

## The Art of Advanced Planning

By Dominic Garcia

Over the years, financial planning has become increasingly complex. In the past, people viewed their financial advisor as a stockbroker or simply their investment person. As the industry has evolved, so have planning strategies, and it becomes a disservice to our clients if all we focus on is achieving the best investment return. One of my favorite quotes is, "There are only two types of advisors in this world, advisors that can't predict the market and advisors that don't know that they can't predict the market." While nobody has a crystal ball, the stock market can be a relatively easy thing to understand. Unfortunately, most try to overcomplicate it but if you take a step back, you will realize that sometimes simple investment solutions, combined with advanced planning strategies tend to create the most wealth over time.

So how can we, as advisors, add value beyond managing investments? Everyone wants to make smart financial decisions. They want to alleviate taxes; make certain heirs are taken care of; and protect their assets from being taken by litigation, divorce, or death. Some individuals want to build a life of significance by maximizing their charitable gifts. It is our job to remain educated on the topics surrounding advanced planning: wealth preservation, wealth enhancement, wealth transfer, wealth protection, and charitable giving.

For business owners, it is imperative to establish a succession plan regardless of your stage in the business. We can run a business valuation that will help to assess the future, analyze tax strategies, and plan out income in retirement. Along the way, we will review the opportunities within defined benefit plans and look to boost your tax-deferred contributions. And when you are ready, we can discuss how to properly exit the business which may incorporate the use of a Deferred Sales Trust.

For real estate entrepreneurs, the conversation may revolve around capital gains planning, depreciation, 1031 exchanges, opportunity zones, Delaware Statutory Trusts, and cost segregation.

For those who volunteer or would like to learn more about charitable giving, we will have discussions and layout an action plan regarding the application of donor advised funds, qualified charitable distributions, and charitable trusts.

And for many successful families, we may share the common benefits of Roth conversions, credit shelter trusts, health savings accounts, proper titling of assets and insurance, gifting, social security and pension optimization, backdoor Roth strategies, asset protection, and tax loss harvesting.

It is important to remember that an advisor's job goes beyond investments. We are here to help simplify your life, enhance your overall net worth, create more tax-efficiency, incorporate proper legacy planning, and allow for more comprehensive planning to optimize your retirement. While no advisor is an expert in every field, we must know what to look for, understand what makes sense at what time, and coordinate with, if not build, your team of professionals.

