

June 2017

New Perspectives: *Planning is Never Premature ...*

... a first in a series of four DH Financial letters to clients, colleagues, and friends.

Over the course of this year, three additional letters will be sent that tie into this subject and will analyze planning obstacles and opportunities specific to clients going through three separate experiences of financial success. In terms of net worth, millionaires face a complicated sequence of decisions concerning investment returns and cashflow. At about eight million, there is another bump in the complexity of the planning process driven by retirement goals. After a twenty million net worth, taxation mushrooms, leaving perils and pitfalls, as well as opportunities to minimize tax liabilities.

While you are waiting to receive the details, this letter sets the stage with new perspectives on the planning process. It's well known that our mission for every client engagement is to create a plan that best articulates one's current circumstances, captures short-term and long-term goals, prepares for future change, and assures responsive action. The outcome can provide financial security and family harmony over generations.

Knowing that DH Financial is passing through its 45th year of service, it might surprise you to realize that we are also governed by our firm's plan that articulates our current circumstances, captures our short-term and long-term goals, prepares for future change, and assures responsive action when needed.

Forty-five years ago, the financial services industry, as well as consumers, were going through a very innovative and challenging time. Our business plan began with David Hjorth focusing on reaching benchmarks that were set for success supported by his commitment to the highest level of knowledge, service, and integrity. After steady growth over the next three decades, a change in circumstances opened a new opportunity to plan for—children in the business. Planning is never premature, and the happy result was Nick and Joanna transformed DH Financial into a family business. This year meets another planning landmark as Nick assumes more of the operational leadership of our firm. We don't just talk planning, we walk it.

So, what changes lie ahead to challenge your business and family financial security—and how can you plan for the results you envision?

You know change is coming for income tax, business tax, and transfer taxes. Signs that the recessionary environment may be winding down are stronger, with positive movement in markets. Interest rates will likely rise, and capital should come out of hiding. Who knows where intense global, social, and environmental concerns will lead us? And literally on the home front, multigenerational families must face changes in maturation and expectation.

Big issues and big questions, but not too big to plan for and re-plan for. The fundamentals always work.

- Understand where you are now.
- Clarify where you want to be next.
- Execute and monitor your plan to get there.
- Stay flexible to correct and redirect planning decisions.
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- However, the questions that lead to planning success, like everything else in our current uncertain environment, seem to have a new edge and immediacy.
- How confident are you today that the sources of your assets—income, investment returns, savings, inheritance—are secure?
- What concerns do you have now about how your assets are invested and the performance they have achieved?

- How well-protected are your assets against tax erosion, market volatility, and economic unknowns today?
- How have your opinions and outlooks changed about the balance between risks, returns, and guarantees and the asset management strategies you have favored so far?
- How do you feel about your lifestyle goals and retirement funding as your age and your perspective move forward?
- What doubts are you having about your decisions to transfer the right assets to the right heirs in the right manner at the right time?
- What information do you feel is missing or unclear—from planning strategies to health needs to family relationships?
- What wakes you up, and keeps you up, at night?
- Are you enjoying your success more or less than you expected?

In our three upcoming letters, we will zero in on three successful profiles to identify steps and variables to achieving financial goals. You will undoubtedly fit one profile, but don't ignore the others. Although some profiles may not fit your situation, there may be someone close to you that could benefit from receiving the information, so please pass it forward.

Best Regards,

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