

# The Value of Financial Planning Advice

**Whether it's financial advice or any other service, you have every right to know what you're getting for the fees you pay.** Independent studies by Morningstar, Vanguard, The Investment Company Institute, and others have quantified the approximate value of competent financial guidance. Those values will not be referenced here to avoid having them misconstrued as promissory. Following are some areas with the potential to provide meaningful, tangible value in terms of opportunity capture, risk reduction, well-being enhancement, and constructive behavioral change.

## **Income Tax Advantages via Tax-Efficient Investing:**

- Claiming tax deductions, credits, & tax-free investing opportunities such as via Roth IRAs & 401-k contributions, 529 (college saving) plans, HSA Plans, Qualified Charitable Contributions, etc.
- Income tax deferral via retirement contributions, annuities & life insurance
- Tax loss harvesting
- Tax bracket arbitrage, Roth conversions

## **Investment Planning Benefits:**

- Acute cost awareness when selecting investments
- Asset Location
- Diversification
- Rebalancing, whether to keep within agreed-upon parameters or in response to your changing circumstances
- Behavior gap; on-going monitoring

## **Estate Planning Benefits:**

- PA Inheritance Tax savings – taxable estate starts largely at dollar one
- Federal estate tax savings – unified credit & tax thresholds are likely to change multiple times before those age 60 – 70 today die.
- Probate & settlement cost savings
- Ensuring assets go where they should – and when

## **Retirement Planning Benefits:**

- Tailor a retirement income plan to your needs, objectives, and tolerance for volatility.
- Retirement portfolio tax strategies & withdrawal sourcing.
- Maximize Social Security benefits for one or two lives.
- Retirement-sensitive (stealth) tax planning strategies (e.g. Medicare Parts B & D premium surcharges, SS benefit taxation).
- Setting spending policies and budgeting – making retirement work.
- Helping you determine when you can stop working.

## **Insurance Planning Benefits:**

- Understand exposures, and which risks transferred, avoided, and accepted.
- Research carriers, coverages, riders, restrictions & limitations.
- Optimize insurance coverages; eliminate catastrophes.

## **Delegation Benefits:**

- Enhance the value your time – enhances your well-being.
- Sweat the details; ensure things actually get done.
- Introduction to specialists in our constructive professional network as necessary (elder law, trust & estate counsel, Medicare specialists, CPAs, bankers, etc.).

## **Behavioral Benefits:**

- De-biasing, and helping you follow a process and resist the temptation to abandon an investment plan during periods of market downturns or euphoria.
- Serve as financial coach for implementation.
- Help you filter out investment-related noise by debunking nonsense and illuminating cognitive errors.