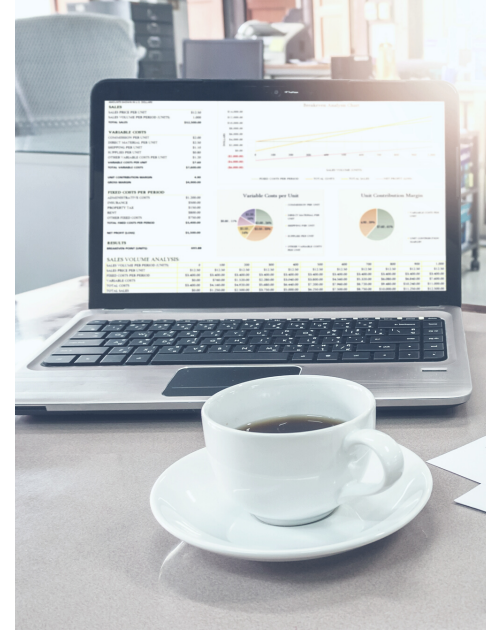
Equity compensation, incentive stock options, and deferred compensation are potentially valuable perks that can increase your financial security. They can also be complex and give the employee a number of critical decisions to make. You may want to enlist a professional in order to maximize the shares and options that are available to you.

Have personal investments.

According to the 2021 Retirement Confidence Survey, workplace plans are a **major source of income for only 20% of retirees.**³ While you should contribute to your employer plan, know that your strategy should include more than just a 401(k.)

Your portfolio may be heavily weighted with employer stock and stock options that are subject to rules of which you may not be aware. **Be sure to diversify your portfolio** and understand the fine print associated with company-specific plans. At WealthMap, we understand investing. Call us and start planning for a better retirement today!

1. IRS.gov, January 2021
2. Forbes, April 2021
3. Employee Benefit Research Institute, 2021 Retirement Confidence Survey



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