Summer 2021

Insights

BUILDING AND PRESERVING YOUR WEALTH

REGIONS
PRIVATE WEALTH MANAGEMENT

Staying the Course Toward Retirement

When was the last time you reviewed your retirement and legacy plans?

Happy Summer!

I hope you're enjoying warmer weather and longer days well spent with family and friends. If you're like me, summertime makes you think of summers past and future. It's a natural invitation for us all to pause and reflect on where we've been and where we're going. This issue of *Insights* is all about recalibrating your life to make sure you're on track to meet your goals. Now is the time to review your retirement plan, business legacy and portfolio with fresh eyes.

In "Is it Time to Reevaluate Your Portfolio?" (page 4), we consider new opportunities to rebalance your portfolio and investment plans. In "Staying the Course Toward Retirement" (page 6), we explore starting new conversations with your wealth team about your estate plan, time horizon and retirement lifestyle goals. For those evaluating the future of your small business, we present innovative ideas in "Updating Your Business Legacy Plans" (page 10).

Furthermore, we discuss ways to protect your family with ideas for talking with younger generations about key financial concepts in "Teaching Family About Money and Investing" (page 3). For families with members who need unique assistance, we discuss Special Needs Trusts in "Managing the Special Needs of Family Members" (page 12). As travel increases, we're also sharing how to navigate globetrotting in "Ready to Travel Again? You're Not Alone" (page 13).

As always, we look forward to navigating the future together and ensuring you feel confident and prepared for whatever lies ahead. Enjoy a safe and fulfilling summer!

LESLIE CARTER-PRALL
EXECUTIVE VICE PRESIDENT
REGIONS PRIVATE WEALTH MANAGEMENT

EDITOR: Jessica Austin
SPECIAL CONTRIBUTORS: Deborah Rahn, Grace Jackson, Hollis Gunn, Mark Blackwell, Michael Moorefield, Mike York, Paige H. Christenberry, Riley R. Risher, Ryan Owen

FOUNDRY 360 A DIVISION OF MEREDITH CORPORATION
Produced in partnership by Regions and Meredith Corporation

COVER: BONNINSTUDIO/STOCKSY

The Rewards of Financing Your Life Insurance

Finding more coverage at a lower out-of-pocket cost.

JGI/JAMIE GRILL/GETTY IMAGES

Life insurance can present a conundrum. A policy that is comprehensive enough to cover estate taxes and provide funds to your beneficiaries could come with premiums so high that you must liquidate investments—or make other significant adjustments to your finances—just to cover the payments.

Using credit to finance life insurance helps resolve this conundrum by reducing out-of-pocket costs and allowing you to buy more coverage than a policy purchased with cash. As a result, you can maintain your current cash flow and investment strategies.

"By keeping your assets intact, you can also generally prevent capital gains and the associated taxes," says Mike York, Private Wealth Management Credit Executive for Regions.

Here's How It Works

You take out a loan and provide liquid collateral, such as cash or assets that can be easily converted to cash. The loan proceeds pay the premiums on the policy, and you pay just the interest on the loan. When it's time to redeem the policy, the insurance benefit proceeds pay off the loan and are used to help pay estate taxes.

Financing offers additional flexibility for managing your cash flow. Between purchase and redemption, the policy becomes more valuable. After a certain number of years, that value may exceed the amount of the loan, and the excess can be used to repay the loan or pay future premiums.

An Artful Way to Fulfill a Need

York likens the financing process to an art rather than a science. "It's not like a simple mortgage designed for the mass population, and it's not a static mathematical formula, but it is very effective financial tool when used as part of an overall estate plan," he says.

The process comes with risk, primarily related to insurance rates, which could change, and the market value of the liquid collateral. There are also legal questions to answer before implementing the strategy, so York recommends involving all members of your financial team. Talk to your Regions Wealth Advisor, lawyer and tax advisor about creating a strategy tailored to your goals and financial situation. ▲

MORE ONLINE See additional insights at regions.com/wealthinsights

An Effective Use of Credit for Savvy Investors

Have you considered a securities-based line of credit?

There are many ways for investors to make the most of today's low-interest rate environment, but have you considered all of your options? One strategy that you may have overlooked is establishing a securities-based line of credit, which can provide easy access to cash and a number of other advantages.

"Whether you need money to pay a large tax bill, major medical expenses, make a lifestyle purchase like a vacation property or business investment, a securities-based line of credit can give you access to liquidity at a low cost," says Grace Jackson, Banking Product and Development Manager at Regions Private Wealth Management.

Long-Term Goal Protection

If you have short-term needs that require cash, you can cover them effectively with a line of credit instead of liquidating investments, provided the rate of return on those invested assets surpasses the nominal cost of borrowing against your securities. "This type of strategic borrowing can help you take advantage of short-term opportunities without hindering your long-term goals," Jackson notes.

Quick Cash Access

A securities-based line of credit works similarly to a home equity line of credit (HELOC), but it's much easier and faster to set up, says Jackson. You can access it within a few days, while a HELOC requires an appraisal of your home and can take weeks.

No Tax Trigger

Unlike selling your stocks to make a lifestyle or luxury purchase or pay a large, unexpected bill, accessing the line of credit will not trigger tax consequences. The line of credit offers immediate access whenever you need it. Meanwhile, your investments stay invested for the long-term.

What Happens When the Market Drops?

A securities-based line of credit can be established based on the type and value of your eligible securities, which fluctuate. We can lend up to 75% of your invested assets on fully diversified accounts.

Keep in mind that a securities-based line of credit can be impacted by market volatility. "If the market did drop enough to create a margin call, clients would need to provide additional securities, or the bank would have the right to sell the securities." Jackson says. "But that's rare because clients typically have other funds, or they understand not to leverage up to their limit."

Although there are never any guarantees, interest rates are widely expected to remain low for a year or two. Backstopped by an accommodative Federal Reserve and an economy on the rebound, securities-based lines of credit can be solid investment options. Speak with your Regions Wealth Advisor to discuss how they might fit into your financial plan. ▲

MORE ONLINE For more insights, visit **regions.com/wealthinsights**

TRINETTE REED/STOCKSY

YAROSLAV DANYLCHENKO/STOCKSY

Intelligence

Teaching Family About Money and Investing

Explaining sound investment practices has never been more important—or more difficult.

With the rise of new digital investment platforms and social media–driven stocks, Gen Z investors may have a hard time understanding risk and sticking with plans to achieve long-term goals.

"The 15-to-25-year-old population views investing more like a game," says Paige H. Christenberry, CFP®, Wealth Advisor for Regions Bank in Tennessee. "Many parents, myself included, cannot fathom playing around with our hard-earned money," but your children might get swept up in the promise of making easy money by following the latest fad stock. That's why conversations about investing are so important. Here are three topics that Christenberry suggests talking about with your beginner investors.

Diversification

While your children might want to own stock in companies they know and love, it's important to discuss how diversification works. "If you place all your money on the 'one sure thing' and that thing doesn't work out, you could lose it all," says Christenberry. Explain how mutual funds and exchange-traded funds (ETFs) allow investors to own pieces of many different companies without risking too much on any single one.

Time Horizon

It's also important to discuss a long-term strategy. Christenberry suggests teaching kids that taking the long view allows investors to ride out short-term market fluctuations. Talking about investing for longevity and stability is a great way to counter the "day-trading mentality" that drove the previous GameStop stock trading frenzy.

Funding

Talk with your children about how to fund a diversified investment portfolio. Once they start spending their own money on their "wants" and "needs," they'll get a better understanding of the value of their earnings. Only after they start putting money into a savings account will they have a sense of what they can afford to safely invest. Christenberry recommends talking with children early about long-term investment goals like saving for a down payment on a house and investing for retirement.

At the end of the day, parents should frame investing as a prudent way to achieve financial security and meet long-term goals. Talk with your kids today, and they'll thank you later when they see their own portfolios make steady gains throughout their lives. ▲

CRYPTO

5 Things You Should Know About Bitcoin

Bitcoin is on many investors' minds, but fully understanding cryptocurrency—and its effects—is essential to properly managing your portfolio. **Ryan Owen**, Portfolio Manager, and **Michael Moorefield**, Strategy and Operations Analyst at Regions Asset Management, provide five facts you should know.

1 **What Is Bitcoin?** Cryptocurrencies, such as Bitcoin, are digital currencies and assets that live and operate outside of the traditional banking system. Currently, they can exist as currencies, platforms or even utility tokens, each with their own strengths, weaknesses and objectives.

2 **When Did Bitcoin Become Popular?** Released in 2009, Bitcoin was first used in May 2010 when an early adopter traded 10,000 bitcoins for two pizzas. (Nearly $300 million each at today's average bitcoin price.) In 2013, Bitcoin exploded into public consciousness, gaining over 5,500%.

3 **Who Are Bitcoin's Competitors?** There are currently more than 8,000 cryptocurrencies—each with its own unique "flavor." They're not for everyone, but those who like them tend to *love* them.

4 **Why Is Bitcoin So Volatile?** Investors and speculators are trying to determine its worth. Also, the cryptocurrency market has low liquidity and momentum traders fuel every rally and sell-off. As more institutional investors adopt cryptocurrencies, momentum trades will more than likely die out, and volatility will subside.

5 **Is Bitcoin for Me?** Cryptos aren't for everyone. As an investor, you need to be aware of the riskiness and volatility of your assets, and as of now, cryptocurrencies should make up only a small fraction of even a very aggressive investor's portfolio. ▲

LEARN MORE For more insight, contact your Regions Wealth Advisor

Diversification strategies do not ensure a profit and do not protect against losses in declining markets. Past performance is no guarantee of future results.

THOMAS BARWICK/GETTY IMAGES

Time for a Tune-Up

Is it Time to Reevaluate Your Portfolio?

After a period of volatility, consider kicking the tires on your investments.

With more of us getting COVID-19 vaccines this year, something resembling "normal" has begun to reemerge for many.

Yet even as the nation takes a collective sigh of relief, it's hard to shake the memory of the past year. For investors, that undoubtedly calls to mind the stock market's plummet last February as concern about the pandemic grew, and the significant pullback in the market that followed in March, as people stayed home and businesses shuttered.

Given the volatility of the past year and a half, you may wonder: How much risk can I tolerate? What if another pandemic or other global crisis strikes? How should I consider my investments in light of uncertainty?

Stay the Course

"In times like these, the idea of possibly reducing risk is definitely going to come up in conversations with clients," says Riley R. Risher, Wealth Planning Analyst with Regions Private Wealth Management in Tennessee. While some asset reallocation may make sense for certain clients, Risher says he believes that the pandemic proved that investors are most likely to weather a crisis, and to achieve short- and long-term financial goals, if they recognize two of the key principles of smart investing: First, short-term volatility is likely inevitable. Second, and most important, create a plan, diversify and stay the course.

Although the stock market declined significantly in the early days of the pandemic, it soon rebounded sharply. While the recovery was not immediate, the market continued to rise, eventually surpassing pre-pandemic highs. Now that it might feel safer to take a breath and relax, some investors may wonder if last year's roller coaster is a sign that it's time for change. "After seeing the market take a hard fall, then rebound fairly quickly, their first thought might be to reallocate or rebalance their portfolio in order to prepare for an event like this in the future," says Risher. "But rebalancing at the top of the market is not always the best strategy. If you have an investment plan in place, keep on that track and look for opportunities that are aligned with your long-term goals."

In numerous circumstances, this approach worked for investors last year. Many investors, particularly those nearing retirement, were understandably concerned by the market's pandemic-induced swoon; some elected to rebalance their portfolios. "For clients who wanted to reduce their risk, they may consider a shift in their equity allocation, such as changing investment sectors or characterization," says Risher. Switching from growth to value stocks, for example, would be a shift in equity characterization.

> *"If you have an investment plan in place, keep on that track and look for opportunities that are aligned with your long-term goals."*
>
> –RILEY R. RISHER, WEALTH PLANNING ANALYST, REGIONS PRIVATE WEALTH MANAGEMENT

However, Risher is quick to point out, the majority of investors who stuck with the investment allocation plans they developed with Regions Wealth Advisors have few regrets today. "To me, the lesson to take away from 2020 is that to be successful in the market, you actually have to be in it," he says.

Clearly some market sectors suffered, such as oil and gas, entertainment and hospitality, as much of the world was under lockdown. But sometimes people relate to current events as a way to take personal action regarding their financial life. "Our wealth advisors, strategists, planners, portfolio managers and trust advisors use financial science to develop plans that allow our clients to identify and target their goals, regardless of market performance," says Risher. That means developing a diversified portfolio that's tailored to your needs and priorities, taking into account factors such as your stage of life and risk tolerance.

But Don't Sit Still

No matter your investment approach during the pandemic, consider evaluating where you are and where you are going, says Risher. It's the perfect time to schedule a conversation with your Private Wealth Advisor to reconsider your strategic plan. If you haven't made any changes to your portfolio, that doesn't mean you should sit still; some reallocation to ensure that you achieve your future investment goals may make sense.

Portfolio reallocation may also help offset some tax liability on capital gains you have realized over the last year through strategies such as the "harvesting" of capital losses. "That's where the importance of your team comes into play because we can draw on the experience of all the different members when it comes to these kinds of strategies," says Risher.

In good times or bad, it's wise to check on the status of your portfolio at a minimum quarterly, and to meet at least once a year with the team at Regions for a general review of your financial plan.

Fortunately, those conversations should take on a continued hopeful tone in the coming days. "At the end of the day," says Risher, "I'm optimistic about the future of the market and the future of the clients I have the privilege to work with." ▲

MORE ONLINE Visit **regions.com/next-step** for additional insight, tools and resources that can help you reestablish your short- and long-term financial goals in the wake of COVID-19.

Talk to your Regions Wealth Advisor about:

- Investment opportunities that align with your long-term goals
- How changes in your risk tolerance should affect your porfolio
- Market sectors that may be on the rise due to the pandemic

BONNINSTUDIO/STOCKSY

Our New Future

Staying the Course Toward Retirement

When was the last time you reviewed your retirement and legacy plans?

Though the COVID-19 pandemic remains in our midst, ongoing vaccinations and gradual reopenings make this a natural time to reflect on how the world has changed and what lies ahead in our future. From global health and geopolitics to the financial well-being and health concerns of individuals and families, very little has been left untouched.

That's especially true for those nearing or in retirement, says Mark Blackwell, Area Manager for Regions Private Wealth Management. Everything from where and when you plan to retire to how you'll pay for the life you envision may be due for a review.

Even if you had a rock-solid plan in place before COVID-19, Blackwell suggests reviewing every aspect of your retirement goals and finances to make sure you're still on track.

Rethinking When to Retire

In addition to the medical devastation it has wrought, the pandemic has been notoriously uneven in its financial impacts, Blackwell says. Businesses and employees that were able to adapt quickly to remote operations have thrived, while many other service businesses have been battered. Likewise, while some investors who pulled out of markets as they plummeted in early 2020 may still be recovering, those who stayed the course have most likely benefited from a historic market rebound.

If you're nearing the end of your career, these scenarios could affect the timing of your retirement, Blackwell says. Start with a careful review of your retirement plan with your Regions Wealth Advisor.

If you believe working longer is a must, make sure the decision is based on numbers rather than fear. With a solid retirement plan in place, you may be in better shape than you thought, Blackwell shares. Still, in the new age of remote work, some clients are choosing to work longer even if they don't have to. "They aren't commuting in rush hour traffic or living in airplane seats or hotel rooms," he says. "They're working in the comfort of their homes."

On the other hand, if a jump in your portfolio raises thoughts of retiring earlier than you planned, have your advisor run some calculations. "It's easy to change age 65 to 62 or 63 or whatever you think is possible, and see if it really is achievable," Blackwell notes. Be sure to account for hidden risks, such as unexpected health costs.

Picking Your Retirement Destination

The pandemic has demonstrated that, if you can work from anywhere, you can live anywhere you want, Blackwell says. Thus the old model of living near the office until the day you retire is giving way to more fluid transitions.

Blackwell recently worked with a couple that had always planned to retire to a Florida city they love. Forced by the quarantine to work from home, they bought a house there years ahead of schedule and now plan to finish their careers remotely. "This makes it viable for them to start spending more time as a family in what is a dream location for them," he says.

Yet with more people vying for homes in popular destinations, real estate prices have been rising, Blackwell notes. Depending on your resources, you may want to widen your scope of potential places to live, including destinations with similar attributes but lower costs. Beyond the price of a new home, also take into account the cost of living, he suggests. "You need to make sure that your plan assumes the cost of living in that location, not just the one you're currently in."

A Portfolio Trained for Endurance

Market volatility can be especially unsettling for those in or nearing retirement and counting on investments to finance their lifestyles, Blackwell notes. Some may retreat to cash or a too-high concentration of bonds. Yet being overly cautious could mean losing ground to inflation, he says. "Very few people will be able to afford a long retirement without the growth opportunities that equities provide."

Conversely, those afraid they're falling behind may resort to risky investments that could backfire. "There's a temptation to try to make up for lost time very quickly," Blackwell says. To discourage such overreactions, "I try to change the conversation from having the right-sized portfolio to having the right income stream." Considering your income needs and all possible sources, from investments to Social Security, pension or part-time work, could help you invest more strategically.

Keep in mind that you likely have more time than you think. "2020 was a great case study in planning, investing and patience," Blackwell notes. If your investments have changed in recent months, now may be a good time to speak with your advisor about rebalancing—selling some assets and buying others in order to ensure your portfolio remains balanced—to reach your goals.

A Realistic View of Health Needs

As we plan for retirement, too often we underestimate out-of-pocket health care expenses. Even with Medicare, a couple may face up to $325,000 in bills from age 65 on, according to a 2020 study.[1]

Blackwell says he believes the pandemic has prompted people to be more aware of their long-term health care needs and more selective in everything from their coverage to the eldercare facilities they choose for themselves or loved ones. "I think we'll be more discriminating consumers, both of our health-care coverage and our care providers later in life because of the lessons from this crisis."

Because medical needs aren't always predictable, your advisor can help you examine various best- and worst-case scenarios and help ensure that you have assets to cover medical costs in addition to other living expenses. Those conversations should include your plans in case you or your spouse requires long-term care.

Though long-term care insurance can be hard to find or prohibitively expensive these days, you might consider an alternative. For example, you may be able to add a rider to a life insurance policy enabling the death benefit to be used in advance of death to cover long-term care. Such decisions should be made only after examining all of the pros and cons, Blackwell adds. "We have experienced professionals on our team that we can bring to the conversation to help clients find the right solutions," Blackwell adds.

Estate and Legacy Issues

Thoughts of retirement lead naturally to considering the legacy you want to leave. These considerations are all too easy to put off for another day, but Blackwell notes, "A crisis like the one we're slowly emerging from brings the need for planning into sharp focus."

If you haven't reviewed your estate plans in a while, now is a good time to sit down with your advisor. First, address the big-picture questions, Blackwell suggests. "It starts with a conversation around what's important to you. What do you want to happen to the product of your life's work?" If you own a business, consider how it fared during the pandemic and how that may affect your succession plans.

Think of the other assets you want to pass down. Does your estate provide liquidity, or will your heirs have to sell assets, potentially at discounted prices, in order to pay estate taxes? What trust arrangements might help you pass along wealth more efficiently? Are your children or grandchildren prepared to manage wealth? "If not, you may need to put some guardrails up," Blackwell adds.

With your needs identified, your advisor can help pull together the necessary specialists to address each concern. As you consider the big picture, also make sure that your will and other estate documents are up to date and reflect your wishes.

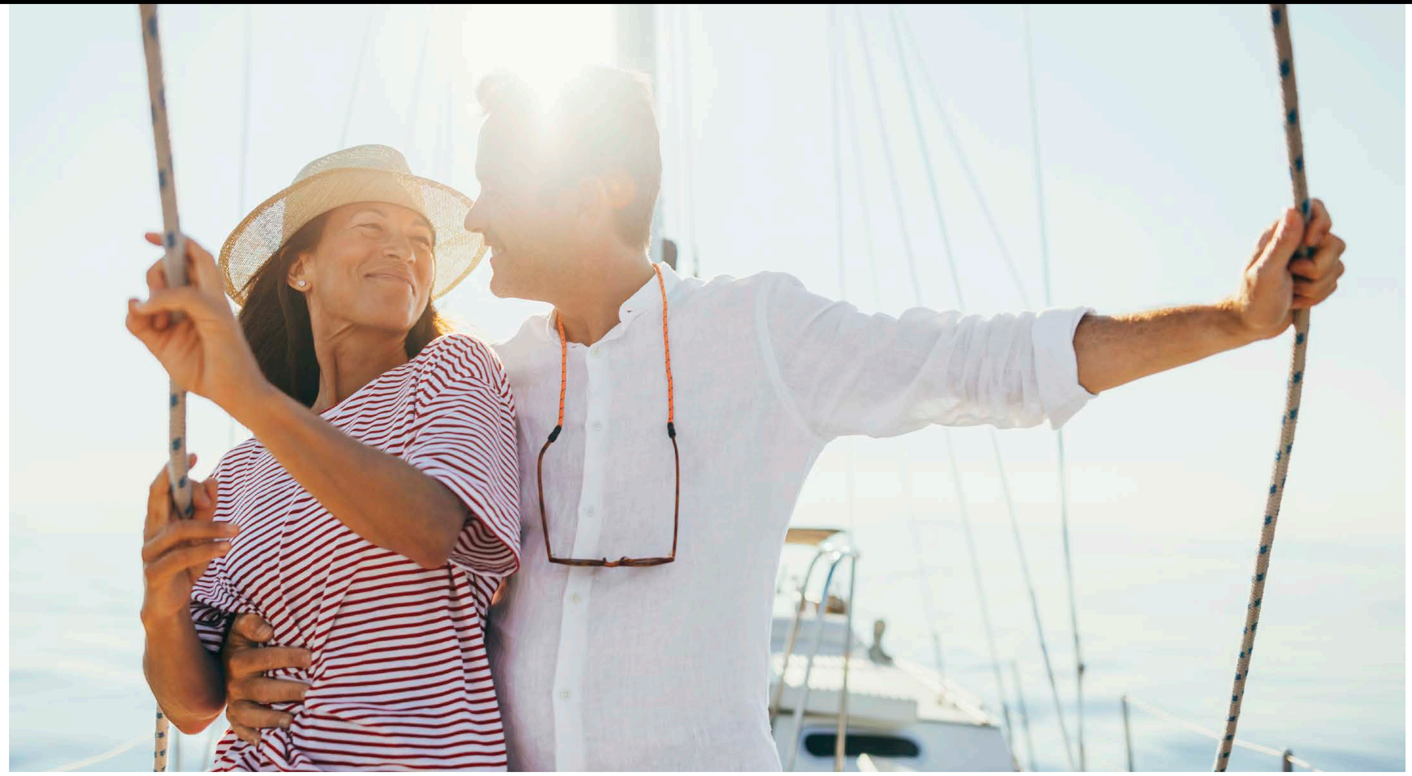
Taking the First Step

The decisions involved in a detailed retirement review will most likely require the help of several experts, from your Private Wealth Advisor to your insurance representative, CPA, attorney and others, Blackwell says. A good place to start is with your advisor, who can act as the captain of an effective team.

Though such decisions may not be easy, Blackwell says that clients have good reason to feel optimistic about the future. He says, "Anytime we endure a meaningful challenge, we tend to be optimistic that we can face future challenges with greater certainty." ▲

Talk to your Regions Wealth Advisor about:

- Timing your retirement to align with your long-term financial goals
- How to incorporate a rainy-day fund into your financial plan
- Pros and cons of common estate planning strategies



BONNINSTUDIO/STOCKSY

Liquidity for Retirement's Rainy Days

Planning for the unexpected doesn't stop when you stop working.

An emergency fund is often thought of as a way to replace lost income should you temporarily be out of work. Yet as the pandemic made clear, life's unpredictability never stops. "Even in retirement, you need access to immediate funds for unexpected emergencies," says Mark Blackwell, Area Manager for Regions Private Wealth Management.

Since you're not at risk of losing a job, your emergency fund in retirement "may not be the checking account that you needed at, say, age 40," Blackwell says. The important thing is to consider in advance where you'll draw money from when you need it quickly.

For example, after age 59½ you can withdraw money without penalty from an IRA or other tax-advantaged retirement account. Yet doing so in response to a natural disaster, health event or other emergency could mean selling investments you're relying on for growth.

Other options might include borrowing against an insurance policy or, if you've paid off your home, a home equity line of credit. Still, "You don't want to tap into that without considerable forethought," Blackwell says.

Whether it's a lump sum of cash you set aside or access to borrowing, planning ahead with your Regions Wealth Advisor can help ensure that you can meet the unexpected without derailing your long-term plans. "One of the ways we process an experience like this is to realize we're not immune from future risks," Blackwell says. "So we need to prepare for the worst while we hope for the best."

MILLENNIUM IMAGES/GALLERY STOCK

[1] "A Bit of Good News During the Pandemic: Savings Medicare Beneficiaries Need for Health Expenses Decrease in 2020," EBRI, May 28, 2020.

MASKOT/GETTY IMAGES

Updating Your Business Legacy Plans

After a tumultuous year, it may be time to revisit your future.

There can be no doubt that the COVID-19 pandemic impacted all small businesses in some way. From transitioning quickly to working from home to supply chain constraints to rapid drop-offs (or big spikes) in sales and revenue, business owners have had to make jarring adjustments over the past year and a half.

COVID-19 has forced business owners to focus on both day-to-day survival as well as the long-term future in ways that don't usually happen. In fact, the attention COVID-19 has focused on planning for the long-term legacy of a company is particularly difficult to achieve when things are "normal."

"I tell my business clients that you will leave your business eventually," says Deborah Rahn, Trust Advisor at Regions Private Wealth Management. "It can be voluntary or involuntary through death, disability, disagreements, divorce or by selling, or passing the business on. It is always hard to get owners to think three to five years ahead and begin to plan how they will leave. COVID has made some business owners think seriously about what's next."

EARLY PLANNING EQUALS CONTROL

What's next and how much control business owners have in the ongoing success and sustainability of their companies comes down to savvy and proactive planning. "The earlier they plan, the more options they'll have," says Rahn.

While every business is obviously unique, there are common elements in any effective legacy plan—elements that can be surfaced by asking the right questions. For instance, one question that rose quickly to paramount importance after the pandemic struck was this: Do you have a practical and easily implemented business continuity plan?

According to a report released after COVID-19 led to lockdowns, more than half of global organizations did not have a business continuity plan to guide their response to the pandemic. Now that COVID-19 has underlined the ongoing reality of severe disruptions, small business owners would be wise to include plans for continuity in their overall business legacy planning. In many cases, says Rahn, small businesses formulated a continuity plan soon after the pandemic began out of concern that leaders and employees could be sidelined from work after contracting the virus.

ARE THE RIGHT PEOPLE IN PLACE?

A variety of elements should be included in a robust business continuity plan, including attention to information technology (IT) resources—think servers, software and hardware as well as their security—that will be needed to allow workers to do their jobs anywhere. Equally important is close attention to personnel. "To me, that is about whether someone can pick up and run the business tomorrow if you don't walk through the door," says Rahn. "That can extend beyond just the owner. A good best practice is to make sure you have a backup person in place for all your key positions. So you should have someone trained to be a treasurer in case yours leaves or can't work and you need to keep the business running."

You also want to take steps to ensure that a small business's identity—and profits—isn't so closely connected to its owner that his or her departure would spell the end of the company. Again, this is the kind of issue that should be addressed well in advance of an owner actually leaving or selling. "With the right planning and mentorship in the company, you can help cultivate relationships that the people who will be running the company will need once you have departed," says Rahn. "That means an owner will sometimes have to share or hand over responsibility that they're used to holding onto themselves."

COMMUNICATION IS CRITICAL

A business legacy plan also has to address ownership after a founder steps away. For family-owned businesses, this should include considerations of the estate tax and the most financially advantageous way to pass a business from one generation to the next. "Right now we have an exemption, but many anticipate it will go down, and we are talking with clients about whether they should do something today," says Rahn. "It's all about what they should do to maximize where the tax exemption is today."

An essential ingredient of any successful business legacy plan is communication—and the earlier and more consistently it takes place, the better. Rahn knows of instances when a father assumed a child wanted to inherit and run a business, only to find out his child wanted nothing to do with the company. "Being aware of and understanding the dynamics of who that next CEO is will always be key," she says. While there are inherently more difficult emotions to handle when these conversations involve family members, early and frequent communication is also critical when nonfamily members, including current employees, are eager to take over the business.

The best business legacy plans are fluid, always able to be changed due to economic or personal circumstances. "You should start early and think through your plan but also review it every year," says Rahn. "That way, you can make adjustments and always stay on target to reach the goals you have." ▲

Talk to your Regions Wealth Advisor about:

- What to consider when planning a business exit strategy
- Major financial considerations for a business succession
- How to discuss business legacy plans with family

Thinking About a Sale?

No matter the industry, every business owner looking to sell wants to get the maximum possible value from all of their hard work. But is now a good time to sell a business?

In the third and fourth quarters of 2020, mergers and acquisitions activity was brisk, as buyers looked to snatch up companies that experienced COVID-19–related disruption and distress. In addition, some business owners accelerated their plans to sell due to expected tax changes with a new federal administration. But the pandemic has made determining the value of a company up for sale challenging.

"Buyers and sellers are struggling to value companies because the pandemic has made it difficult to make accurate projections," says Deborah Rahn, Trust Advisor at Regions Private Wealth Management. "There are a lot of question marks, and there are no precedents and benchmarks."

To Rahn, a business owner needs to look at the decision to sell through the lens of his or her own goals and objectives. "They need to determine what they need to get out of the business to achieve the quality of life in retirement and the legacy they want," she says. Those goals and objectives can typically be quantified in a dollar number, and any plan to sell should achieve that goal. Whether that means today is a good time to sell or not depends on the offers an owner receives.

"You can't look at one year in isolation and use it to determine the value of your business and your life's work," says Rahn. "In some cases, people may decide to stay in the business and work to improve their valuation. In other cases, it may be the right time to exit."

HOLLIS GUNN
Trust Advisor | Senior Vice President
Regions Private Wealth Management

Managing the Special Needs of Family Members

As a Trust Advisor for Regions Private Wealth and the father of a disabled child, I know that a minor mistake related to a disabled individual's financial affairs can result in major problems. These include a loss of benefits, interrupted services and other headaches. In navigating through the minefield of government rules and requirements for assistance, a special needs trust can be very valuable.

What Is a Special Needs Trust?

A special needs trust (SNT) is a carefully drafted trust designed to help protect a disabled individual's eligibility for crucial government programs while also providing benefit from the trust assets. There are different types.

- **A first-party SNT** is created when the beneficiary originally owned the assets that are placed in the trust. When the beneficiary dies, the assets remaining are first used to reimburse the state for Medicaid benefits.
- **A third-party SNT** is funded by assets never owned by the beneficiary, such as a parent's or grandparent's gift, or a settlement. In this type of trust, the assets are not needed for Medicaid reimbursement.
- **Pooled SNTs** are usually established by each state and provide a means of protecting a smaller amount of assets for the disabled individual. When the individual dies, the property is typically distributed among the remaining trusts.

> "Government programs and private insurance don't always provide everything needed for a good quality of life."

Why Use a Special Needs Trust?

The various services and equipment disabled individuals require are often expensive, such as different therapies, modifications to a home or vehicle, or daily caregivers. Government programs and private insurance plans do not always provide for everything the individual needs for a good quality of life, and a SNT can help without endangering those other benefits.

One of the greatest concerns for someone caring for a disabled individual comes from anxiety related to what happens when that caregiver is gone. A SNT will provide a trustee who has a fiduciary responsibility to manage the trust for the individual's best interests. This can provide some peace of mind regarding the future financial needs of the individual.

How Can You Help?

Extended family members, such as grandparents, aunts, uncles, etc., can help a disabled individual avoid complicated problems brought on by an inheritance. For example, directing any inheritance for that family member to a special needs trust can help avoid eligibility challenges. Other ways you can help include:

- **Cover the legal costs** of establishing a SNT for the individual.
- **Research and set up an ABLE account**, if available, which can be established for an individual to receive gifts without affecting eligibility.
- **Give the parents of a disabled child a night out.** This just requires your time and energy.

How Do You Get Started?

Start with an attorney who has experience with special needs trusts. Once the trust is established, at Regions we collaborate with families to understand the needs and expenses of the beneficiary, and how that relates to the investment goals for the trust. We also provide trustee services for these types of trusts, or we can assist as an agent for an individual trustee.

Our country has become more and more sensitive and caring toward the needs of individuals with disabilities. The process for planning for someone with a disability has not become any easier, however. We are proud to have the experience and knowledge at Regions Private Wealth to help individuals and families with this very important aspect of their planning. ▲

Ready to Travel Again? You're Not Alone

Gina Porter, luxury travel advisor, shares how globe-trotting will be different in the next phase of the pandemic.

After a year of pandemic lockdowns and a near-total halt to global travel, there's only one way to describe the jet set as vaccines roll out: ready to go.

Travelers worldwide are eager to dust off their luggage, with 65% planning to travel once they are vaccinated.[1] "With the vaccination rollout, the pent-up demand is here," says Gina Porter, founder of GG Luxury Travel, a luxury travel advisory firm in Dallas. "People are ready to travel. As travel restrictions loosen and borders open around the globe, we are booking to those destinations."

Navigating Restrictions

The pandemic isn't going away anytime soon, and its effects are likely to linger for years— from proof of vaccinations to mandatory social distancing. Some airlines have even removed amenities such as blankets, headphones and in-flight magazines to minimize risk. "You have to adapt to the COVID-19 travel requirements in order to travel, so try to see them as offering protection and safety for you and the communities you visit," Porter advises. "Safety protocols will enable us to travel again."

ONURDONGEL/GETTY IMAGES

Extremely Popular Destinations

"Any destination that was in high demand is going to be super high demand now," Porter says. As cancelled trips are rebooked, Porter expects a backlog that could translate to less availability at many popular destinations for years to come. Once-in-a-lifetime experiences with limited access, such as camping safaris in Africa or wine tasting in Tuscany, will be even harder to gain access to, so getting ahead of the pack is essential. "Now is the time to plan travel for the next two to three years," Porter advises.

Seeking the Outdoors

Destinations that offer natural beauty will continue to be popular, Porter says, as travelers choose to sidestep metropolitan areas for now. "People want to see the ocean, be in the mountains, breathe a bit," she says. With more flexible work arrangements, vacations might also be extended. "People are taking 30-plus-day trips to the Cayman Islands, where they can work and vacation because they have more flexibility," Porter says. The appeal of snorkeling, yachting or scuba diving in between work calls is the ultimate draw.

Traveling with Tech

Changes caused by COVID-19 aren't all bad either. Porter points out how advances in touchless technology will be a boon. Your smartphone can already be used as a hotel room key, but now it might double as a vaccination passport or verification of your health status. "Technological advantages that are coming out of the pandemic will make travel safe and easier," she says. ▲

[1] "The American Express Travel: Global Travel Trends Report," March 2021.

Regions
PRIVATE WEALTH MANAGEMENT

1900 Fifth Avenue North
Birmingham, AL 35203

More *Insights*

More Wealth Planning
Visit us online at **regions.com/privatewealth**

More Content
Our latest thinking is available at **regions.com/wealthinsights**

More Fraud Prevention
Learn how you can protect yourself and your business at **regions.com/fraudprevention**

More Conversations
Listen to our newest Regions Wealth Podcast episodes at **regions.com/wealthpodcast**

More Commercial *Insights*
Listen to our Commercial *Insights* podcast at **regions.com/commercialpodcast**

More Inspiration

Connect with us on social media at **regions.com/social** or follow us on the following channels.

- Facebook: **@RegionsBank**
- Instagram: **@RegionsBank**
- Twitter: **@askRegions** and **@RegionsNews**
- LinkedIn: **@Regions Bank**