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WEALTH

INSIGHTS

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What is Wealth Management?

What happens when many firms and institutions use the same words to mean different things?

In the past few years, a new term has come into vogue in the financial services industry. Many individuals, firms and institutions describe their services as Wealth Management. However, if you peer beneath the surface, you'll see that companies using the same words define their actual service offerings quite differently.

We have seen the term Wealth Management used by firms to describe only the management of your liquid invested assets. We have also seen the term used to describe services that are broader in nature, possibly including insurance work, estate planning, charitable planning, retirement planning, business transfer planning and more. Further confusion stems from services described as *comprehensive* Wealth Management. Unfortunately, *comprehensive* is a subjective word that means different things to different people.

As an affluent consumer, what can you do to increase your clarity?

The most effective way to protect yourself is to have a clear, thorough and open conversation with each of your key advisors. Ask them to define general terms to be more specific regarding their service model and their expertise. Ask them to outline where their work begins and ends, and what other services should be considered.

Here are some helpful questions to pose or ponder:

Do you consider your services to be proactive or reactive?

What aspects of my affairs are you keeping an eye on, between meetings and even when I'm not coming to you with a question?

How would you define comprehensive planning?

How would you define wealth management?

In which areas have my affairs been duly addressed? Which could benefit from further attention?

What does our financial arrangement cover? What is not included?

One of the affluent consumer's greatest challenges in engaging professional services is that it is difficult to discern what you don't know. Trusted advisors bring ideas and wisdom to the table. Yet are there additional opportunities or challenges that no one is thinking to raise? Common terminology compounds the quandary. Additional terms that may warrant clarification in your advisory relationships are as follows: holistic, legacy, estate planning, independence, proprietary products, open architecture and planning process.

Another approach for increasing clarity is to make a list of things that matter to you most. Your list might include your hard assets such as business interests, commercial real estate, stocks and bonds, personal residences or collectibles such as art or antiques. Your list would also include intangible things such as key relationships, family, grandchildren, your value system, hobbies and more. Then sit down with your trusted advisors and have an open conversation around which aspects are being addressed and protected and which might warrant increased attention.

As always, please feel free to call regarding this or any planning related questions.