

## 6 Top Concerns When You Achieve A High Net Worth

*(Ghostwritten, published on the website of a financial planning firm)*

Attaining a high net worth is an accomplishment that you can celebrate. But once you've reached the mountaintop, it becomes an ongoing challenge to maintain and build on your wealth. Your financial picture can become quite complex, involving substantial levels of investment risk, a need for more insurance coverage, and new responsibilities regarding taxes, estate planning and charitable giving.

I have worked with many high net worth individuals and families. Today I want to share with you some of the concerns that substantial wealth can generate. My goal is alert you to these challenges and help you make well-informed decisions.

**1. My family's financial situation has become more complicated. How can I manage it?**

While it may seem as if greater wealth should bring greater peace of mind, often the opposite occurs. As assets grow, managing your finances can become more time-consuming. You may begin to worry that you are neglecting certain matters such as ensuring you have the proper amount and type of insurance, and maintaining proper portfolio allocation. Higher net worth brings added responsibilities and concerns, and many people who achieve a high level of wealth turn to a spectrum of financial and legal specialists to help them manage their finances. Knowing your financial life is being professionally managed can restore your peace of mind.

**2. Estate planning has become a bigger responsibility. Is our estate plan in order?** High net worth can trigger substantial estate taxes and gift taxes, making the transfer of your estate more burdensome for your heirs. The greater your net worth, the more important it becomes to put in place a thorough estate plan to ensure your wishes are carried out in the most efficient manner.

**3. How can we identify a new set of financial goals and get on track to meet them?**

Most likely one of your major goals has been to achieve a high net worth! Now that you have fulfilled that goal, you need to think deeply about how that affects your other life goals, your family's future, and the time and effort you put into your work going forward. Do you want to retire earlier than planned? Is it time to pursue another line of endeavor, or do you remain committed to your current work path? What does your new level of wealth make possible for your family members? Have you discussed their goals with them? Have their goals changed?

**4. Are our investments coordinated with our overall financial plan, properly allocated and structured for our risk tolerance?** In the same way you need to revisit your life goals, you also need to revisit your investment objectives. Growing wealth has most likely resulted in a proliferation of investment accounts, which could lead to duplication of investments. Higher account totals may unbalance your asset allocations. Lack of control over your accounts may have led to a lack of coordination of your investment picture with the other aspects of your financial plan. It's important to take a holistic look at your investments in light of your overall financial plan and ensure everything is coordinated and evolving based on your new life goals.

**5. Is our larger nest egg protected from life's major risks?** The amount of life insurance you carried before you achieved a high net worth is likely no longer in balance with your family's more prosperous lifestyle. Life insurance can also help reduce estate taxes. You now have far more assets to protect, so you need to obtain disability insurance in case

you are injured or taken ill, property insurance to protect collectibles and other valuables, and liability insurance to protect against lawsuits. Health insurance is another major concern, and you need to consider long-term care insurance and end-of-life care policies for you and your spouse. A thorough review of your overall insurance picture is imperative in order to ensure your sizeable assets are protected from life's major risks.

6. **Are we handling our charitable giving in the most efficient way?** There are many different ways to organize your charitable efforts, depending on how much of a philanthropist you want to become. Arranging your philanthropy in the most tax-advantaged way possible is important, because the money you save in taxes increases the amount you can give to your charities. Complex solutions such as family foundations require the expertise and experience of a financial advisor.

### **How We Help**

The six issues discussed here make it clear that high net worth individuals and families need an overall financial plan that ensures each aspect of their financial life is addressed in a comprehensive and holistic manner. At [ABC], a Certified Financial Planner will work with you to craft an integrated financial plan designed to maximize your estate amid mounting complexity. Based on our experience helping people who attain high net worth, we take the following steps:

- Gather information on your assets and liabilities and provide a clear picture of your new and improved financial situation.
- Help you establish a new set of life goals based on your values and your higher level of wealth.
- Organize a comprehensive financial plan that includes tax planning, insurance coverage, retirement planning, estate planning, and philanthropic planning.
- Implement your financial plan, including setting up new investment accounts and addressing aging issues such as long-term health care insurance.
- Form a long-term partnership with you, continuing to monitor your progress toward your goals and adjusting the plan as needed in response to changes in financial markets, the economy and your life situation.

Go ahead, celebrate the results of your hard work and planning. Then let us guide you in maintaining and growing your wealth for you and your family.