



## LIFOCUS

BANKING/WEALTH MANAGEMENT

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# Holistic wealth care

FINANCIAL PROFESSIONALS TAKING BIG-PICTURE APPROACH  
TO HELP CLIENTS ATTAIN GOALS

By **BERNADETTE STARZEE**

In recent years, the healthcare industry has been working to overcome fragmentation – such as when a patient’s endocrinologist does not know what medication his cardiologist has prescribed him – and take a more coordinated approach to improving patient outcomes.

Similarly, the wealth management industry is seeing a trend toward holistic, goal-based financial planning, with good financial advisers seeking to coordinate all investments and communicate with the client’s other advisers, such as attorneys and accountants, to help the client achieve his or her goals.

“Sometimes clients come to us and they have money with someone they met from their country club, additional money with someone from their place of worship, and some with their kid’s softball coach,” said Ali Grassi, director of family wealth strategies for Grassi & Co. in Jericho. “Each adviser individually invested the money based on the client’s age and risk profile, instead of building a portfolio that allows a client to achieve their life’s goals. Typically, everyone has their own agenda, and no one is talking to each other.”

Grassi said she takes a coordinated approach in providing wealth management services.

“We get to know our clients and understand their needs and aspirations, and we put together a financial plan to help them achieve all of their life goals,” she said. “These plans incorporate every aspect of their life. For instance, some people are business owners, and they may be looking to sell their business down

the road and we need to factor that into the equation. Some have children with special needs, and they may need to fund a special needs trust. We look at their whole financial picture and their current investments. With a fragmented approach, there may be many different advisers achieving different goals and not coming together to achieve a common goal based on the client’s needs.”

Grassi said she and her colleagues will sit down with clients and review their existing asset allocation and other investments to see how they tie into their ultimate plan.

“I’ll ask them the original purpose of their life policies and explore what their current needs may be and often the client will say, ‘No, I bought this policy many years ago, and I don’t remember why I bought it,’” she said.

Many of her financial planning clients are business owners whose companies receive accounting and tax advisory services from Grassi & Co.

“They’re busy running their business, so they typically aren’t as focused on their personal finances,” she said. “Many people don’t have the time to truly understand their full financial picture.”

Craig Ferrantino, president of Craig James Financial Services in Melville, also comes across people with fragmented investments.

“They may have several 401(k)s from past jobs,” said Ferrantino, who is also president of Financial Planning Association of Long Island. “Or they may have made decisions in the bank, such as when they were rolling over a CD and they

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# A holistic approach to wealth management

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were introduced to the bank's investment person, and made an investment through the bank. As nice as that is, a lot of times it's just transactional."

An individual "may get away with having fragmented investments for a period of time," Ferrantino said. "But when people get close to retirement or get into retirement, it starts to work against them."

When nobody's looking at the overall picture, it can be difficult for the individual to make the right financial decisions, he said.

"If you reach age 62, and you don't want to work anymore, you'll say, 'How do I do this: I have a CD at this bank, an annuity at that bank, I have Social Security,'" Ferrantino said. "You have to make decisions, which could lead to mistakes that are very disruptive. If there isn't someone who can take an overall picture of your financial situation, they can't give you good advice about how to avoid costly mistakes, such as taking income from certain places that will create higher taxes."



Photo courtesy of Grassi & Co.

**ALI GRASSI: When an individual's investments are with different advisors, they may not be working together to meet the client's needs.**

As Ferrantino noted, "All of your income sources in retirement are subject to taxation. The question is how do we put everything together so you can have the retirement income you desire in the most tax-efficient way?"

Figuring that out takes work.

"There's no simple map for everybody," he said. "It could be that both spouses work, or one spouse works and one doesn't, or one spouse is getting disability income. There are many different scenarios, and it really takes a personalized approach."

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# Fed raises interest rates for sixth time since December 2015

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Some investors had speculated that Powell might move to impose his mark on the Fed by signaling a faster pace of rate hikes for 2018. But the Fed's new economic forecasts, which include a median projection for the path of future increases, made no change to its December projection for three hikes this year.

If the Fed does stick with its forecast for three rate increases this year and three in 2019, its key policy rate would stand at 3.4 percent after five years of credit tightening.

While modest interest rate increases are welcome, "I hope they don't get too crazy with rate hikes," Manditch said. "I wouldn't want to see more than two more this year."

At a news conference after the meeting, Powell said the Fed hasn't lowered its forecasts for growth because of the Trump administration's decision to impose tariffs on steel and aluminum imports. But he said the Fed's regional bank presidents have heard concerns from businesses about the consequences of the tariffs.

"Trade policy has become a concern going forward for that group," the chairman said, referring to business leaders.

But among the Fed officials who met in Washington last week, Powell said, "there's no thought that changes in trade

policy should have any effect on the current outlook."

Last week's statement showed only minor changes from the text the Fed had issued in January after Yellen's final meeting. The statement described economic activity as rising at a "moderate rate," a slight downgrade from January, when the Fed described the economy as rising at a "solid rate."

But the Fed's new forecast does envision somewhat stronger economic growth compared with its previous estimate: It raises the estimate to 2.7 percent growth this year, up from 2.5 percent in the December projection, and 2.4 percent in 2019, up from 2.1 percent.

The U.S. unemployment rate, now at a 17-year low of 4.1 percent, is expected to keep falling to 3.8 percent at the end of this year and 3.6 percent at the end of 2019, which would be the lowest rate in a half-century. The Fed expects inflation, which has run below its 2 percent target for six years, to stay at 1.9 percent this year and reach 2 percent in 2019.

A healthy job market and a steady if unspectacular economy have given the Fed the confidence to think the economy can withstand further increases within a still historically low range of borrowing rates.

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