



# Financial Planning Roundtable

**TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS – HOUSTON CHAPTER  
2020 TAX EXPO**

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# Discussion Topics

- I. What is Financial Planning?
- II. Financial Planning Process
  - A. Gathering Data
  - B. Identifying Goals
  - C. Analysis of Information
  - D. Creation and Implementation of Plan
  - E. Monitoring and Updating Plan
- III. Additional Considerations
  - A. Life Insurance
  - B. Estate / Wealth Transfer Planning
  - C. Next Generation Issues
  - D. Weathering the Storm

# WHAT IS FINANCIAL PLANNING?

- I. Budgeting
- II. Cash Flow Planning
- III. Retirement Planning / Sufficiency Analysis
- IV. Employee Benefits Planning
- V. Insurance Planning
- VI. Estate Planning / Wealth Transfer Planning
- VII. Education Funding Planning
- VIII. Investment Analysis
- IX. All of the Above?

# Financial Planning Process

## PRACTICE STANDARDS

- I. Understanding the Client's Personal and Financial Circumstances
- II. Identifying and Selecting Goals
- III. Analyzing the Client's Current Course of Action and Potential Alternative Course(s) of Action
- IV. Developing the Financial Planning Recommendation(s)
- V. Presenting the Financial Planning Recommendation(s)
- VI. Implementing the Financial Planning Recommendation(s)
- VII. Monitoring Progress and Updating

**Code of Ethics and Standards of Conduct, CFP Board, 10/1/2019**

# Financial Planning Process

## CLIENT'S PERSONAL AND FINANCIAL CIRCUMSTANCES

- I. Request Information
- II. Interview the Client
- III. Work with Outside Advisors

# Financial Planning Process

## SAMPLE INFORMATION REQUEST

### BASIC:

- 1) Copies of your latest non-Northern Trust financial statements (investment accounts, banking accounts, retirement accounts, etc.). If a recent statement is not available for an account, an estimated value is sufficient.
- 2) A list of personal assets (home, etc.), including estimated market value and any liabilities, such as a mortgage.
- 3) Any other assets or liabilities (business, investment real estate, partnership interests, lines of credit, etc.).
- 4) Salary and other compensation or cash inflows listed by amount and timeframe, as well as any anticipated changes in the future.
- 5) Estimated annual spending and any changes anticipated in the future. Do not include any federal or state income tax payments, as we will account for this separately. Please break out your annual spending into the following four categories:
  1. Core Lifestyle Spending: Annual minimum cost to maintain your household
  2. Discretionary Lifestyle Spending: vacations, travel, future purchases (home, cars)
  3. Philanthropy: annual or one-time gifts to community or charitable organizations
  4. Family Spending: education, annual gifting, supplemental income for all family members you are planning to support financially

### ADVANCED:

- 6) Current Last Wills, list and details of any trusts that have been created/funded
- 7) List and details of any existing life insurance policies; complimentary review through 3<sup>rd</sup> party agent available
- 8) List and details of any existing property and casualty insurance (home, auto, umbrella, jewelry, etc.); complimentary review through 3<sup>rd</sup> party agent available
- 9) Printout of social security benefits; can be obtained online from [www.ssa.gov](http://www.ssa.gov)

# Financial Planning Process

## IDENTIFYING AND SELECTING GOALS

- I. Core / Lifestyle Goals
- II. Discretionary Goals
- III. Family Goals
- IV. Charitable Goals
- V. Create “What If” Scenarios
- VI. When to Fund
- VII. How to Fund

# Financial Planning Process

## ANALYZING CURRENT AND POTENTIAL COURSES OF ACTION

- I. Comparison of Goals to Potential Outcome
- II. Discounted Present Value Analysis
- III. Monte Carlo Analysis
- IV. Dynamic vs. Static Asset Allocation

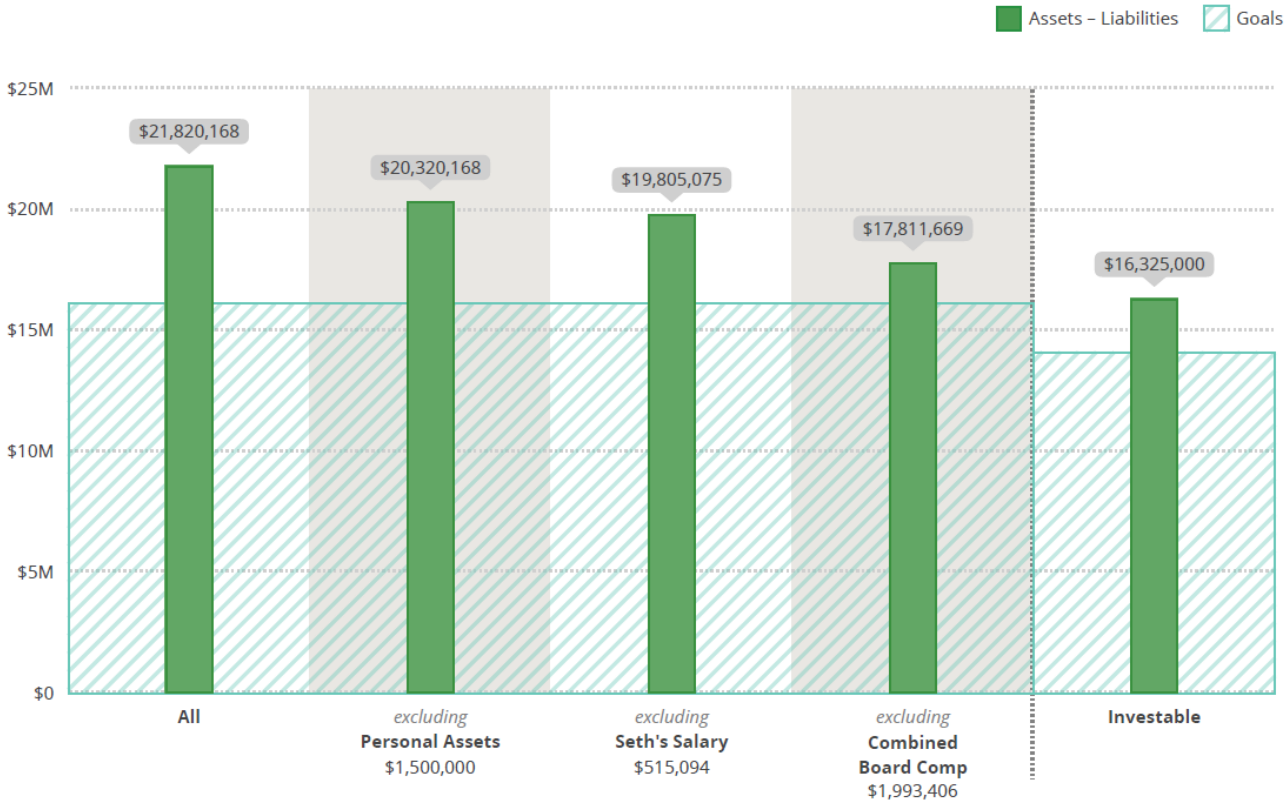


# Financial Planning Process

## ANALYZING CURRENT AND POTENTIAL COURSES OF ACTION

Asset Scenarios *overview*

Northern Trust | Rose and Seth Brown | 1/3/20

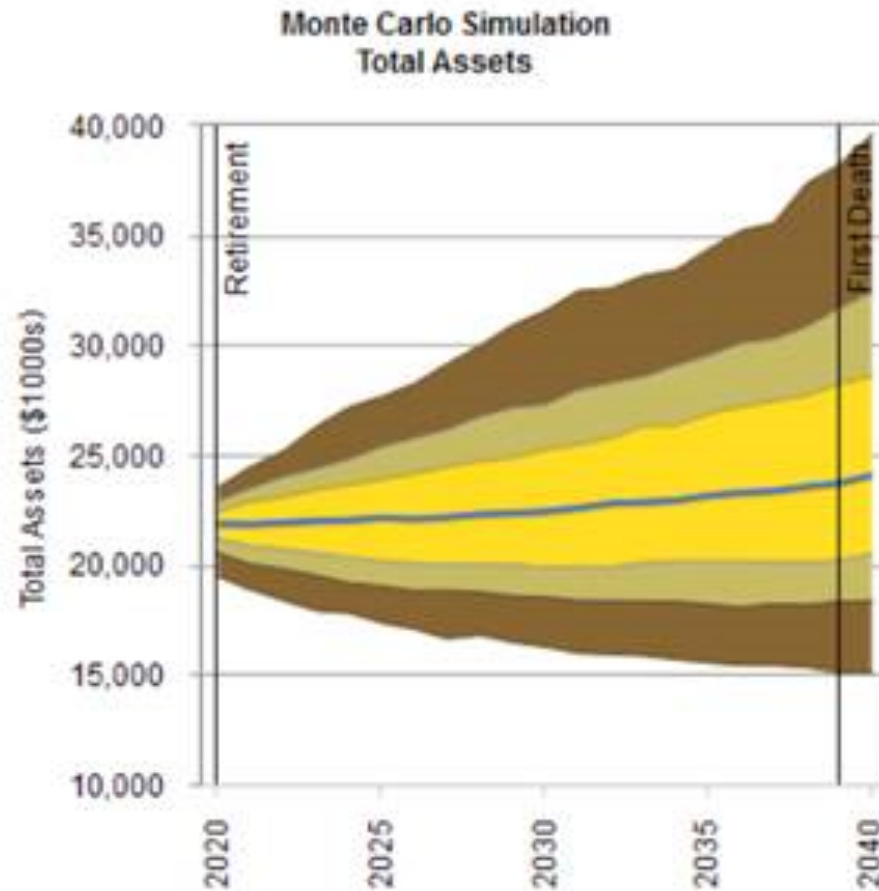


See "Important Information Regarding Hypothetical Projections." The return assumptions used in the Goals Driven Investing process are based on historical data and results do not reflect actual investment results and are not guarantees of future results. There are risks involved with investing, including possible loss of principal. Northern Trust makes no warranty, express or implied, as to the future performance or benefits of a portfolio modeled and managed in accordance with the Goals Driven Investing process. The process is dependent, in part, on values provided by clients which have not been independently verified.  
NOT FDIC INSURED/NO BANK GUARANTEE/MAY LOSE VALUE

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# Financial Planning Process

## ANALYZING CURRENT AND POTENTIAL COURSES OF ACTION



# Financial Planning Process

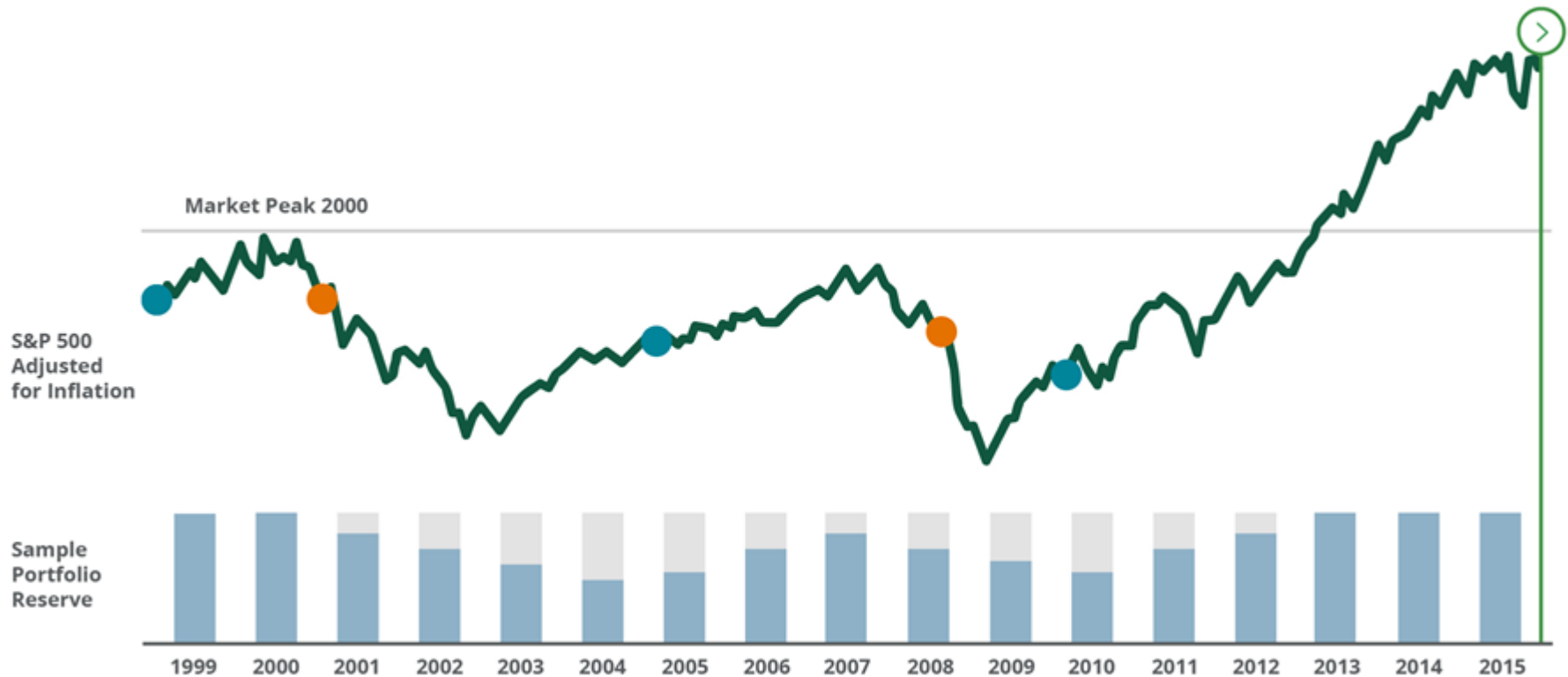
## DEVELOPING RECOMMENDATIONS

- I. Portfolio Construction
- II. Risk Management
- III. Asset Allocation
- IV. Asset Location
- V. Generational Assets
- VI. Tax Considerations / Basis

# Financial Planning Process

## ANALYZING CURRENT AND POTENTIAL COURSES OF ACTION

### Risk Mitigation Through Portfolio Construction



# Financial Planning Process

## PRESENTING RECOMMENDATIONS

- I. Recommendations Should Be Presented
- II. Include Information Considered in Process
- III. Include Limiting Conditions
- IV. Best Practices

# Financial Planning Process

## IMPLEMENTING RECOMMENDATIONS

- I. May Need to Bring in Other Professionals
- II. Address Responsibilities
- III. Implementation of Portfolio

# Financial Planning Process

## MONITORING

- I. Not a Static Process
- II. Do Not Set It and Forget It
- III. Establish Standards for Continuing Responsibility
- IV. Regularly Revisit Process
- V. Pay Attention to Life Events

# Continuing the Conversation

## ADDITIONAL FINANCIAL PLANNING CONSIDERATIONS

- I. Insurance Review (Life, P&C)
- II. Employee Benefits & Compensation Plans
- III. Understanding the Estate Plan
- IV. Developing and Implementing a Wealth Transfer Plan
- V. Charitable Considerations
- VI. Family Governance / Mission Statements
- VII. Passing Values to the Next Generation
- VIII. Troubleshooting / Staying the Course



# Final Thoughts and Questions?

# ABOUT THE PRESENTERS

**Nolan A. Moullé, III** is a Senior Vice President and Senior Wealth Advisor with The Northern Trust Company. In this capacity, Nolan provides insight and guidance on wealth planning and tax issues of interest to clients, their businesses, and their advisors. He has a particular affinity for advising clients with closely held business interests. Nolan is Board Certified in Estate Planning and Probate Law by the Texas Board of Legal Specialization. He earned a Bachelor of Science degree in Accounting and Finance from Louisiana State University, a Juris Doctor degree, magna cum laude, from Tulane University Law School, and an LL.M. in Taxation from New York University School of Law.

**J. Adam Brennen** is a Regional Director and Senior Client Advisor for The Northern Trust Company in Houston, Texas where he works comprehensively with highly successful families in their wealth plans providing guidance on topics that included tax strategies and planning, portfolio management, risk management and asset protection, charitable giving, estate planning and wealth transfer, family business planning, and business succession planning. Adam has earned the CERTIFIED FINANCIAL PLANNER™, Certified Private Wealth Advisor®, and Certified Wealth Strategist® designations. In addition, Adam has completed post graduate studies from the University Of Chicago Booth School Of Business, Rice University, and Cannon Financial Institute. He received his MBA from Texas Tech University and graduated Summa Cum Laude from Abilene Christian University with a degree in Finance where he was also a University Scholar.

**Freddy Garza**, CFP®, CPA is a Vice President and Wealth Advisor at The Northern Trust Company. Freddy performs comprehensive life-driven wealth management and financial planning services for ultra-high net worth individuals, families and closely held businesses. Freddy advises on diversified asset management across all asset classes, goals-driven investing, tax efficiency planning, lifetime gift and estate planning, insurance sufficiency analysis, and business succession planning. Freddy received his B.B.A. in Accountancy from the University of Notre Dame, a Masters in Public Accountancy from The University of Texas at Austin, and an M.B.A in Finance from DePaul University in Chicago, IL.

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