

WEALTH MANAGEMENT



Holistic planning: Why the “total balance sheet” approach wins

By Lauren O’Donnell

For decades, wealth management was largely defined by investment performance. Today, we believe that narrow lens is no longer sufficient. In an increasingly complex financial landscape, true wealth management requires a comprehensive view – one that integrates every component of a client’s financial life. This is where the “total balance sheet” approach delivers a distinct advantage.

Rather than managing investments in isolation, a total balance sheet framework considers assets, liabilities, income streams, tax exposure, insurance coverage and estate structures as interconnected elements. Each decision – whether it’s reallocating a portfolio, refinancing debt or gifting assets – can have ripple effects across the broader financial picture. Without coordination, opportunities are missed and risks can compound.

For example, an investment strategy that appears sound on a pre-tax basis may ultimately underperform once tax implications are considered. Similarly, excessive cash holdings may reflect not conservatism, but a lack of integration between investment and lending strategies. Even estate plans, when not aligned with asset allocation and

beneficiary structures, can unintentionally erode generational wealth.

A holistic approach replaces fragmentation with intentional alignment. Investments are structured with tax efficiency in mind. Insurance is used not just for preservation, but as a strategic tool for liquidity and legacy planning. Lending is optimized to enhance flexibility rather than constrain it. Estate strategies are coordinated to preserve and transfer wealth efficiently.

This model also strengthens the advisor-client relationship. Clients can gain clarity and confidence of how each decision supports their long-term objectives.

In a world where complexity is the norm, we at Wells Fargo Advisors believe that the advisors who succeed will be those who move beyond siloed advice. The total balance sheet approach delivers better outcomes and a more complete definition of wealth itself.



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Defective or perfect? Intentionally Defective Grantor Trusts in succession planning

By Jen Eschedor

Something labeled “defective” usually does not work properly. The Intentionally “Defective” Grantor Trust, or IDGT, however, is a proven workhorse for tax-efficient business succession planning. A carefully planned and executed IDGT transaction enables business owners to transfer significant value in trust for the benefit of younger generations, with remarkable tax efficiency, while retaining control over the business. Two seemingly contradictory tax attributes of the IDGT underlie its tax efficiency.

For federal income tax purposes, the IDGT is treated as owned by the person who created it (the “grantor”). The

grantor, as “owner,” is required to pay the income tax on income earned by the IDGT’s property. The practical effect of each income tax payment is a tax-free gift to the IDGT. Trusts pay income tax at the highest marginal rate (37%, not including the net investment tax) as soon as taxable income exceeds \$15,650, so each “tax-free gift” may be substantial.

In contrast, the property held in the IDGT is not treated as owned by the grantor for federal estate tax purposes. Because the grantor is not the “owner” of the IDGT property for estate tax purposes, no estate tax is paid on the value of the IDGT’s property at the grantor’s death (a 40% savings). The synergy of the income tax and estate tax attributes of the IDGT increases

the estate tax savings. The grantor reduces his taxable estate by paying the IDGT’s income tax liability with property that would be subject to estate tax at his death, which payments effectively increase the value of property not subject to estate tax, the IDGT.

The IDGT transaction is a powerful planning tool. Is it perfect? No – but maybe close.



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Smart questions to ask before choosing a financial advisor

By Frank P. Sudal, CFP®

Choosing a financial advisor is an important financial decision, and asking the right questions can make all the difference.

Start with experience. Has the advisor guided clients through major downturns like 2008? Real-world experience matters when markets become volatile and emotions can lead to costly decisions. Next, look at credentials. Designations such as CFP® (financial planning) and CFA® (investment management) reflect rigorous education, testing and a commitment to ethical standards.

It is also important to ask whether the advisor acts as a fiduciary at all times, meaning they are legally required to put your interests first. Not all advisors operate under this standard, so clarity here is essential.

From there, focus on services. A strong advisor should provide both investment management and comprehensive financial planning, including retirement and estate considerations. If your situation involves legacy planning, it may help to work



with a firm that supports trust administration and estate settlement. A corporate trustee can provide oversight to help ensure assets are managed and distributed according to your wishes, including support for trusts, charitable entities and specialized arrangements such as guardianship or special needs planning.

Transparency matters. Ask for a clear fee schedule and understand how the advisor is compensated. Also consider fit, including who they typically work with and how often you will communicate.

Before making a decision, verify the advisor’s background using FINRA BrokerCheck and the U.S. Securities and Exchange Commission Investment Adviser Public Disclosure database.

If you would like to learn more or discuss your situation, you are welcome to connect with Civista Wealth Management for a complimentary consultation.

This material is for informational purposes only and should not be considered investment, tax or legal advice. Individual circumstances may vary.



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