A New View of Risk

Volatility unsettles even seasoned investors. Remembering why you invest provides perspective on the risks you take.
As the saying goes, if you don’t learn from history, you’re destined to repeat it. In this issue of Insights, we look at what history tells us about volatility as markets react to the U.S. presidential election, Britain’s decision to leave the European Union and more.

Political changes, economic events and personal life milestones can affect your financial situation now and into the future. This issue includes actionable insight to help you navigate these waters. Our cover story, “A New View of Risk” (page 6), outlines how to manage your fears in the face of market turbulence, while “When to Save, When to Spend” (page 4) helps investors make smart decisions about the cash portion of their portfolios. And in “One Marriage, Two Advisors?” (page 12), Danielle Crafton, Wealth Advisor at Regions Private Wealth Management, provides food for thought about whether to combine finances as well as financial guidance for couples who are tying the knot.

Inside, you’ll also find insight on how your wealth can fund your passion, whether it’s sports (“Sports as an Investment,” page 2), supporting higher education (“Endowing a University Chair,” page 3) or making the most out of a trip abroad (“Travel That Teaches,” page 1).

And speaking of passion, of which there has been no shortage in this year’s political campaigns, we’ll soon have a new president who will face key decisions regarding the U.S. economy and taxes. On page 3, we take a historical look at the tax legacy of four modern-era presidents.

We hope you enjoy this new issue of Insights. If you want to talk further about the articles in the magazine or any other topic, please reach out to your Wealth Advisor. As always, we appreciate the opportunity to serve you and your family.

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Move over, diamonds and sports cars. “Experience is the new definition of luxury,” says Daniel Levine, trends expert at the Avant-Guide Institute, a global travel consultancy. In fact, 83% of affluent Americans say they’d rather spend money on travel than on luxury items, according to the 2015 Survey of Affluence and Wealth co-produced by YouGov and Time Inc.

But not just any kind of travel. “Luxury travel is not so much about what you see when you are there, it is about what you keep when you go back home,” says Levine, who recently ventured to South Africa, where he assisted a veterinarian examining elephants. “Just going to watch animals is passé; you want to go and help out.”

Here are five ways today’s travelers get the most out of their experiences.

**Live it up—and learn.** In the YouGov/Time Inc. survey, 55% of respondents named “learning something new” as a major travel goal. Levine says hotels are building rooftop beekeeping operations and on-site chocolate-making labs where guests can learn how to make honey and gourmet chocolate.

**A family affair.** The survey found that 65% of respondents are passionate about spending quality time with family, and 55% say their last vacation was a family one. “From the moment a baby is born, you only have 16 summers before they start preferring their time with friends rather than you,” notes Steve Sims, founder of concierge services company The Bluefish.

**Venturing further.** Going somewhere new was cited by 60% of respondents as a goal for the coming year. In place of a traditional cruise, some families rent a canal boat and tour France’s waterways. “The canals go through people’s backyards—you’re really off the beaten path,” says Levine.

**Vetting the vacation.** According to Deloitte’s Travel Consumer 2015 report, 42% of those surveyed read online reviews before planning their last trip. Yet the sheer volume of online information can overwhelm. “We’re seeing a resurgence in travel agents,” reports Levine. Sometimes, he says, “you need a curator who can narrow things down for you.”

**Caring to share.** The only thing better than traveling is letting the world know what you did. In fact, 75% of millennials post status updates, pictures and videos of their trips to social networks, according to The G Brief, a consulting group. And travelers of all ages have become avid online videographers and reviewers of the places they’ve visited.

**55%**

Have a goal to learn something new while travelling.
The sun was setting over Plum Creek Golf Club in Carmel, Indiana, and Mike Irons was living out a dream: playing his own course. Irons, 60, bought the semi-private club (which offers memberships, but is open to the public) with a business partner in 2011. He also owns a major interest in a second golf course and invests in race horses. Whether he earns money or not, the retired surgical pathologist says, “the return on investment is fun.”

Getting educated. Similar opportunities abound for enthusiasts in many sports, says Ray Katz, a professor of sports business at New York’s Columbia University. Minor League Baseball is one option to consider, he says, because teams tend to produce steady revenue with low operating costs. (Major League parent teams pay the players’ salaries.) Others include professional rugby or lacrosse, where teams may cost a fraction of those in more established professional sports.

For investors, the thrill is the opportunity to be not just a fan but a working part of a sports operation. Yet as with any form of investing, the more you learn, the better your chances of success, Katz says. Study the financials of any investment and seek experienced partners as managers. The business side of sports “is much more complicated than you think,” he adds.

Taking care of essentials first. However carefully you choose, keep in mind that sports and other “aspirational” investments, such as art or antiques, are financially risky and are best made with money that you don’t depend on to cover living needs, says David L. Franklin, Portfolio Manager, Regions Asset Management. “You want to have the funds to maintain your lifestyle, and enhance it, down the road.” (For more on managing risk, see “A New View of Risk,” page 6).

Irons worked closely with Lisa Norman, his Regions Wealth Advisor, to create a financial strategy covering needs such as income for his current life and savings for a long retirement. While some horses Irons has invested in have won sizable purses and sold at a profit to breeding farms, having a solid strategy in place means he can enjoy the experience even if a horse, or one of the golf courses, loses money.

You want to have the funds to maintain your lifestyle, and enhance it, down the road.

“In the end,” says Norman, “we want to make sure clients are safe and secure, and are able to meet their goals.”

Back at Plum Creek, Irons played one last hole. On the 11th tee, he took a smooth swing with a 7 iron, launching the ball 148 yards to the green. By the time it stopped, Irons had achieved a “return” that won’t appear on any financial statement but will stay with him forever: his first-ever hole in one.
Endowing a University Chair
Your family’s philanthropy can create a professorship providing long-lasting support for education.

There are many ways to turn your passion for higher education into philanthropy—from donating to an annual fund to underwriting a building. But if you really want to have a lasting impact, consider endowing a faculty chair or professorship with a required contribution ranging from $500,000 to $2 million or more. “Buildings do occasionally come down,” says Bob Pierce, Vice President for Advancement at the University of Alabama. “An endowment is forever.” This gift helps universities attract high-caliber faculty by enhancing salaries or covering academic research and travel costs. “Long after you’re gone, there will still be a professor whose work has your name attached to it,” says Pierce.

For this approach, first think about where to make the endowment. “Is it your alma mater, a university that affects your community, or an institution engaged in research that interests you?” asks Marcie Braswell, Head of Endowments and Foundations at Regions Institutional Services. Ideally, your gift is a partnership serving your needs and those of the nonprofit. “Ask about their priorities,” Braswell suggests.

Next, determine how to fund the commitment. You could make a one-time gift, pledge payments over time, donate appreciated securities or plan a gift through your estate. Tax considerations could play a role. “Review your financial picture with your Wealth Advisor,” says Braswell. “It’s important to know how this gift fits into your overall plan.”

Once you’ve made some decisions, the process for establishing a chair or professorship should be straightforward. The University of Alabama, like most institutions, works with donors on a memorandum of agreement, outlining how the endowment will be applied and how funds can be used. While universities will incorporate many donor requests, Pierce tries to keep agreements flexible. “Let’s say a professor wanted to use money to create a website,” he says. “Thirty years ago there were no websites, so if an endowment set up then didn’t allow us to include that, we’d have a problem.”

However the agreement is structured, you’ll know that your generosity will extend far into the future. “Think about all of the students whose lives will be influenced by a professorship that carries your name,” says Pierce. “It’s off the charts.”

Presidential Tax Legacies
The next president will face key decisions about the U.S. economy and taxes. Here, Guian McKee of the University of Virginia’s Miller Center, which studies presidential history, discusses four modern-era presidents who, he says, significantly shaped U.S. tax policy.

<table>
<thead>
<tr>
<th>Lyndon B. Johnson</th>
<th>Ronald Reagan</th>
<th>George H.W. Bush</th>
<th>Bill Clinton</th>
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<td>Personal and corporate tax rates rose from the Great Depression through the postwar era. The top personal income tax bracket was 91% in 1963.</td>
<td>Reagan took office amid a recession, pledging to revive the economy through tax cuts and other means.</td>
<td>“After pledging ‘no new taxes,’ Bush took office and realized that the national budget deficit was too large,” says McKee.</td>
<td>Despite his predecessor’s efforts to control the deficit, Clinton faced a budget shortfall equal to 4.5% of gross domestic product (GDP).</td>
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<td>Johnson’s 1964 tax package cut the top marginal tax rate to 70% for individuals, and corporate tax rates dropped from 52% to 48%.</td>
<td>Reagan pushed tax cuts in 1981 and 1986. “The 1986 tax reforms closed loopholes, limiting the number of brackets and simplifying the system,” says McKee.</td>
<td>In 1990, Bush signed into law a number of marginal increases in tax rates.</td>
<td>In 1993, Clinton increased marginal tax rates, particularly for high-income earners, and hiked transportation and fuel taxes.</td>
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<td>“The initial effect was powerful,” says McKee. “The economy boomed, and tax revenue increased despite the cuts.”</td>
<td>“Reagan’s 1986 reforms accelerated a period of prosperity and strong growth, but with an increasing deficit,” says McKee.</td>
<td>The deficit began to decline within two years, but the president faced backlash for his reversal on tax increases.</td>
<td>The deficit disappeared and created a surplus of 2.3% of GDP. McKee notes. Meanwhile, the U.S. enjoyed an era of economic prosperity.</td>
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When to Save, When to Spend

Having more money doesn’t necessarily mean fewer concerns about what to do with it. These ideas can help you make smart choices about your assets and your future. • By C.J. Prince

Whether you accumulated your first million through entrepreneurial grit, career success or a family inheritance, new wealth can raise questions about how much you need to save and how much you can safely spend. Next come decisions about what to do with the portion you’re saving. You’ll invest some in stocks and bonds, but where are the best places to stow your cash?

THE BEAUTY OF SPENDING PLANS

First, come up with a working budget based on current income and expenses. As your wealth and earnings have grown, your expenses probably have too. Be sure to account for all monthly expenses, such as a new-car payment or the annual vacation splurge.

Also consider whether to take some of your earnings in stock options or restricted stock. Deferring compensation could be a good long-term strategy, says Adam Wilkinson, Wealth Advisor for Regions Private Wealth Management. But look at the impact of additional company stock on your investment portfolio. If it’s already concentrated, taking your salary in cash would enable you to choose from a wider array of investments to diversify your holdings. “This decision really depends on your current risk, how comfortable you are with that and how it affects your overall picture,” Wilkinson explains.

Another budgeting choice involves creating a cushion of available cash for unexpected outlays—whether it’s a new roof or helping aging parents meet large medical expenses. While there’s no magic number for how much cash to keep, you can try to compute your “sleep factor number,” suggests Wilkinson. “That’s the number that lets you sleep at night.”

The rule of thumb calls for having enough cash to cover six to 12 months of expenses, but your own comfort level could vary.

STAYING JUST LIQUID ENOUGH

The more cash you have, the less likely you’ll need to tap your portfolio for expenses, which can be undesirable for a couple of reasons. If the market is down, you could turn paper losses into real ones. And if you sell at a profit, you’ll likely incur capital gains taxes. In both cases, you’re making an investment decision based on something other than the fundamentals of a particular holding.

Yet keeping too much cash means you’ve consigned a large percentage of your savings to little or no growth. “That’s why it’s so important to determine what’s appropriate in your situation,” says Wilkinson.

You’ll probably want to keep the part of your cash that you consider a safety net readily available in a bank savings account, money market or certificates of deposit that restrict access for a specified period of months or years. “With CDs, you’re locking up your principal,” says Wilkinson. (For more about where to keep cash, see “Cash and Carry.”)

Still, the yield on savings accounts is virtually negligible, and there are more sophisticated tools when you get beyond emergency cash needs. Wilkinson suggests considering a bond ladder, which offers the relative
safety of fixed-income investments, while still providing steady cash flow—from interest payments as well as the proceeds from bonds reaching maturity.

To build your ladder, you might buy five bonds—ideally investment-grade securities—that will mature in one, three, five, seven and nine years. When each bond reaches maturity, you receive its full face value. You could use that cash, but to keep the ladder intact, you would reinvest the proceeds in another bond a step further out on the maturity spectrum. You’ll invest that amount at prevailing interest rates, and if rates have risen, your new bond will deliver more income than older holdings.

Another tool that offers predictable income is a portfolio of high-quality, dividend-paying stocks. Although dividend payments aren’t guaranteed, many companies have a record of making steady outlays for years and may increase the payments. There could be growth in share prices, too, although stocks may also lose value.

But stock dividends, as with interest from government and corporate bonds, are taxable, and especially if you are in the top two federal income tax brackets, you may want to consider municipal bonds. Interest from municipals is normally tax free, although these bonds typically pay lower rates of interest than you can get from taxable bonds. That’s a tradeoff that some people, even in lower brackets, accept to reduce their tax bill, says Wilkinson.

Keeping too much cash means you’ve consigned an overly large percentage of your savings to little or no growth.

A BROAD VIEW CAN HELP NARROW YOUR CHOICES
Income-generating investments give you added flexibility—you can always spend the cash from dividends or interest payments, although Wilkinson suggests automatically reinvesting that money unless you need it right away. You might use those payments to fund a life insurance policy, a retirement account or gifts to the next generation.

Wilkinson stresses the importance of weighing all of these options with your unique goals and risk tolerance in mind. He recalls one entrepreneur whose business generated a surplus of around $4 million annually. He could have taken more risk with that cash, investing it in stocks, but he felt that running his own business had inherent risks and he didn’t feel comfortable being aggressive with the excess cash. Instead, he worked with Wilkinson to create a portfolio emphasizing fixed-income investments.

Although the question of how much cash to save and how much to spend may seem simple, it depends on factors that may be complicated and very individual, Wilkinson says. “The right answers for you may be wrong for someone else,” he says. Working with your Wealth Advisor, you can create a customized wealth plan that takes into account your lifestyle and assets as well as your goals and appetite for risk. The result should be a savings plan that lets you spend without guilt and sleep well at night. ▲

Cash and Carry
Ready access to your funds usually means lower returns.

Bank savings accounts offer easy access and have the advantage of being insured for up to $250,000 by the Federal Deposit Insurance Corporation (FDIC) but pay very little interest.

Certificates of deposit (CDs), also FDIC insured, restrict access to your money for a specified period, but interest rates rise with the length of the term.

Money market mutual funds are composed of short-term securities, such as U.S. Treasury bills, CDs and commercial paper, and may offer higher interest rates. But fees can negate that extra return, and funds aren’t FDIC insured.

Money market deposit accounts invest in short-term corporate loans and CDs, and may pay slightly higher interest rates than those for savings accounts. Funds are FDIC insured.

Short-term government bond funds invest in U.S. Treasury bonds with maturities of one to four years. Yields are normally higher than other cash options, but fund values can fluctuate with interest rates and inflation. Funds are not FDIC insured.
A NEW VIEW OF RISK

Volatility unsettles even seasoned investors. Remembering why you invest provides perspective on the risks you take.

The day after Britain’s historic vote to leave the European Union in June (“Brexit”), selling by nervous investors battered global markets and drove a one-day decline of more than 600 points in the Dow Jones Industrial Average. At Regions investment headquarters in Birmingham, Alabama, the phones were surprisingly quiet, says Brian Sullivan, President and Chief Investment Officer of Regions Investment Management. When our portfolio managers called their clients to check on how they were holding up, “one of them answered the phone, ‘Are you calling to tell me to be calm? Okay, I got the message. I’m calm,’” Sullivan says with a laugh. “I guess our clients know us pretty well.”

Calm in the face of market turmoil is a precious and, too often, rare commodity. Studies show that investors who liquidate their holdings in response to market downturns may do more damage to their portfolios than those who stay invested through the periodic storms—an idea bolstered by new research by Alan McKnight, Chief Investment Officer for Regions Asset Management, in the wake of Brexit. (See “Opportunity Amid Disruption,” page 8). In other words, when market turmoil strikes, the best response may be to have a conversation with your Wealth Advisor, and to hold tight and follow your strategy.
Of course, that’s sometimes easier said than done. “If someone called us during a period of market volatility to say they really couldn’t sleep at night, our response wouldn’t be to advise them to sell,” says McKnight. “But we would take it as a sign that either they’ve lost sight of their goals or their portfolio isn’t positioned correctly for their risk tolerance. In either case, we’d want to take a step back and think about what adjustments need to be made going forward.”

Focusing on goals
One way to control fear over short-term market performance is to focus more on the underlying reason that you invest: the goals that you hope to achieve in your life. Measuring your progress toward real-life goals, such as the retirement you envision, or educating your kids or grandkids, may help ease concerns over daily fluctuations in financial markets.

Fine-tuning your focus starts with a conversation with your Wealth Advisor, addressing such questions as: What are the goals for your portfolio? What’s your time frame and risk tolerance for achieving each of them? If you have a low tolerance, you may want to scale back the risk you’re willing to take to reach your objective. At the same time, reducing risk may also mean adjusting your return expectations—scaling back the goal or using a portion of your savings to fund it. Each of these decisions involves tradeoffs, notes Brandon Thurber, Director of Regions Investment Research Group. “In investing there’s no free lunch.”

Categorizing your assets
Instead of thinking of your assets, and your risks, as a single portfolio, your Wealth Advisor can help you envision them in three risk-based categories to meet your various needs. The first, and shortest-term, category contains conservative, low-risk, liquid investments for relatively immediate daily living needs. The second consists of market investments such as stocks and bonds, aimed at achieving market-level performance and sustaining your wealth so that you can maintain your lifestyle after retirement. A third category would focus on aspirational goals that would enhance your lifestyle but aren’t essential to your living needs. This group might include executive stock options, concentrated stock options, single manager hedge funds or other assets with the opportunity for enhanced returns, along with greater risks.

Viewing your assets through this lens allows you to be more precise and disciplined in how you put your portfolio together, which should also help increase your discipline to see the strategy through. “Your Wealth Advisor can help you target risk levels, return objectives and time horizons by adjusting the balance between various types of more growth-oriented and defensive stocks and bonds of varying yields and maturity,” says Thurber.

“At a time when low bond yields can make it even trickier to strike the right balance between risk and return, you might consider certain liquid types of alternative investments to further diversify the risks posed by stocks, but with potentially higher payoffs than bonds,” he says.

After the appropriate allocations are

Opportunity Amid Disruption
Post-Brexit research by Regions underscores the potential benefits of sticking to your strategy in any climate.

After the Brexit vote, Alan McKnight, Chief Investment Officer for Regions Asset Management, says he had a “hunch.” As he watched markets swing up again after falling more than 3.5% in the two days immediately after the vote, he thought back to his experience with previous major downturns and wondered: Is it possible that the worst days for the markets actually usher in periods with higher returns than the periods following their best days?

McKnight and his team looked at two sets of numbers. For the first, they pulled all of the trading days from January 1988 through December 2015 with a 3.5% or worse negative return, and then averaged the market returns over the subsequent three, six and 12 months. Then they did the same for trading days with a 3.5% or greater positive return. Across the board, the periods immediately following major drops were significantly more bullish for stocks than the
identified, your Wealth Advisor may be able to pressure-test your strategy with a computer analysis that looks at how the assets might perform under various market conditions. The analysis might show, for example, what chance your aspirational portfolio has of reaching your target returns, based on historical data. Past performance is no guarantee of future results, but such exercises may help you feel more comfortable with the risks you choose to take. And they could help you gain the long-term perspective necessary to ride out temporary market volatility.

**Thinking like a professional investor**

Even when unsettling events roil the markets, such times usually call for careful analysis and measured response rather than precipitous selling, McKnight says. He points to the Brexit vote. If the worst predictions come to pass and other nations follow England’s lead, causing the European Union to unravel, “we’d have time for events to unfold,” he says. Investors would likely have months, if not years, to prepare. Moreover, European policymakers still have time and multiple routes to engineer a different outcome.

If temporary downturns seem frightening, keep in mind that seasoned professional investors often see things in the opposite light, as opportunities to consider adding to risk positions, McKnight notes. With a solid strategy in place, temporary drops in the market can look less like terrifying events and more like opportunities to purchase additional securities at attractive prices. And even as you develop strategies for weathering market downturns, keep in mind that it’s often not the down years, but the up ones that do more to push a portfolio out of its range. As valuations of certain investments become inflated relative to their historical norms, the careful mix of assets you constructed within your portfolios can fall out of balance. Periodic rebalancing (selling some assets and purchasing others) is an essential part of staying focused on your goals.

“When you overreact to uncertainty, it’s possible to make bad decisions,” says Thurber. “When you set up the right plan and stick to it, you increase your opportunity to do well. That’s what we always aim to do: Stick to the plan and look for opportunities.”

Talk to your Wealth Advisor about a Regions Wealth Assessment® to review whether your allocation and risk levels are current.
A Business Plan for Good Deeds

Knowing why and how to give helps ensure that your business philanthropy can benefit everyone—recipients, the community and your brand. • By Seth Kaufman

American companies donated $18.5 billion to charity in 2015, nearly 4% more than donations made in 2014, according to the National Philanthropic Trust. Though giving—whether through money, goods and services, or volunteering—is considered its own reward, it can also help a company strengthen ties to the community, improve employee morale and enhance its brand image, among other benefits.

At the same time, you and your company may feel besieged with requests that seem both overwhelming and hard to refuse. Establishing a philanthropic program you feel comfortable with takes some doing. “Corporate philanthropy is not one size fits all,” says Ann Forney, Director of Corporate Contributions at Regions Bank. “Each company should set its own guidelines and define what being a good corporate citizen means.” Here are some steps companies can consider.

ASSESS YOUR CURRENT GIVING

“The first question an organization should ask is, ‘How much are we giving today?’” says Rachel Hutchisson, Vice President of Corporate Citizenship and Philanthropy at Blackbaud, a cloud software company for nonprofits. Unfocused, undisciplined giving can become a distraction, she adds. “Most companies are so busy creating their business and keeping up with demand, they generally don’t think about a philanthropy plan until giving actually has become a problem.”

A clear sense of the money and time you and your employees are devoting to charity can help you determine whether you have the capacity to expand your giving or whether you should cut back—and where you need to draw the line.

CREATE A MISSION

Just as your company needs a mission statement, so, too, does your
can be easily supported through many of the corporate philanthropy channels, such as grant making and employee volunteers,” she adds. A committee of employees and company leaders may help establish a philanthropic mission that your whole company supports.

**SET A BUDGET**

Over the last 40 years, corporate giving as a percentage of pre-tax profits has averaged 1.1% in the U.S., according to the Giving USA Foundation. Whether that amount suits your company depends on many factors, including your financial situation, business demands and the level of enthusiasm in your company. If company-sponsored volunteering is something you support, how much staff time can you afford?

It serves as an internal guide for you and your employees and helps with the diplomacy of turning down requests from worthy organizations that fall outside of the mission’s scope.

Aggie Sweeney, Chair of the Giving USA Foundation, says companies considering their mission should ask themselves what they want to be known for and how their corporate philanthropy can enhance the brand.

“Selecting a mission-driven pursuit that is a logical extension of a company brand can be a win-win,” Forney says. For example, a company devoted to paper goods might direct its charity work to fighting deforestation. Another, more localized option might be to advocate recycling, which is a topic that company’s philanthropy program. It can serve as an internal guide for you and your employees and helps with the diplomacy of turning down requests from worthy organizations that fall outside of the mission’s scope.

While there’s no set rule for a philanthropy budget, Sweeney says, it’s easier to start modestly and increase gradually than to scale back an overly ambitious program. “Try not to have the investment in giving get too overwhelming,” she advises. “It’s important the program matches the level of enthusiasm.”

**PUBLICIZE YOUR POLICIES**

Once a company has defined its philanthropic mission, making people aware of your program guidelines is essential, Forney says. Nonprofits and fundraisers are never shy about approaching companies, so having your mission statement, as well as guidelines for requests, on the company website can help reduce the number of inquiries and make declining requests when necessary a little easier.

**CELEBRATE YOUR GIVING**

While modesty is certainly a virtue, spreading the word tells people you’re a company that cares and may encourage other companies to get involved.

Hutchisson says that when she first became involved in giving through her own company, she had to fight the temptation to downplay its efforts.

“We thought that might be bragging,” she says. “And, we wondered if some organizations we didn’t give to would be upset.” Over time, they came to realize “it’s much better to share the stories so our employees know what we did and the community where we live knows what we do.”

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**The Benefits of Philanthropy**

A philanthropic strategy that involves your employees may help you attract and retain the best team. More and more companies say that employee engagement is a crucial part of their philanthropy. According to a 2015 study by America’s Charities:

- **86%** of companies say their employees expect them to offer the chance to engage with the community
- **87%** say their employees expect them to support causes that matter to them
- **60%** of companies offer paid time off for employees to volunteer
- **28%** of companies (5,000 or fewer employees) offer matching programs for employee contributions
- **88%** say giving programs that engage employees help them attract and retain talent

Anyone who has forged a happy, lasting marriage will tell you: communication is crucial. One increasingly important topic for newly joined couples is whether or not to combine financial lives. Should you work with one financial advisor or two?

According to the U.S. Census Bureau, the median age at first marriage has never been higher (just shy of age 27 for women and 29 for men), which means many people enter marriage after already launching their careers and starting to invest for the future.

Decisions about how, or even whether, newlyweds should combine their investments—and this applies to second marriages too—should be made after an honest, wide-ranging discussion. Consider these questions as conversation starters.

1. **Is duplication worth the price?** One reason to combine investments is to avoid paying fees to two Wealth Advisors, especially if both provide similar services. If you decide each advisor brings something uniquely valuable to the table, you need to ensure that their advice doesn’t put you at odds with each other. If you and your new spouse are guided by two very different investment strategies—for example, one of you favors a very aggressive approach, while the other would prefer a much more conservative strategy—you may end up with an overall portfolio that serves neither of you well.

2. **What are the implications for taxes and estate planning?** Keeping investment accounts with separate advisors could mean missed opportunities for tax savings. For example, if one of you sells stocks and realizes a large capital gain that could then be offset by selling a losing position in the other’s portfolio. Additionally, with a joint portfolio, you would avoid duplicate holdings, which can lead to an overconcentration of stocks and higher risk.

3. **In what other situations does it make sense to keep finances separate?** If one or both of you own considerable assets, perhaps from an inheritance, there may be good reason to keep that money separate. Doing so could help protect you in case of divorce or if your spouse is sued or faces claims from business creditors. If this is a second marriage, it could make sense to maintain at least some separate accounts to pass along assets to a child from a first marriage.

4. **How will you choose a Wealth Advisor?** If you decide merging your lives should also mean combining your investments, selecting your new Wealth Advisor will involve asking candidates some of the same questions you did when you were single—ranging from investment philosophies and strategies to accessibility and fees. The most important consideration may be finding someone who really listens to what the two of you want to accomplish and can present an effective road map for achieving your goals and objectives.
The 10-Mile Dream
How one woman is making good on her vision for a green paradise in the heart of urban Miami. • By Logan Ward

Getting Started There’s no how-to manual for a project like this. I’m good at defining strategy, and as an entrepreneur I’m used to pivoting. But the most important thing is getting support from the right people. One is my father, Parker Thomson, an attorney and philanthropist who helped create the Miami Performing Arts Center. When Parker Thomson calls, people listen. I also brought on a treasurer. We landed our first grant, $10,000 from the Knight Foundation, to build a website and organize our first events. My architect daughter-in-law designed our first logo.

The Need Miami-Dade County is the fourth most dangerous place for walkers in America and the most hazardous locality for cyclists in the country’s most dangerous biking state. We also have gridlocked roads, so we need safer alternatives to cars. And we need more parks: Miami-Dade County has three acres of green space per thousand residents, compared to nearly 24 in Portland, Oregon. The Underline is 10 miles long, but really it’s just the beginning of a bicycle and pedestrian network in Miami.

Meg Daly’s “big idea” came in 2013 when she broke both arms in a bicycle accident and rode Miami’s elevated Metrorail to physical therapy. Walking the last leg in the shade under the Metrorail’s raised track, the marketing entrepreneur began to envision a linear public park, akin to the High Line on Manhattan’s West Side. Over three years, she marshaled allies to help turn her private dream into a public reality. Her nonprofit, Friends of The Underline, has already raised nearly $10 million of the estimated $100 million needed to create the 10-mile-long park. Her plan to break ground next year and complete the park in six to seven years sounds ambitious, but after sitting down with this doer and capturing her thoughts below, we wouldn’t bet against her.

Public Angels The public sector is large and confusing. You need a government ally to open doors. The folks in the Miami-Dade County Parks and Recreation Department have been our angels. They have helped us work with Miami-Dade County Transit, which owns the land below the Metrorail.

Idea into Action An idea is far less important than the delivery. We’re determined to get The Underline built—not end up in some master-plan morgue. The company I ran for many years was deadline-oriented. We had to deliver on time, 100% of the time. That’s harder with an all-volunteer core, but we’ve done it, and our speed has helped build community excitement.

Building a Park—and a Legacy For me, this is a legacy project. My children are in New York chasing their dreams. I’m 55, and I want to help build a city that they want to come home to one day. This has been a great gift for me. I’ve met fascinating people. I’ve stepped out of the five-mile radius of my life. I feel like I’m part of the fabric of Miami.
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