

WORTH A REED

Second Quarter 2025



What is a “Wealth Manager”?

Amanda Lisachenko, President

There have been many trendy terms to describe our firm’s business. Currently most individuals would say we are “wealth managers.” But what is that supposed to really mean?

Wealth management - a high-level professional service that combines financial and investment advice, accounting and tax services, retirement, and estate planning.

That definition is close to what we do but the word “service” seems a bit cold to me. Really, we are building relationships with clients that go further than just the cut and dryness of numbers.

Many times, when we meet with someone there is change going on in their lives and sometimes it is significant. We cannot create the needed peace of mind with just projections, spreadsheets, and income calculations. The net we cast must be much wider than that. We must listen and find out what the client's real concerns are and see how we can help. Many of these things are not in the definition above.

Life insurance can be a critical piece of an overall plan especially when there's a mortgage, single earner household, children or other types of debt. Most of the time for need based coverage we suggest term life insurance because clients can get the most amount of coverage with the least expense during the time that it is needed. If the desire is to leave more of an inheritance to their heirs there are other policy options. But most of the time it is purely needs based.

Long-term Care Insurance can play a key role in protecting the clients’ nest egg. The goal of long-term care insurance is not to pay for the entire cost of care but rather to offset it. By doing this it helps to leave a larger portion of the nest egg to take care of the second spouse or pass along to the beneficiaries. It also helps with the coordination of care for the policy owner whether it is home, assisted or full nursing care.

Education Planning - Funding education for children can be extremely costly. To cover 100% of a child's four-year degree at a State University, the parents will need to start saving approximately \$500 per month from birth.

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Why Proper Beneficiaries and Estate Documents Matter More Than You Think

Janet Edwards, Director of Client Relations

At our firm, one of our primary responsibilities is helping clients avoid the delays and costs of probate through smart, proactive planning. The cornerstone of this effort? Making sure your accounts are properly titled and your beneficiary designations are up to date.

Beneficiaries: Your First Line of Defense

Think of beneficiary designations as your first and most effective tool in estate planning. When accounts like IRAs, life insurance policies, and transfer-on-death (TOD) accounts are correctly designated, those assets pass directly to your chosen individuals—without needing to go through probate.

That's why it's critical to review:

- Retirement account beneficiaries
- Life insurance policies
- Bank and investment account titling
- TOD (Transfer on Death) or POD (Payable on Death) designations



If these are not properly updated, your estate plan could fail—no matter how perfect your will is.

The Essential Estate Planning Documents

While proper titling and beneficiary planning can help bypass probate entirely, every well-rounded estate plan should include the following core legal documents:

- Last Will and Testament: Acts as a back-up plan for anything not already titled or assigned via beneficiary.
- Durable Power of Attorney: Gives legal authority to manage your financial matters if you can't.
- Healthcare Power of Attorney: Allows someone you trust to make medical decisions if you're incapacitated.
- Living Will (Advance Directive): Outlines your preferences for end-of-life care.

Ideally, your estate should be designed so that your will is never even needed; that's how we know your plan is truly efficient.

When to Consider a Trust

Many families can avoid probate with proper beneficiary planning alone (and in many cases a trust is not needed), but there are situations where a revocable living trust offers unique advantages:

- You own property in multiple states.
- You have minor children or special needs dependents.
- You want to control how and when your heirs receive assets.
- You prefer greater privacy (trusts are not public records).
- You want to streamline the process for your loved ones.

Trusts can be particularly useful for ensuring a smooth transition of wealth while giving you control and flexibility during your lifetime.

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What is a “Wealth Manager”? (Continued)

This figure is the starting point that will lead to further discussions. What percentage of the cost do you want to cover? What about Graduate School? Is private school desired? If so, more savings will be needed. Our goal is to get these conversations started early, because 18 years will go by quickly.

Generational Planning - This has become a big part of our business. We have clients that will eventually encourage their parents, children and even grandchildren to have conversations with us. These multi-generational relationships allow us to see the impact our planning can have on our clients’ families. We assist with putting children through college, buying their first homes (and second), marriages, retirement, helping with aging parents, divorces and even planning funerals. These deep relationships we have with our clients make these life-changing events easier and simpler for all involved.

We offer so much more outside of the normal numbers and figures. We encourage you to contact our team to work together to handle these other aspects of wealth management. Our team gets the most fulfillment from assisting in these areas and watching our clients benefit and succeed. ■

Why Proper Beneficiaries and Estate Documents Matter More Than You Think (Continued)

Our Role: Planning with Precision

At the end of the day, estate planning is about getting the details right - and we’re here to help you do exactly that. Our goal is simple: to ensure your accounts, documents, and designations are all aligned, so your estate transfers efficiently, privately, and according to your wishes.

If you haven’t reviewed your beneficiaries or estate documents in the last year - or if life has changed recently (a birth, death, marriage, divorce, retirement) - now is the time to reach out.

Let us help you keep your plan in sync and your legacy on track. ■



Volunteer Day at the Holden Arboretum

Troy Hammer, Operations Manager

In June, Reed Financial employees joined several clients to volunteer at the Holden Arboretum. Located about 30 minutes east of Cleveland, the Holden Arboretum sits on over 3,600 acres and is the 12th largest public garden in the country. Annually, more than 350,000 visitors come to enjoy their gardens, trails, lakes and immersive experiences, including the Murch Canopy Walk and Kalberer Emergent Tower. The RFS team and clients spent the day in the Rhododendron Discovery Garden helping to weed and edge several flower beds. It was a rewarding day, even if only making a small contribution towards the beauty of the gardens. For more information on visiting or volunteering at the Holden Arboretum, please visit their website at www.holdenfg.org. ■

Ohio Ranks 27th in Financial Knowledge Survey



The FINRA Investor Education Foundation conducted a financial knowledge quiz of more than 25,500 adults in the U.S. The quiz included seven questions related to economics and finance questions encountered in everyday life. In the top-ranking states, more than a third of the respondents answered 5 or more of the seven questions correctly, compared to less than 20 percent in the lowest ranking states. Ohio came in at number 27, with 28.29% answering 5 or more questions correctly. The top state was Minnesota at 34.78%, while Louisiana came in last at 18.14%. Want to test your financial knowledge? Visit the FINRA Foundations website at https://www.finra.org/financial_knowledge_quiz. ■

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Maintaining Perspective Over Time

Evan Watson, Investment Manager

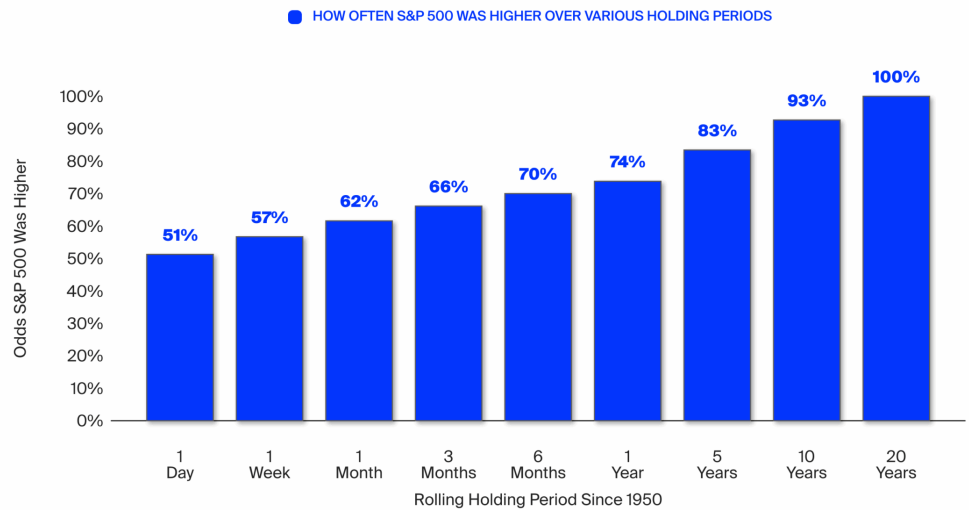
While being creative and coming up with your own ideas is important, knowing a good idea when you see one is too. Recently, I saw one of those good ideas in an explanation of market risk. In the investment advice space, you will often see a chart that shows how the long-term works in your favor. Whether that is a chart that shows the average returns for a portfolio or a chart that shows how the probability of markets being higher over specified periods of time improves the longer the time horizon like this one (on the right):

In either case, the goal of the chart¹ is to illustrate that while there may be some volatility in the short-run, over the long-run markets are beneficial. Now this isn't the good idea that I mentioned at the outset, as this has been commonplace conversation for decades. The good idea was this chart (lower right):

This chart¹ reframes the whole conversation to one centered around risk rather than return. This illustrates while the probability of making gains in the market improves over time, it is not going to be an easy path. The more time that you are invested in the market, the higher the probability that you will experience a bear market. A bear market is defined as a drawdown of 20% or more. Now this will come as no surprise to anyone who has been invested for some time but is something that is often forgotten in good market times. Keeping the perspective that while long-term investing can help you achieve market goals, understanding that markets do have periods of risk can help in conversations around allocations, investment goals, and how to manage through bear markets. ■

Historically, Odds of Gains Increase with Holding Period

How Often S&P 500 Was Higher Over Various Holding Periods
Since 1950

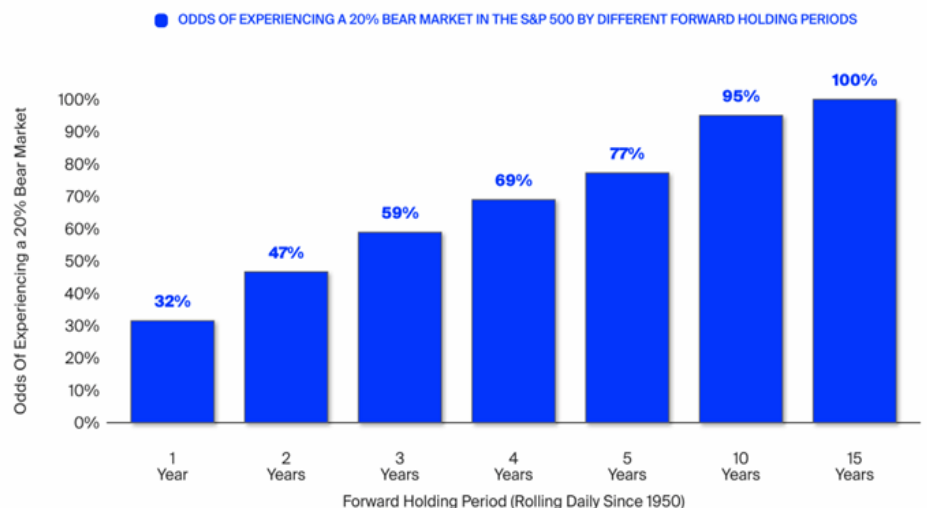


Source: © Exhibit A, FactSet Research Systems Inc., Standard & Poor's | Latest: 2025-05-29

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Odds of Experiencing a Bear Market Increase by Holding Period

Historical Odds Of Experiencing a 20% Bear Market in the S&P 500 by Different Forward Holding Periods
Since 1950



Source: © Exhibit A, FactSet Research Systems Inc., Standard & Poor's | Latest: 2025-05-29

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**Happy
4th of July!**

Our office will be closed
on Friday, July 4th in
observance of the holiday.

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¹ Information regarding the charts was obtained from FactSet Research Systems and A Wealth of Common Sense, sources believed to be generally reliable. However, RFS has not independently verified such information, and makes no representation of its completeness. <https://awealthofcommonsense.com/2025/06/on-the-inevitability-of-bear-markets-2/>

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