

The Five Key Concerns of Today's Affluent



While millionaire status may bring with it a sense of security, affluent investors like you may be concerned about your finances, including running out of money later in life. In a recent study, the top five concerns cited by high-net-worth individuals were:

- Making intelligent decisions about your money
- Mitigating your taxes
- Taking care of your heirs
- Protecting your assets
- Magnifying your charitable donations

It's no secret that the stock market has been on a wild ride lately. Volatility and uncertainty may have caused you to reevaluate your financial concerns, plans, and goals.

As a financial advisor, I specialize in helping high-net-worth individuals achieve not only their financial goals but also create an amazing life of significance. Taking care of those closest to you, giving generously to causes that matter, and making a positive impact in the world can all be realized with proper financial planning and wealth management.

In this eBook, we'll take a look at these top five financial concerns that many affluent investors like you may be concerned with today.

As your Personal Chief Financial Officer (P-CFO), delegating your personal and/or business investments to us can mean regaining both the time and freedom that you may have given up on.

No matter what life stage or wealth level you are at, my team is ready to collaborate with you on designing and implementing a plan that provides you with immense purpose and long-term peace of mind.

To your financial success,

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Mitchell Silberman
President & CEO

1. Making Intelligent Decisions About Your Money



Some people are prone to make costly mistakes with their savings and assets if they don't have a financial plan and/or financial discipline. This can be especially true for high-net-worth individuals, who often have multiple sources of income and complex investment portfolios and financial situations.

Living surrounded by sometimes-alarming headlines in print, online, and in the media doesn't help, either. Unfortunately, we rarely make wise financial decisions when we're frightened or worried. Worse yet, it can be incredibly difficult to regain an objective perspective when you're tackling everything all by yourself.

Money is a naturally emotional subject for many of us, but we have to be able to step back and use logic rather than make rash, knee-jerk decisions. For example, let's say that you bought shares of Brilliantech, an up-and-coming circuit board maker in 2019: They were reasonably priced and seemed destined for the stratosphere.

And then COVID happened—and supply chains around the world went haywire. Now, just a few years later, their stock is valued at half of your purchasing price per share. So, in panic and despair, you sell all your shares, forfeiting half of the money that you paid for them.

But the story's not over. Imagine that in late 2023, supply line issues finally start getting resolved, long-term again: Brilliantech, which had taken a nosedive due to its inability to keep up with production demands (because they couldn't get chips on time), is back on the rise.

In fact, by the second quarter of 2024, they've regained all the value they lost, *and they're still gaining*. However, because of your knee-jerk reaction, you took a loss rather than sticking around for their breakthrough. Their star has risen without you.

This is one of the many reasons financial planning is so important: When you're wandering without a plan, having a road map to help you pursue long-term financial goals can make it easier to get back on track. Similarly, a wealth advisor can help you avoid these mistakes by building—and periodically evaluating—your road map with you.

That's why the job of a wealth advisor includes answering your questions and serving as a sounding board. Working with a financial professional means having an experienced source of insights whenever you need an objective opinion.

By creating a financial plan and investing your money wisely, your financial advisor's experience and insights can help create a path toward pursuing your financial goals that becomes clearer while also protecting your wealth.

2. Mitigating Your Taxes

There are a number of strategies permissible within the U.S. tax code that we can use to lower your tax liability. The most common is making use of deductions and credits. Deductions represent expenses that can be subtracted from your taxable income, which can help to reduce your overall tax bill. Credits, on the other hand, are direct reductions of your tax liability, how much you are assessed to owe the IRS.



Another common strategy involves using tax-advantaged accounts, such as 401(k)s and IRAs. These allow you to save money for retirement on a pre-tax basis, which can lower your taxable income and, consequently, your tax bill.

Finally, affluent taxpayers can also use tax loss harvesting to lower their tax liability. This technique involves selling investments at a loss, deliberately, in order to offset capital gains from more profitable investments. For example, if your family has a portfolio of stocks that has increased in value over the years, you might time the sale of some of the least valuable stocks—to offset the capital gains taxes from the better ones.

Roth conversions offer another method of tax mitigation, as well. This involves converting assets in a traditional IRA account into a Roth IRA. As a result, you pay taxes on the money *when it is converted* rather than when it is withdrawn in retirement.

The advantage of this is that you will not have to pay taxes on the money later when you withdraw it during your retirement. This can be a huge benefit for people in a high tax bracket. On the other hand, it bears mentioning that it's not a one-size-fits-all solution.

The biggest potential drawback can be not having enough cash on hand to cover the conversion cost. Some pre-retirees simply opt to pull money from the pre-Roth account

beforehand, but this is a mistake: The more you reduce the amount getting rolled over into a Roth IRA, the lower your potential income from interest will be.

Put another way, make sure that you fund a Roth conversion with money *other than* what's currently in your retirement account. That's your future nest egg, so you never want to shrink it a penny more than is absolutely necessary. Again, a tax-savvy wealth advisor can help you avoid missteps like these (and possibly many more).

3. Taking Care of Your Heirs



The financially independent have a responsibility to ensure that their loved ones are well taken care of after they're gone. With this in mind, the best way to do this is by creating a comprehensive estate plan, including a will and trust. These can supplement your overall financial plan, expanding it rather than replacing it.

By taking the time to put your affairs in order now, you can avoid leaving your heirs with a mess to sort out later. For example, a will is a legal document that specifies how you would like your assets to be distributed after you die. This can include everything from real estate to personal belongings.

Meanwhile, a trust is a separate legal entity that can be used to hold and manage assets on behalf of another person. For example, you could create a trust to provide for your spouse, children, or grandchildren after you're gone. Conversely, you might opt to create a source of monthly income for an adult family member who might not prove trustworthy with a lump sum.

Estate planning can be complex, but the peace of mind that comes from knowing that your loved ones will be taken care of is worth the effort. At the same time, there's far more to life than money.

I like to say that it's important to pass along your *values*; not just your *valuables*. This is a key factor in leaving—not just an estate, but—a lasting legacy.

4. Making Sure Your Assets Are Not Unjustly Taken

Deep pockets can mean heavier weight to carry, at times: High-net-worth individuals have a lot more to lose in the event of a lawsuit, divorce, or other legal dispute. For this reason, asset protection is an essential part of financial planning.

Every day, a normally-even-tempered dog bites someone

unexpectedly. It might not even be *your* dog. Regardless, if it happened to wander onto your property and then happened to bite someone suit-hungry, you can imagine the possible outcomes. Your unprotected savings and assets could be a single court ruling away from decimation.

Instead, if you proactively structure your assets and liabilities, you can better protect yourself from potential legal claims. The process might mean placing certain assets into trusts, transferring ownership of property to family members, or even moving to a jurisdiction with more favorable laws.

Alternatively, you might create a trust(s) or buy property and casualty insurance. Whatever you have to do, it's generally worth it. By including asset protection within your financial plan, you can help fortify your hard-earned wealth against unexpected legal challenges.



5. Magnifying Your Charitable Gifts



There are a number of ways to benefit your favorite causes by making your philanthropy go further financially. One option is to use insurance by designating a charity as the beneficiary of a life insurance policy or by purchasing a charitable gift annuity. Another option is to set up a donor-advised fund (DAF).

These financial vehicles can be surprisingly simple to set up and fund. They allow you to make a charitable contribution and get an immediate tax deduction for the fair market value of the assets contributed. After that, you can recommend distributions to charities at your own pace.

Best of all, a DAF can be used to perpetuate your charitable giving by naming family members or other individuals as successors. In this way, your philanthropic legacy can live on long after you are gone.

Similarly, you could also establish a private foundation or charitable trust. While these require more time and money to set up and maintain, they offer flexibility and control over how the assets are used. As a matter of fact, private trusts offer many of the same advantages as DAFs—with the added benefit of potential estate tax savings.

About Silberman Wealth Strategies:

When high-net-worth individuals come to me for financial advice, I strive to help them create a life of significance by looking beyond the money. Money is just a tool we use to give us the means to do something greater; it's all about creating an incredible life that fulfills your passion and allows you to express gratitude towards those important in your life.

My goal is to shift your life from focusing solely on accruing wealth to making your life meaningful by giving generously and making a positive impact in the world. Together, we craft a financial plan that gives you control over your finances so you can spend your energy and resources on initiatives that truly matter.

At the end of the day, it's about having a lasting impact, and making a difference, regardless of how you go about it.

The experienced fiduciary team at Silberman Wealth Strategies is ready to help you plan a more solid financial future for your workdays, your retirement, and even beyond. Contact us to get started.

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