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The wealth accumulation phase of your life can be a stressful one. And the pressure doesn't diminish as your wealth grows. Often, this may mean you employ a strategy to deal with high-priority action items as they come up—and don't necessarily have the opportunity to see how all the pieces work as part of a whole.

That's where a balance sheet approach to wealth can be invaluable, said Whit Batchelor, Senior Vice President and Client Advisor at Whittier Trust. This approach takes stock of everything you have—investment assets, business holdings, real estate assets—from a big-picture perspective that can ensure your wealth remains an asset, not a liability. Here's how a balance sheet approach helps you manage growing wealth.

It Creates A Path Toward Your Goals

In wealth accumulation mode, you may be looking so closely at the next quarter that it's tough to take stock of what the wealth is building. That's where it can be helpful to work with a wealth management advisor who can ask the questions that can lead to the next steps.

“We have some people who may say, ‘You know, my goal is to leave as much to my kids as possible.’ Others may say, ‘You know, I'm ready to downshift, and I need you guys to grow my wealth,’” explains Batchelor. Whatever the situation, the balance sheet approach is key to understanding how to achieve those longer-term goals and what may hinder them. Many people, says Batchelor, view their wealth in silos, which could overlook potential avenues toward goal achievement.

For example, if you're considering charitable gifting, an investment manager may focus solely on your investment portfolio. But a balance sheet approach would look at all your assets, including highly appreciated real estate, art and other privately held investments. These are tax-advantaged feeders to philanthropic endeavors that may be overlooked, said Batchelor. In certain scenarios, strategies such as charitable remainder trusts or spousal limited access trusts could be established to maximize gifting and minimize estate taxes.

Streamlining Saves Time And Money

Over time, ad hoc solutions can translate into expensive, overlapping accounts that may sap resources, result in layered fees and create extra complexity. In the worst case, it could lead to periods of illiquidity, tying up your money and minimizing cash flow options when you need them most. Batchelor recalls one client who had built a family business and, over time, set up multiple asset protection trusts.

“[The client] was proud of the plan he had created,” he says, “but I had to help him take a step back by asking, ‘Well, how will you access the money if you need it?’”

Batchelor adds that his other advisors had set up the structure, but the client didn’t fully understand how to access the money—or how the plan would help achieve his goals for the funds. While the asset protection trusts did offer certain advantages, the lack of planning irrevocably trapped the client in a complex system he didn’t entirely understand.

“Our clients are financially savvy; they know money,” says Batchelor. But this intelligence can lead to overly complex situations that may make sense on paper but can create obstacles related to liquidity, estate plans and lifetime gifting.

A Solution That Works For You And Your Beneficiaries

The financial moves you make today have a ripple effect that will be felt by the next generation. Considering estate planning even in the wealth accumulation phase of your life ensures that flexible, smart structures can be set up to meet your needs today—and the needs of your heirs tomorrow.

For many high-net-worth individuals, financial decisions can become instinctive. But at a certain point, a complex balance sheet can benefit from an impartial advisor who sees the big picture.

“When people become our clients, they’re accessing a team who can offer unbiased advice that’s relevant to all the puzzle pieces they may have on their balance sheet,” says Batchelor.

Bottom line: When you’ve grown your wealth, you deserve to make sure all of those resources are working for you. A balance sheet approach not only allows you to understand what you have—it can also help provide a map to how your wealth can grow and how your financial goals can be achieved.

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