

# Case Study: The Corporate Executive on The Rise



## Summary of Services Provided

- Development of a comprehensive financial plan
- Coordination with tax and legal advisors
- Customized investment strategy design
- Analysis of executive benefits package
- Ongoing family education

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## Wealth Management

A senior executive recently accepted a new position with another employer. She is concerned about maximizing her financial opportunities in the decade or so leading up to retirement. With the demands of her career, her community involvement and her family engagement, there is simply not enough time left in the day to properly focus on the details of her own personal financial planning. She and her family would like to develop and implement a comprehensive financial plan addressing and accomplishing five primary goals:

- 1) To preserve and continue to grow the wealth the family has accumulated;
- 2) To maximize overall tax efficiency;
- 3) To implement a coordinated investment plan considering concentration risk associated with her stock based compensation plan;
- 4) To ensure their estate plan correctly addresses their financial and non-financial priorities;
- 5) To educate their children on key personal finance concepts

## The Fairhaven Solution

We worked closely with the family to develop a comprehensive financial plan that clearly articulated the family goals. In addition to recommendations and strategies specific to their unique goals, this planning document remained flexible to allow the family to adjust their strategies as their circumstances changed.

The long-term forecasts outlined in the plan provided a benchmark against which to monitor the progress towards various goals.

We coordinated with the family's tax and legal advisors to review opportunities for asset location, Roth IRA conversion and gifting strategies to reduce their overall tax liability. Utilizing our estate planning expertise, we worked closely with their estate planning attorney in the drafting of their estate documents.

We took the lead in its effective execution through re-titling their assets and updating their beneficiary designations.

We developed a strategic asset allocation to achieve the goals outlined in their financial plan. This asset allocation included an analysis of her deferred compensation, stock based compensation plan and qualified corporate retirement plans. We then developed multi-year strategies to reduce the risk associated with her concentrated stock position.

We reviewed the family insurance coverage, including personal policies as well as policies provided as part of her executive benefits. We considered longevity and health issues unique to both sides of the family. This review helped identify potential gaps in life, disability and long-term care coverage.

We helped educate their young adult children by sharing foundational concepts in personal finance such as compound interest, asset allocation, diversification and budgeting. We provided the children with relevant tools and information they could refer back to as needed.

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