

Enriching Wealth Report



LION'S WEALTH
MANAGEMENT

ELITE WEALTH PLANNING —WHAT IT IS AND WHY IT MATTERS

Wealth planning that is truly elite focuses on understanding a person at a deep level—and then coordinating a series of financial solutions in the key areas of importance to that person.

It's a way of managing wealth that's fundamentally different from the method the vast majority of investors today use.



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Elite Wealth Planning

What It Is and Why It Matters



KEY TAKEAWAYS

- ✓ Elite wealth planning focuses on taxes, asset protection, charitable giving, lifestyle management and other key areas of concern.
- ✓ A focus on the person-the human element-is what really distinguishes elite wealth planning from other types of financial advice.
- ✓ Beware the pretenders, predators and exploiters when seeking financial guidance.

We regularly point out the value and importance of elite wealth planning in the lives of today's highly successful individuals and families-as well as those who are on the path toward great financial success.

So let's take a minute and remind ourselves of just what elite wealth planning is-and how it can potentially have a powerful impact on your life.

THE KEY ELEMENTS OF ELITE WEALTH PLANNING

Before we can see what makes elite wealth planning so special, it's important to understand the various planning strategies that make up the core of most elite wealth planning efforts.

Typically, elite wealth planning consists of eight main types of planning:

1. Income tax planning focuses on mitigating taxes on money earned by working-potentially enabling you to keep more of the money you make.

2. Estate planning involves using legal strategies and financial products to determine the future disposition of current and projected assets. Critically, it is important to determine who will own the assets and how they will be owned.

3. Marital (and related relations) planning entails planning for disruptions in the relationships between spouses and other partners. The intent is to take actions that will protect your family's wealth.

5. Charitable tax planning addresses ways to be philanthropic in the most tax-efficient manner. The tax code fosters philanthropy, and charitable planning can help maximize the impact of your giving.

7. Life management planning addresses an array of concerns from a wealth management perspective—for example, structuring wealth to deal with longevity- and health-related concerns and actions.

4. Asset protection planning entails employing legally accepted and transparent concepts, strategies and financial products that are designed to help ensure your wealth is not unjustly taken.

6. Business succession planning principally deals with helping entrepreneurs tax-efficiently transition their businesses to others, whether they are family members or not.

Important:

When it comes to any of these planning specialties, the tail should never wag the dog. A strategy or tool should be used only if it fits well with a particular and specific goal you want to achieve—not merely because that tool exists and can potentially deliver an exciting benefit. The objectives you have must lead the way. The technical aspects and solutions must then follow from those objectives and be designed to support them. As you will see, your goals—the human element—are the cornerstone of elite wealth management.

In practice, there is considerable overlap between these areas of planning, as well as great synergistic possibilities. Some examples:

- ✓ By placing assets into an irrevocable trust for the primary purpose of transferring them to heirs (estate planning), asset protection possibilities may also arise.
- ✓ Business succession planning can be intimately entwined with estate planning and potentially other planning specialties.

Clearly, elite wealth planning is designed to help address people's needs, wants and preferences across a full spectrum of planning specialties.

Putting the Elite in Elite Wealth Planning

The various types of wealth planning listed above are not new, nor are they in any way restricted to the very wealthiest among us. Lots of people can seek help with their charitable giving or income tax planning.

Additionally, the level of technical expertise possessed by a professional wealth manager offering wealth planning isn't a major differentiator. Note that both technically adept and elite wealth planners can be considered state-of-the-art in terms of their expertise (see Exhibit 1). This makes sense. There are no truly proprietary legal strategies or financial products anymore, so all technically skilled wealth planners should be able to deliver essentially the same menu of solutions to their clients.

Comparing Wealth Planners and Elite Wealth Planners

| Aspect | Technically adept wealth planner | Elite wealth planner |
|---------------------|---|----------------------|
| Technical expertise | State-of-the-art | State-of-the-art |
| Focus | Legal strategies and financial products | The human element |

Important:

Keep in mind that there can be major differences among wealth planners in terms of their talent, know-how and perspective. The two groups shown here are already relative rarities in the planning world. Truly technically adept wealth planners make up perhaps less than one-fifth of all wealth planners in business today-while truly elite wealth planners are even rarer, representing no more than perhaps one in ten of all technically adept wealth planners.

THE HUMAN ELEMENT IS CRUCIAL

But there is one key characteristic that tends to make elite wealth management so-well, elite: the focus of the particular wealth manager.

Specifically, elite wealth planners focus intently on the human element of the wealth planning process-understanding their clients on deep, personal levels that go beyond the numbers that appear on their tax returns or balance sheets.

In contrast, technically adept wealth planners are generally more focused on the legal strategies and financial products such planners can offer. This doesn't mean that technically adept wealth planners are not concerned with interpersonal relationships with their clients and the psychology of the affluent. But from an objective standpoint, interpersonal relationships with clients are of much less concern to technically adept wealth planners than they are to elite wealth planners.





While elite wealth planning can include some highly sophisticated thinking and solutions, we strongly believe the human element is much more important. In elite wealth planning, the client—be it an individual, a business owner or a family—takes center stage in all discussions and decisions. The elite wealth planner's technical capabilities and solutions exist only to serve the client and provide what he or she wants most as a person.

That's why we define elite wealth management this way:

Elite wealth planning is a comprehensive planning process that incorporates state-of-the-art technical expertise in legal strategies and financial products with the human element.

Too often, the human dynamic is overshadowed by legal and financial expertise. To get truly meaningful results, a wealth planner must be acutely attuned to both the rational side and the emotional side of a person—the logical and the illogical. It's this awareness of and sensitivity and responsiveness to the human element that we firmly believe makes wealth planning elite.

Bonus: The comprehensive process at the core of elite wealth planning enables both the wealth planner and the client to reveal more about themselves (including the way they like to work, their aspirations and even their limitations). Along the way, elite wealth planning creates a level of security and comfort that is the foundation of a rewarding relationship.



Lookout

FINALLY, A WARNING

There are advisors vying for your business that you want to avoid.

- ✓ Many are Pretenders. They aim to do a good job for their clients, but they regularly fall short when it comes to wealth planning. They are just not up to the task and, unfortunately, they do not recognize their limitations.
- ✓ Another type-Predators-are actual criminals intent on cheating you. They tend to promote wealth planning strategies that seem too good to be true-because they are!
- ✓ Finally, Exploiters are often quite technically proficient but are more interested in their payday than in your needs and wants. Thus, Exploiters will often promote wealth planning strategies that, while technically legal, may be extremely questionable.

Contact your legal or financial professional to explore this topic further.

Virtual Family Office Special Report

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We believe families can lead a life of significance and create a far-reaching impact through a properly designed wealth plan.

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