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# When financial counseling is an executive benefit, is the executive the only one who benefits?

BY STEPHEN R. STELLJES



Standing, left to right: Liz Talbot, Stephen R. Stelljes, Nadine Lee; seated: Michael J. Nathanson

## THE COLONY GROUP

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### TEAM

**Michael J. Nathanson, JD, LLM, Chairman,**  
Chief Executive Officer, President

**Nadine Lee, CFA®, CFP®, PFS, Managing Director—**  
Metro NY Offices, President, Colony Family Office

**Stephen R. Stelljes, JD, CFP®,**  
President of Client Services

**Liz Talbot, CFA®, CPA, Managing Director,**  
Senior Financial Counselor

**ASSETS UNDER MANAGEMENT**  
\$5 billion (approximately)

### MINIMUM FEE FOR INITIAL MEETING

None required

### FINANCIAL SERVICES EXPERIENCE

Nathanson, 25 years; Lee, 35 years;  
Stelljes, 22 years; Talbot, 30 years

### PRIMARY CUSTODIANS FOR INVESTOR ASSETS

Fidelity, Schwab, TD Ameritrade

### METHOD OF COMPENSATION

Fixed fees (planning services); asset-based fees  
(investment services)

### PROFESSIONAL SERVICES PROVIDED

Planning, investment advisory and money  
management services

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ears ago, companies competing for talent added “perks” for key executives, including company-sponsored financial planning, with the company paying a stipend for executives to receive planning services. Over the years, as profits were squeezed, some dropped this benefit.

Today, growing businesses are again considering innovative benefits to attract the best talent. These companies recognize that not only can they attract top talent with company-sponsored financial planning but also that these programs benefit the company itself in the following ways:

**1. Professionally advised executives are equipped to avoid mistakes that hurt their companies.** If reckless behavior by executives is a symptom of the ills of corporate America, then company-sponsored financial counseling may be the cure. Properly advised executives are less susceptible to making mistakes regarding securities, tax and corporate laws and other regulations.

Further, properly counseled executives will have a better understanding of securities law such as insider-trading rules, applicable filing and disclosure rules, and the Sarbanes-Oxley Act.

Good advisors will take steps to implement, monitor and coordinate an executive’s compliance requirements by assisting with 10b5-1 trading plans while meeting company-share ownership requirements.

**2. Executives who have their own affairs in order are better able to focus on their jobs.**

Executives who lack sound personal financial guidance may be forced to spend a disproportionate amount of time focused on their own financial affairs. In turn, these distractions may detract from their job performance.

Firms offering the best counseling utilize technology to provide their executives with current financial statements and tools reflecting the dynamic nature of their professional and personal circumstances.

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Educating executives on the breadth and value of their own compensation and benefits can generate goodwill for the company.

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Each executive’s investment, retirement and estate planning package is structured with a long-term outlook and in a coordinated fashion, while net worth, cash flow, retirement, education and tax projections reflect current circumstances, and model alternative scenarios.

**3. Advice provided by an independent fiduciary can mitigate any conflicts that exist between executives and their companies.**

Many companies do not pay sufficient attention to the conflicts of interest between themselves and their executives. An executive’s decision to exercise an option, for example, or to sell shares of stock may be a

decision in which the employer has a competing, or at least differing, interest.

In the negotiation of an employment or severance agreement, an independent fiduciary can provide valuable guidance as to the potential implications to the executive’s own financial plan.

**4. Company-sponsored financial counseling is an effective way to deliver value to executives.**

An advisor who counsels multiple employees from the same company becomes familiar with the company’s benefit offerings, deferred-compensation arrangements and in-house policies and restrictions.

Educating executives on the breadth and value of their own compensation and benefits can generate goodwill for the company. An often-unanticipated benefit is the re-

duced frequency of compensation and benefits inquiries individual executives then pose to human resources personnel.

**5. While offering company-sponsored financial counsel to its top executives, the company can support all employees.**

Growing businesses are highly motivated to attract and retain newer team members who are driving the day-to-day business. While these employees may not have accumulated significant wealth, they still have concerns around their personal finances.

Smart companies can work with their financial counseling providers to come up with innovative programs that help the rest of the staff feel supported and educated as they accumulate wealth.

High-growth companies are recognizing the need to support the financial-counseling needs of their executives and leaders of the future. Those that continue to do so are positioned to win the war for talent and succeed in retaining their executives for years to come. ●

⬇ ABOUT US

**FOUNDED IN 1986, THE COLONY GROUP IS AN INDEPENDENT, FEE-ONLY FINANCIAL ADVISORY FIRM THAT STRIVES TO PROVIDE PEACE OF MIND TO CLIENTS. ITS TEAM OF TRUSTED EXPERTS DELIVERS OBJECTIVE FINANCIAL ADVICE, PROVIDING CLIENTS WITH A HIGH LEVEL OF PERSONALIZED SERVICE.** The Colony Group works with high net worth individuals and families, corporate executives, professionals and institutions, providing deep expertise that goes beyond investment management. The firm’s clients have access to a full suite of financial counseling services, including tax, estate, retirement and philanthropic planning, asset allocation and cash and risk management. ●



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