



Case Study | Have you faced a wealth crisis?

Carl and Virginia

Problem

Carl and Virginia are 71 and 68. They lost 40% of their wealth in the 2008 financial crisis, which is why Carl is still working. Carl owns his own business and is in the process of selling it. Carl has been saving his wealth in IRS tax-deferred plans, some real estate and reinvesting a lot of capital into his business. He is tired and Virginia wants him to retire so they can enjoy the years they have left together. Carl keeps “working the numbers” realizing they are going to live a lifestyle lower than the one to which they have been accustomed. So he keeps working.

Consequences

Aside from the obvious problem of working well into his 70’s, Carl has a lot of worry and stress about their future retirement years. What if the market drops again? What if his business doesn’t sell right away or for what it’s worth? What if either he or Virginia get sick? Carl keeps grasping for answers and comes up empty-handed. So he keeps working.

Solution

I met Carl through a networking group. I shared with him a strategy based on the US tax code where he can reposition his wealth to avoid significant taxes down the road. He had never heard of the strategy and was very skeptical. Once we showed him a comparison of his future spendable cash flow versus his current asset spend-down plan, he really got excited. Carl is now aggressively moving forward with the sale of his business and knows exactly where to build his wealth from now on. The stress and worry are gone and now Carl and Virginia can enjoy the life they always dreamed of.

Tax Diversification Strategies