

Spring 2021

THE GENWEALTH GROUP, Inc.
6 Inwood Place
Maplewood, NJ 07040
Phone: 973.761.0400
Fax: 973.761.1558
www.thegenwealthgroup.com

THE GENWEALTH JOURNAL

The Right Recipe

Michael P. Leanza, CFP® CERTIFIED FINANCIAL PLANNER™
Founder and President

When I see these four talented chefs, it brings me great pride. To have been a part of their grandparent's journey and helping in a small way to forge a path to retirement is very humbling. I've had the good fortune of working with Joel and Gina Ramich for more than 20 years.

When Joel was considering early retirement, he talked with a bowling buddy (who also happened to be a senior executive at Bank of America, where I was employed at the time).

Although they were working with a few financial advisors,

The Ramichs began to consider an overall financial plan that would consolidate and make sense of their various assets.

They wanted a plan that would confidently launch and sustain them through what would be an active and long retirement. Joel was considering retirement by his mid-50's, which is not always an easy thing to do. Fortunately, he and Gina were willing to hear a new voice and over time, we guided their transition from work and paying for college, into retirement, buying a new home and taking several vacations!

We've watched their evolution from parents to grandparents. Back in the day, Joel and Gina spent lots of time watching their children perform as stellar high school and college athletes. The Ramich kids were "chips off the old block" as Joel was a running back, playing football at Penn State. Today, The Ramichs enjoy time with their grandchildren and getting to this stage took careful planning and partnership.

Together, we've endured several market cycles and at least two market crashes. Joel has been a sounding board, offering me advice on what clients seek in an advisor. Some of our current strategies were borne out of these conversations. The Ramichs have brought us great referrals, served as references for prospective clients, and serve on our Advisory Council. As advisors, we are reminded that it's not just about the money, but the lives it helps sustain. Seeing these four "chefs" is a reminder of the true importance in what we do. *Thanks for inviting us into your lives and giving us a chance to create the right recipe.*

~MPL

Photo courtesy of The Ramich Family



Our mission is to simplify the complex financial lives of our clients and help them Retire Ready.



Be Big, Be Bold
Have Fun
Take Great Care of Our Clients and Our People
Be Energetic and Dynamic
Be Generous

Be Generous

Most people think financial planning is all about money. At The GenWealth Group, we think it's more about people.

As a team, we seek opportunities to get outside of the numbers and closer to the people in our community. We have a great deal of knowledge to offer and finding ways to share it allows us to be generous (a core value of our firm). In 2018, Braden joined the board of **Family Connections**, and currently serves as co-chair of the Development Committee. Family Connections is a leading New Jersey non-profit that supports children, adults, and families facing many of life's toughest challenges.



*"I was introduced to Family Connections by two clients of The GenWealth Group. Both **Alan Levine** (past Board President and **Jody Lipsky**, current Board President) convinced me that as a financial planner, I could be of value to the organization by sharing my financial acumen."*

Family Connections changes lives with a wide range of programs to counter trauma, mental illness, addiction, domestic violence, child abuse and more. The many success stories found on their website are inspiring. (www.familyconnectionsny.org)

Similarly, Cherie recently joined The Rothman Institute of Innovation and Entrepreneurship at Fairleigh Dickinson University's Family Business Alliance. Established in 1992, the Alliance provides family businesses with a unique opportunity to learn from leading experts about proven strategies for successfully owning and operating a family business. The Alliance also provides members with the opportunity to exchange ideas to help grow each other's businesses.



**FAIRLEIGH
DICKINSON
UNIVERSITY**



Whose Decision Is It?

How do we know what to advise clients when it comes to their investments? In truth, you play a big role in answering that question. At The GenWealth Group, all portfolios are custom designed to meet your specific financial goals and are aligned with your personal risk tolerance. Beyond that, determining which specific investments we hold in client portfolios (or the "tools" we use) takes careful thinking.

As an independent, registered investment advisor (RIA), we have a fiduciary responsibility to do what is in your best interest, not ours. We are free from the pressure of choosing investment products/services that will earn us a commission, simply because we don't take any commissions on investments.

So how do we decide what investments can help you reach your goals? Since inception, that role primary belonged to Michael Leanza (our Founder and Chief Investment Strategist). As the firm's expertise grew, Mike established an internal **Investment Committee** in 2020. Comprised of the three Certified Financial Planners® in our office, the group meets quarterly to discuss and evaluate strategy for all client portfolios and the firm's overall investment direction.



The Investment Committee focuses on earnings, risk and market correlation. Together, these expert opinions ensure that you are getting balanced thinking, increased diversity of thought and multiple financial experts collaborating on your behalf.

Why We Want All Of Your Money

One of the more curious conversations we have with clients is the desire to hold certain financial assets away from The GenWealth Group. We're naturally interested in managing these assets as they can help grow our business, but more importantly, assets held away can wreak havoc with your long-term financial plans!

Here are the common reasons clients hold assets away and why we think having "all of your money" under our management at The GenWealth Group is potentially a better idea:

"I am comfortable with cash in the bank"—While maintaining an "emergency fund" in the bank is a good idea (enough to cover about 6-12 months living expenses), having too much cash stockpiled carries an opportunity cost. Historically, bank deposit interest rates have returned significantly less than the bond and equity markets. Holding too much cash may result in lost opportunity for returns over time and an inability to keep up with the rate of basic inflation.

"I don't want to pay a fee"—We hear this often for qualified 401k and 403B plans. Many clients have accumulated sizeable assets in their corporate sponsored plan. Later in working years (and into retirement), there is a rationale for rolling these plans to an outside IRA. Clients hesitate as they may think they're getting "something for nothing" by leaving money in the employer's plan. Be careful here! 401k plans can be invested in the sponsor's proprietary products. They may lack a customized investment strategy and generally have little monitoring or rebalancing. Employer plans may lump investors of a similar age into "target date" funds that assume all 60-year olds have a similar risk and earning appetite. We can assure you, nothing is further from the truth! With no real way to forecast risk and earnings, our clients eventually consolidate with us, but it's usually after an account loss when the damage is already done.

"I am going to take a pension or annuity payout vs. lump sum"—Typically, we hear this from more conservative clients who are comforted by "income for life". Unfortunately, when we read the fine print, the "guarantee" may actually be return of your own investment principal or (for the more fortunate) an income guarantee that translates to a low rate of return. Sometimes, it amounts to a rate similar to a savings account. For investors without sound financial advice, we understand the desire for "guaranteed income." For clients at The GenWealth Group, who have carefully targeted earnings, a targeted level of loss and long-term financial projections, the annuity/pension is not only unnecessary, but may be costly. Remember, these plans may require that your money be locked into lower than expected "guaranteed" returns for years to come.

"Breaking up is hard to do"—Occasionally, we have clients who work with other advisors and although they may not get the same financial planning and "grow and protect" strategies that we offer, they still have emotional ties to their outside advisor. We hear that you don't want to "hurt anyone's feelings", but honestly, you shouldn't feel bad about it. After all, it's your money! Holding on to mediocre (or worse) advice is just not smart for your financial future.

Do It Yourself—It is not uncommon for clients to have an emotional tie to an old stock position. Perhaps it was gifted from a parent or maybe you had a lot of shares from a former employer?

We have others who want to keep a stash of "gambling" money for their next hot stock pick. Like going to a casino, this can provide temporary entertainment, but with annual account fees and trading costs (which we cover for clients), it's probably not a money-making proposition.

If you really want to hold some assets off to the side, we suggest that they not represent more than 5% of your investable worth. Keep your "play money" outside of your financial plan at The GenWealth Group, so we can focus on the serious stuff.



The GenWealth Group is a Registered Investment Advisor (RIA) offering fee-based investment advice. This registration does not imply a certain level of skill or training. The GenWealth Group Inc. has selected Charles Schwab & Co., as primary custodian for our clients' accounts

These materials have been independently produced by The GenWealth Group, Inc. The GenWealth Group Inc. is independent of, and has no affiliation with, Charles Schwab & Co., Inc. or any of its affiliates ("Schwab"). Schwab is a registered broker-dealer and member SIPC. Schwab has not created, supplied, licensed, endorsed, or otherwise sanctioned these materials nor has Schwab independently verified any of the information in them. The GenWealth Group Inc. provides you with investment advice, while Schwab maintains custody of your assets in a brokerage account and will effect transactions for your account on your instruction. The opinions voiced in this material are for general information only and are not intended to provide advice or recommendations for any individual. Investments in securities markets involve risk, including loss of principal. Nothing provided herein constitutes tax advice. Individuals should seek the advice of their own tax advisor for specific information regarding tax consequences of investments. This is not a recommendation nor an offer to sell (or solicitation of an offer to buy) securities in the United States or in any other jurisdiction. *Past performance is not indicative of future returns.*

Our Team:

Michael P. Leanza, CFP®

CERTIFIED FINANCIAL PLANNER™

Founder and President

Michael@thegenwealthgroup.com

Cherie Leanza

Co-Founder, Vice President, Marketing

Cherie@thegenwealthgroup.com

Kimberly DiBlasi

Director, Client Service

Kimberly@thegenwealthgroup.com

Braden Schipke, CFP®

CERTIFIED FINANCIAL PLANNER™

Senior Financial Advisor

Braden@thegenwealthgroup.com

Kevin Worley

Associate Financial Planner

Kevin@thegenwealthgroup.com

Nicole Casella

Client Service Specialist

Nicole@thegenwealthgroup.com

Let's Talk About Trust

Kevin Worley, Associate Financial Planner

Let's talk about trust. Not the type of trust you have in your spouse or partner, but rather the use of a Trust Account. A trust can be a powerful estate and financial planning tool, that when properly executed, will allow you to precisely control your wealth both during your lifetime and long after you have passed.

Depending on your situation, you may want to consider setting up a trust to:

- Manage your assets if you become incapacitated
- Manage assets for a minor or special needs child
- Reduce your estate tax bill
- Distribute assets without the cost, time and publicity of probate
- Indicate how you want assets distributed and who will carry out your wishes

You can set up a trust to hold all types of assets, including bank accounts, real estate, securities, mutual fund shares, ETFs, limited partnerships, life insurance, and personal property.

While there are many types of trusts, the most common is a revocable living trust. It allows you to transfer ownership of assets from your name to the trust—while naming yourself the trustee.

After you establish the trust, you have the same access and control over your assets as before. You can buy, sell, trade, and move assets in and out of the trust. And you have the security of knowing your wishes will be carried out if something happens to you.

After your incapacity or death, your appointed **trustee** assumes control of the trust—paying taxes, managing assets, and making distributions to beneficiaries according to your wishes.

Arguably one of the most important decisions in creating a trust is who to name as trustee. A trustee must act in the best interest of both current and future beneficiaries, while at the same time, must administer the trust according to the trust document. They are tasked with keeping records, filing taxes, making distributions, and regularly communicating with the beneficiaries. Trustees are often family members, friends or even lawyers. While the job can be an honor, it can also be time-consuming, depending on family dynamics and the complexity of the trust.

However, corporate trustees offer unique value. A corporate trustee has professional knowledge that allows them to administer efficiently and effectively no matter the type of trust. Perhaps even more important is continuity and impartiality. Corporate trustees can manage a trust over multiple generations without risk of any family squabbles affecting the execution of the trust.

Charles Schwab Trust Company (CSTC) can act as your trustee while allowing The GenWealth Group to manage the assets within the trust in a seamless partnership. Along with other potential benefits (including state tax savings and investment flexibility) the CSTC could be just what you are looking for. Ask us if a corporate trustee is right for you.