

WHAT EXACTLY IS WEALTH MANAGEMENT?

The two words signify a far-reaching kind of financial care.

There's financial planning, and then there's wealth management. Think of wealth management as a step up from garden-variety financial planning. One office (rather than one person) provides a range of services for a client: personal financial planning and investment management, tax reduction and estate planning strategies, and occasionally in-house legal resources. Business continuation planning, tax preparation and even budgeting and bill paying are sometimes added to the menu.

The difference is really big-picture. Financial planning usually means creating a strategy for accumulating wealth for retirement and personal goals. Investment management focuses on managing financial assets with a performance level in mind. Wealth management, in comparison, considers the total net worth of a family, a couple or an individual. It weighs financial decisions in light of an investment portfolio and additional components of the financial picture such as real estate, insurance, a business, charitable gifting and more.

Yet it is also about paying attention to detail. Every successful professional or business owner reaches a point of delegation - there comes a point at which you can't do it all yourself. Indeed, it can be hazardous to try and keep track of every detail without help. The same goes for your finances - your taxes, your investments, your various accounts.

Good wealth management helps you stay on top of things. A skilled wealth management firm pays attention to many of the financial details in your life for you. You can free up your mind. You feel confident because the wealth management firm has an ongoing relationship with you, with regular reviews and communication.

Wealth management unites advisors from different disciplines as a team, preferably fiduciaries only, such as a CPA, an attorney, and an RIA/IAR who is either an AIF (Accredited Investment Fiduciary) or one of three Certified Estate Planners based in NH and ME. The team looks at your goals, needs and priorities to determine the right, individualized strategy for guiding your invested assets and enhancing your net worth, and will call in other professionals for additional services as needed.

When is it time for wealth management? If you have too many financial concerns, issues or priorities to address by yourself, then it is certainly time for this kind of financial care. And even if your financial life is less complex, significant wealth still calls for a vigilant, ongoing team approach.