

Case Study

Overcoming complex financial challenges with a holistic approach

Before coming to us, our client served as a consultant to executives of a start-up that was growing rapidly. A portion of their compensation was in privately held company stock. In time, the company went public in an IPO, which resulted in a substantial windfall for the client.

However, after a lifestyle upgrade, they found themselves more worried about their finances than expected. Expenses were considerably higher, cash flow was negative, and they took on a substantial amount of debt.

Meanwhile, their advisor wasn't particularly helpful. He focused primarily on their investments but didn't fully understand how the client felt about their overall situation. In time, the advisor's lack of attention to what really mattered to the client was his undoing.

As their frustrations mounted, the client examined this relationship and found it was time for a change.

They wanted an advisor who understood them, their situation, and where they envisioned themselves in the future. A person who was responsive, worked hard, and provided a path to retiring by 65 or sooner while fixing some of the issues that kept them up at night.

Their goal was to engage with someone who would create a roadmap based on their entire financial situation, not a portion of it.

The solution? They contacted Evans Wealth Management.



Constructing a rock-solid financial roadmap

Due to the complex nature of their finances, we mapped out a plan to stabilize our client's finances and put them on a solid path to reach their retirement goals.

We took a holistic approach to ensure they had the resources to fund and maintain a well-defined and appropriate lifestyle. We stress-tested the plan, assessing its efficacy for the long-term.

This proposed roadmap defined how the client envisioned their life post-retirement and the steps needed to achieve it.

Once we came to an agreement with them about this new strategy, we reevaluated it, at a minimum, annually. While we couldn't anticipate every possible variable with complete accuracy, we could make adjustments so they stayed on track toward their goals.

At every turn, we communicated precisely where the client stood relative to their final destination in each of the following areas:

Debt Reduction

We addressed their current debt burden so they would be close to or completely debt-free by the time they retired.

Tax Minimization

Our tax plan minimized taxes in the long term while taking advantage of short-term opportunities to reduce the client's debt. It included placing trades to take advantage of an opportunity to avoid paying capital gain taxes on some highly appreciated stock.

Insurance Evaluation

Insurance often gets left out of the conversation in financial planning. We reviewed all the client's current policies to ensure their assets were protected from unplanned events. The analysis ensured they had the proper coverage and at a reasonable price.

Investment Portfolio Analysis

Our client's portfolio was more conservative than they desired, poorly allocated, and rarely adjusted, which explained years of underperformance. To remedy this, we developed an investment strategy more aligned with their risk tolerance. This solution included optimizing their portfolio based on the current economic environment, evaluating its performance, and adjusting as market conditions shifted.

Annuity Assessment

We reviewed their annuity and found the additional layer of cost exceeded any potential benefits to the client. However, it was still within the surrender period, which we later revisited.

Reaping the rewards of sound financial guidance

Our client's finances have stabilized since we began this engagement in 2020. Their investment performance has improved, and their asset base has also increased, growing to the level where the client recently made a six-figure reduction in their debt.

This achievement was possible because we restructured their portfolio to grow as the market rallied. When it did, the client's account grew to the point where they felt comfortable taking a portion of those gains and paying down debt that weighed them down.

The client was extremely relieved by this outcome, proving that the game plan was working. There was also an unexpected bonus. Our tax planning recommendations resulted in approximately \$20,000 worth of savings over the last two years that was totally unexpected.

Good communication, solid analysis, and opportunistic adjustments were the key factors in fostering a solid relationship with this client. By listening to their needs and struggles, we could create a comprehensive roadmap addressing all the issues important to them and more.

As they move closer to retirement, they sleep easier knowing their financial future is secure. They now have a trusted guide who understands them and can be relied on as the future unfolds.

