

Private
Wealth


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MAXIMIZING PERSONAL WEALTH

An Advanced
Planning Primer for
Successful Business Owners



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These three sets of services interlock thematically and are important to varying degrees depending on your specific situation. Let's now consider each one.

Wealth Enhancement



There are situations when you can make your money work harder for you by lessening or eliminating taxes.

Are you aware of these situations and have you taken the best advantage of these opportunities?

Making your money work harder for you translates into more of it. And there are ways to heighten and sometimes even super-charge your ability to boost the wealth you've created with your business.

Wealth enhancement is the process of using advanced planning strategies to mitigate taxes resulting in greater personal wealth creation.

With respect to investment management, for example, your goal is to produce the best possible performance. The key is to determine the current timing, character, and amount of taxable income. When it comes to investment income, the ideal transition is from income to short-term capital gains, to long-term capital gains, to tax deferral, and ultimately to no taxes whatsoever. This continuum drives the opportunities and the deliverables of the advanced planner with the goal of moving your situation as far along this continuum as is practicable under the given circumstances.

There are a wide variety of strategies that can be utilized to enhance wealth (see *Chapter 8: Solving Problems*). The adept use of charitable trusts, for example, can be instrumental in enhancing wealth while also enabling business owners to appreciably benefit others. For wealthy business owners with significant liquid assets, some of the most attractive strategies incorporate private placement life insurance.

The use of qualified retirement plans and other retirement-oriented strategies is another way for you to enhance your personal wealth (see *Chapter 9: Retirement Solutions*). This is a function of both the tax deductions and the tax-free growth of assets funding the plans. The key is choosing retirement solutions based on your strategic and financial objectives.

Research findings. Not surprisingly, nearly all the business owners surveyed are extremely or very interested in ways to legally lower their personal tax bills (Exhibit 4.2). Among those who are interested, only about a quarter of them are actively working with professionals to do so (Exhibit 4.3).

EXHIBIT 4.2:

Interested in Ways to Lower Personal Taxes

% N = 513 BUSINESS OWNERS

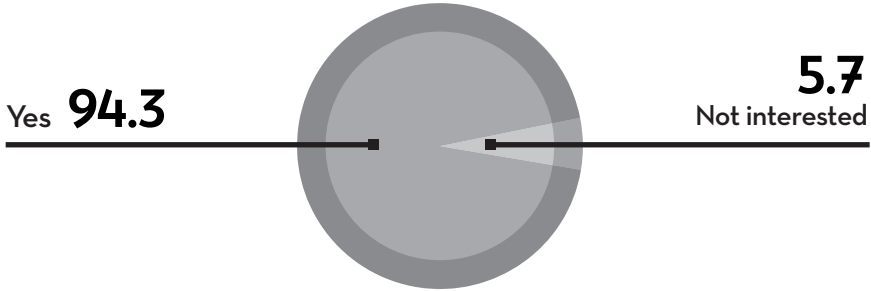
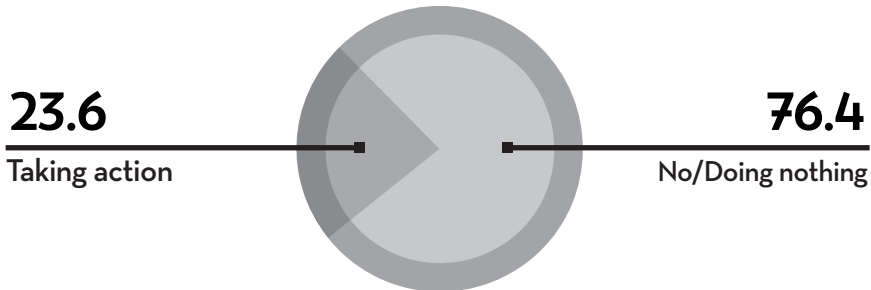


EXHIBIT 4.3:

Working with Professionals to Lower Personal Taxes

% N = 484 BUSINESS OWNERS



Although there's a strong interest among business owners in enhancing their wealth by lawfully lowering their tax bill, relatively few of them are actively pursuing the range of opportunities. While many are doing something such as establishing a qualified retirement plan, for example, few business owners are actively evaluating and implementing qualified retirement plans that maximize their own personal wealth (see *Chapter 9: Retirement Solutions*).



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