Getting Organized

CASE STUDY

ALLODIUM
INVESTMENT CONSULTANTS

Challenge

Daniel and Denise were one year away from retirement, with their investment assets spread over fifteen different investment accounts. Although they had accumulated a significant amount of financial assets, they were feeling anxious and uncertain because they didn't have an overall financial plan or investment strategy. They came to Allodium for financial advice. After carefully analyzing their investments, we found that even though they held assets at many different firms, most of their accounts were invested in the same two or three asset classes. There was a lot of overlap and not much diversification. Daniel and Denise were also unclear about the transition from the accumulation phase of life to the distribution phase, and how to plan for that change. They wanted to know how their investments could provide a monthly check to pay for their household expenses in their retirement years.

Recommendation

After a series of meetings to learn more about their financial goals, we provided them with a written financial plan and comprehensive investment strategy. Their plan included specific recommendations for financial planning areas such as maximizing Social Security benefits, estate planning, charitable giving, and specific strategies to reduce their income tax bill. We suggested consolidating the number of their investment accounts from fifteen to four. We demonstrated that by aligning their investment strategy with their financial plan, we could increase their probability of success, while reducing their investment risk through added diversification.

Result

Daniel and Denise accepted our recommendations. They told us that they felt much more confident and relaxed about entering the next phase of their lives with increased financial clarity. A year later, Daniel and Denise were thoroughly enjoying their retirement with the peace of mind that comes from developing a solid financial plan for the future and delegating the investment management to professional advisors.