



OF SOUTHWESTERN OHIO

February 2015

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FPA of Southwestern Ohio
4010 Executive Park Drive
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Cincinnati, OH 45241
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Upcoming Events

Wright State University LIFT Symposium

[Register Here Now!](#)

Wright State University and the FPA of Southwestern Ohio chapter have teamed up to offer advisors, accountants, and attorneys a seminar dedicated to critical financial planning topics. Paid attendees will be given access to our approved Ethics program to complete the FPA CE ethics test.

Where: Wright State University - Student Union

When: March 27, 2015

Cost: \$25 Student, \$100 Advisor Early Registration (\$125 after 3/1)

Cost Includes: Continental breakfast, CFP Board Approved Ethics Exam Online, Lunch, and after-event networking session.

Questions? Contact Sharon Wik at sharon.wik@wrightstate.edu or 937-775-3141

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Retirement Income Summit

May 4-5, 2015 - Westin Chicato River North

[Register Here Now!](#)

Developed by the editors of **InvestmentNews**, the 2015 Retirement Income Summit aims to illuminate the challenges and opportunities advisors face when generating, sustaining and protecting the clients' retirement income. This focused conference will give the more than 300 professionals in attendance unique and practical tools to navigate the economic, market and policy uncertainties that face their clients in or near retirement.

InvestmentNews has called on leaders from the worlds of investing, government and academia to share with advisors the latest thinking in retirement policy, behavioral finance, portfolio theory, demographics, insurance, Social Security, estate planning and taxation - which advisors can take back to their clients and put to work immediately.

[Click here](#) for detailed agenda, speakers list, and related information about the conference.

Our Mission Statement

The Financial Planning Association of Southwestern Ohio is the leadership advocacy organization that connects those who need, support and deliver professional financial planning in Cincinnati, Dayton, and Northern Kentucky.

We are here to help you grow your practice, share best practices, and foster the financial planning discipline in the region. We offer insightful customized educational opportunities, professional networking events, and organized community service activities to bolster the image of your practice and the industry. Please reference your FPA Membership in your advertising and encourage it among your peers. Logos

can be displayed in marketing materials.

February Chapter Meeting Recap!

50 members came together at the February chapter meeting to learn about "Robo Advisors". As we learned "Robo Advisors" is truly not a correct term, a better term is "Digital Advisors". In summary of the meeting, these services at this time are a minor threat to the industry but are a wake up call to encouraging the development and utilization of technology to aggregate account data, conduct virtual planning meetings, and being willing to give clients the ability to run scenarios. The early adopters of this technology are potentially the heirs to your current clients. All these services currently are not profitable and have very low level of assets. Over time and through consolidation, the technology that they develop will be more fully adopted and integrated by custodians and demanded by younger generations as an additional requirement in money management. It is important for advisors to adopt and use greater levels of technology to interact with clients and collect data in a timely efficient manner.



Many of these sites are aggregation sites that offer complex mathematical calculations about their ability to achieve goals and will choose simplistic asset allocation and tax strategies to help clients. But, over time, they will be able to do more complex tasks at a lower cost than a human advisor. Advisors need to provide a greater personal involvement dealing with the more complex long-term concerns, family issues, business succession, and longevity concerns that clients are concerned about. Talk to them about issues that are more than just investment performance - and math calculations. Ask them more personal questions and give unbiased advice.

June Chapter Meeting - Sue Denny, Social Security Administration

We are bringing back [Sue Denny](#) of the Social Security Administration for our June 9th chapter meeting at Rookwood to give a more advanced session on Social Security and Medicare planning issues. If you have particular questions that you want her to field or particular issues that you have clients dealing with, please send an email to admin@fpacinti.org with the details for Sue to prepare. Sue's goal, through these responses, is to address advanced topics associated with Social Security and Medicare planning.

FPA Membership Benefits:

A Benefit of Membership - Networking



The more people you know, the more opportunities you will have. Attend the Southwest Ohio FPA meetings and get acquainted with your peers. The March Symposium will be a great place to meet other planners from the area. Besides meeting 125 active planners, we are inviting 25 financial students from the area. This could be a time to meet your future employees.

Not comfortable with sharing your thoughts with a competitor in the same city? You have the entire organization to contact. With over 90 local chapters with 23,000 members, you

can connect with someone to share your thoughts. The FPA has many online discussion groups for this purpose.

The FPA Member Discount Program

The FPA Member Discount Program connects members with discounts on practice management products and services that more than cover the cost of the annual membership dues. Were you aware that you could save:

- 15-30% off financial planning software
- Up to 80% off office supplies and 22% off shipping services
- \$200 off valuation services
- 20-25% off tools such as e-signature and secure file sharing
- CFP® education discounts and scholarships
- 30% off hosting and design services for websites

National Financial Planning Membership Discount Guide has been updated. Please find the guide [here](#).

Professional Insight

Estate Tax Tips for Wealthy Clients

(excerpt - see entire article at [Financial Planning Magazine](#))

Only a tiny number of estates owed any estate tax at all in 2012, due to an individual exemption of \$5 million - up from \$675,000 just 12 years earlier. But that doesn't mean the IRS ignored the returns.

Taxpayers filed 9,404 returns in 2012 for estates worth less than \$5 million, that year's individual exemption. The IRS audited 1,362 of those returns - a 14.5% audit rate - and recommended collecting an average additional tax of \$85,718 per return.

But bigger estates drew more scrutiny. For estates worth between \$5 million and \$10 million, the IRS audited 58.6% of returns and determined that heirs still owed an average of \$105,388 per return, in addition to taxes already paid.

And while there were just 937 returns that year for estates worth more than \$10 million, the IRS actually conducted 1,087 audits, going over returns repeatedly - and, on average, asked heirs for an additional \$819,243 per return.

The lesson: The higher a client's worth, the more important it is to create an estate plan that can withstand careful scrutiny. For wealth clients, a solid estate plan can offer tax benefits via strategies that work to reduce estate value, shelter estate value and shift future appreciation - between now and the second spouse's death - out of the estate. Learn more at [Financial Planning Magazine](#).

Professional Insight

46% of Planners Have No Retirement Plan, FPA Finds

by Ann March December 12, 2013 (excerpt - see entire article at [Financial Planning Magazine](#))

Based on insight from the excerpted article, you can create a competitive advantage for yourself and your practice by creating your personal retirement, succession, estate, and business plan and be willing to show to clients as proof that you follow your own advice. Encourage a prospect to ask their current advisor about their own completed planning so they know if the advisor follows their own advice?

Encourage team members to have updated financial plans and estate planning documents. You ask clients to provide honest disclosure, should they expect their advisor to do the same?

...When it comes to taking care of their own finances, it turns out that planners aren't much better than their clients. Almost half (46%) of all the nearly 2,400 planners who participated in a [new study](#) this year say they have no retirement plan. Another half say they have not written a business plan for themselves, while 75% have no succession plan for their firm.

The findings are part of the inaugural study of the FPA Research and Practice Institute, which seeks to provide deep, tactical findings for practitioners, says Julie Littlechild, founder of the Advisor Impact, the new York-based research firm that conducted the study in partnership with the FPA.

FINDING THE GAPS

"We just asked a very broad range of questions of advisors," Littlechild says. "We dug in to ask, 'Where are the gaps?' [The answers] will form the basis of some more quarterly studies on an ongoing basis" from the institute.

Even among those advisors age 65 or older, only 41% said they have a succession plan, the survey found.

Lauren Schadle, the FPA's executive director and chief executive, suggested that the shortfalls might be due simply to a lack of time. "In any business, your chief priority is to serve your clients and customers. Unfortunately, that often means sacrificing your own well-being," she said in a statement. "What is encouraging is that our study revealed that younger advisorys (those under age 40) are more likely to have a written business plan (61%) than older advisors..."

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