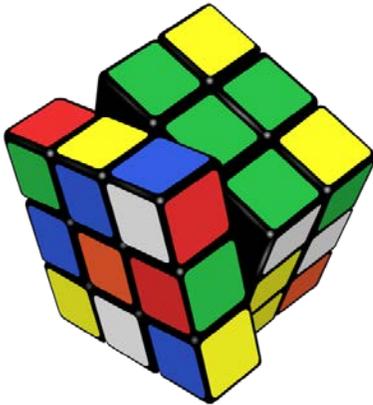


“The art of simplicity is a puzzle of complexity”

Douglas Horton (American Clergyman 1891-1968)

August 10, 2015



Wealth management is a lot like a Rubik's Cube—multi-faceted and multi-dimensional. Try to get the yellows lined up on one side—and now another side has a mix of red, green, blue and white. We all know the simple result we want—but getting the desired outcome really is a puzzle of complexity. The same is true of wealth management, where we are trying to accomplish multiple goals (enjoying a good lifestyle today; college for kids and grandkids; a secure/comfortable retirement; and perhaps leaving a meaningful legacy)—each with different time horizons, all competing for the same resources, and each involving potentially different strategies. But unlike with the Rubik's Cube, where the puzzle itself remains constant, real life is ever-changing, making wealth management even more complex. Just consider some of the many variables that go into comprehensive financial plans.

- **Health**—including factors you control (diet/exercise/habits) and those you don't (family history/genetics/environment)
- **Job**—income, opportunity, benefits, security, etc.
- **Markets**—returns are unpredictable and market can be both rewarding and punishing
- **Economy**—periods of expansion, recession, high and low unemployment, interest rates, etc.
- **Political**—changes in government policies—and even governments themselves
- **Taxes**—income, capital gain, property, sales, estate, and gift taxes

True wealth management goes well beyond investing. It involves addressing the wide range of financial issues life brings—and planning for them in a comprehensive way. It is a process—not an event—that requires vision, time, commitment and patience.

Research suggests that Americans are having a hard time dealing with all of this. Gallup's 2001-2015 Economy and Personal Finance Survey showed that two-thirds of Americans are worried about having enough money for retirement—and 73% are worried about paying for children's college. An ABC News poll showed that less than half of Americans even have the most basic estate planning document—a Will. And a study of 6,000 investors around the world (conducted by Natixis) found that 58% do not have clear financial goals, 68% don't have a financial plan to reach them, and 80% simply “follow their gut” when making investment decisions. Wow!

The goal of our work with you is to bring order to this important effort—to develop elegantly simple/well thought-out plans designed to help you reach your most important financial goals. Consider one of the most important issues for most of our clients—planning for a secure and comfortable retirement. Sounds pretty simple, right? But imagine trying to integrate Social Security (with its myriad of rules/options), pension plans (with a variety of payout choices), retirement savings accounts (401k, 403b, Profit Sharing, IRA, Roth IRA, etc.), real estate, personal savings/investments, and possible post-retirement work in meeting spending needs that could last 10, 20, 30, 40 or even 50 years. Irrevocable lifetime decisions have to be made regarding Social Security and pension benefits—when to take benefits and what survivor benefit options to elect—choices that can have a tremendous impact on long-term financial security. Deciding how much money can be taken out of retirement/investment accounts each year while trying to avoid running out of money during your lifetime. And what about the impact of taxes and inflation of plans?

Then there's the matter of estate planning. Do you have an up-to-date plan in place if you are unable to handle your own financial affairs—or make your own medical decisions? Do you have a Will—and if so, is it updated to reflect your wishes and name the right people to serve as executor, guardian, and trustee? How can trusts be used to manage assets—and save taxes? Should you consider gifting strategies? Does your family have a general understanding of your finances, wishes, and a list of professional advisors they would need to contact?

And of course, are your investments prudently aligned with your financial goals, time horizon, and need/willingness to take risk? You've got to earn a high enough return to fund goals and help offset the impact of inflation—without taking on unnecessary and potentially intolerable risk. Studies (and our own experience) indicate that investors tend to side with safety over return—especially during retirement. As Will Rogers once said, “I'm more concerned with a return OF my money than a return ON my money”. Markets over the past 6+ years have been very favorable—perhaps wooing investors into forgetting about how painful and scary downturns can be. There is a lot to be said for holding a well-diversified portfolio designed to capture a generous portion of stock market returns while seeking to reduce volatility (risk) along the way. And, as we always remind clients, market returns come in spurts, and you can't get them if you're not invested.

Can you imagine trying to do this all by yourself? Or relying on a computer service that doesn't know who you are, what you really want, and isn't there to provide ongoing/caring advice and customized solutions when the going gets tough? We believe in a team approach to wealth management—with you the client at the center—surrounded by experienced professionals to provide financial, tax, and legal advice. At GWM, our advisors serve as your advocate—listening to your goals, hopes, and fears; helping you create a well thought-out plan to reach them; and monitoring/updating plans to help you stay on track in an ever-changing world. Helping you put the puzzle together—the art of simplicity with a puzzle of complexity—is the focus of our work.

We have been proud to be recognized for the quality of our work. Greene Wealth Management, LLC. has been recognized as a Five Star Wealth Manager by Seattle Magazine, and as a Top 300 Registered Investment Adviser by the Financial Times. Perhaps most importantly, you and our other clients recognize our good work by consistently referring your friends to us.

We continue to think about all of this as we work with you—and stand ready to have the kind of serious conversations this planning deserves. Please let us know if you have any questions—and if you'd like to talk over things.

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