

And first of all, I'd love to introduce you all to a friend of mine,

who also happens to be our chief diversity officer, Mr. Glenn Jackson.

So, Glenn is our Chief Diversity Officer for HR, for human resources at M&T.

Glenn has been with the bank since 1999.

So, more like it's 1999 blend.

He joined us, he joined the bank through our management DLL development program and

he's held a number of roles within the bank.

So, he has a lot of experience in different areas.

He is very passionate about not just diversity and inclusion and belonging, but

really how do we get to equity?

So, I'm really excited for him to share a little bit with you.

We wanted to have him join people to talk about his responsibility, his role and

helping as an organization really advance our efforts

as it pertains to diversity inclusion belonging,

not just internally at M&T, but how we show up in our communities,

how we're perceived in our communities, how we're supporting our communities.

We know that we couldn't do any of this without being a part of our communities.

So, with that, Glenn, I'll pass it over to you to share some of the great insights.

>> Thank you, Deidre and thank you for thinking any of my insights were great.

So, I'm gonna lower the bar on that one but I appreciate it.

Jocelyn Raveena, Jackie and teacher, thank you for

having me here, and inviting me here to discuss all of this.

What I'm excited about is hearing everyone else, not myself talk.

Let me step back a little bit and talk about our journey.

I'm gonna try to keep this short.

When you think about building generational wealth,

now think about it through the lens of consumer, just you and I.

How do you do it?

Right?
You have to have access to capital.

So,, what's the first thing people steer you towards, mortgage, right?

And if you talk to anyone who's generated any wealth in their lives,

just personally,
typically that's where it all sits.

Now think of yourselves as small business owners, it's the same answer,

it's access to capital.

We all knew that,
we all know that's the answer.

But here's the thing, and

this is where banks have to take
an introspective look at this.

Instead of outside in,
we are the gatekeepers to capital via for

retail, small business and commercial.

If we're the gatekeepers, and frankly,

there's inequities in generational wealth,
then that's on us.

If we haven't found a way to make
sure we're actually distributing

capital equitably,
then we've got a problem.

But I'm hopeful, and
here's why I'm hopeful.

We're sitting at an organization now
that we say is customers interesting.

We're sitting at an organization now that
talks about how do we put the customer

first and put them at the center of the
problem that we're trying to solve for.

That's a paradigm shift.

It used to be here all the hoops
you need to jump through, and

if you can't jump through, and I'm sorry,
I don't have anything for you.

But now to say let's go to the customer,
let's go to prospect who's got people

who frankly have chosen not to

bank with us, and ask them why?

That's a paradigm shift.

So, I'm here to tell you that
we haven't figured it out.

But I'm here to tell you that the folks
on this line are helping the organization

figure it out.

What Dieter is doing with MWB
across the Mid Atlantic and

soon to scale throughout the organization,
it's not just to tap in worthy small

businesses across the footprint
who happens to be women and

people of color,
it's actually more than that.

It's the other half of the equation
is how is that going to change us

fundamentally and how we work and
show up to work every day?

How do we look at our systems and
our processes and

procedures to make sure that we're
actually inclusive and equitable?

That is the game changer for us,
and that's what I'm excited about.

I'll point to a few of
the things that we're doing.

In addition to detra,
we had a credit ideation session and

this is gonna sound insane.

Typically, if you talk to a bunch of

people who decision around credit,

they tell you all the reasons why
somebody is not going to get that credit.

What we talked about with that credit team
yesterday was, tell us all the reasons

your system may be flawed and
there may be inequities, and they did.

Right in the thought is individuals
who work within the system and

push the buttons and pull the levers every
single day, where might bias be unfolding?

Where my bias may be dictating how
people receive and who receives credit.

If we can do that as an organization,
we look internally to figure it out.

We're going to expand half that equation
that we never talked about before

the banking industry, and frankly,
that's the game changer to me.

So, I'm excited about that process, and
how we're gonna go throughout the bank,

and every single part of the bank and
aspects, not to talk about what

the customers need to do, but
talk about what we need to do and

how do we go through all of our processes
with a fine tooth comb to change them.

We've got three Banking Reimagined in DC.

And this is gonna expand in scale as well.

Which if you're actually going out
to prospects, and frankly, targeting

prospects that aren't with us today and saying, why aren't you with us today?

And they're saying very simple things oftentimes, I don't know of you.

In some cases, I don't see myself.

And if I don't see myself in your leadership, and

if I don't see myself in your front line, that's problematic.

And frankly, I don't feel comfortable.

So then we have to think about as an organization, how do we make sure we're

elevating talent, so it reflects the communities that we serve.

Our leadership reflects the community that we serve.

And then I'll just stop on this last piece which is fundamental to everything we're

talking about here today and everything you'll continue to talk about.

This is all anchored in relationships, authentic relationships.

And one of the things I'm most proud about as an organisation is it's so basic and

simple that we overlook it all the time.

We're standing up a sponsorship program at our bank, which is actually taking

folks in organisation, and tethering them to senior leadership for navigation but

also for advocacy in ways that we're being very intentional and

targeted to make sure people actually
have that person that could advocate for

them when we're not in the room.

Frankly, isn't that the same thing
as we're talking about today?

How do we build real authentic
relationships so that we're building

together so that we're helping you achieve
your goals as small business leaders?

So, that we're ultimately helping our
communities achieve their goals and

uplifting from within.

So, I take pride in sort
of being at the bank.

I'm highly critical of myself, and
the bank and the spaces we need to go.

I know what we're doing, and

I know the leaders are gonna hear from
today are going to help us go faster.

It's hard work.

And each and every one of you I think
about the last year, and a half we even

talked about COVID, and how hard that
has to be for you and your family.

But it starts with relationships, and

I'd ask everyone on this call
today to remember that and

make sure that as we are working with you,
that we are working with you.

We are working for you, on hold us
to that because that's who we are.

We say our mission and purpose is to make
a difference in people's lives that I

better understand your life.

I better be listening to you,
I better be leading with empathy.

And that's the only way we're gonna
do this and solve this together.

So, we have a massive lift in front of
us as the banking industry, frankly,

this conversation would not have been
understood even a few years ago,

in the importance of this conversation,
I hope you understand that this is this is

not just a moment,
it's a moment within a movement.

And I can feel this, and I think all of
you can feel it, and something's changing.

And if you were waiting for someone else
to change it, you missed the point, right?

I'm looking at the chair,
I'm looking at Bina, right?

I'm looking at Jacqueline,
you're all changing it.

And that's all a small small business
owners and the folks on this call today,

we need you to continue
to help us change it.

So, I'm done talking to you.

Again, I've got nothing too great to say.

But I just wanted to give you some insight
that we really are looking inward to make

sure that we can better
connect with our communities,

and frankly amplify what it is you're
doing to help us move further and faster.

So, thank you for having me,

I'm looking forward to that
to the rest of the program.

>> So, that's fine.

I really appreciate you
sharing our strategy,

things that we're thinking about.

And for all of our guests
that are on the line today,

we ask that you just
continue to challenge us.

Where are we now that we have we're
on a journey we know there's so

much more to go and we need your help.

We need your help and encode against
accountable and making us better.

So the three of the things that we're
really focused on is around educating

the community, giving people access to
information, which is really important.

This is one of the reasons why we're here
today to talk about generational wealth.

Really empowering our communities to
ask more of institutions like ours.

Engaging so just like this, like finding
different ways that we can really start to

build those relationships and
get to a place of reconciliation.

We know all the systems we
know of all the history.

And we're trying to own that.

Our industry has played a major role in
creating the wealth gap and the divide.

And so we're here to really try our
best to make as much of a difference as

we can and to hold by our commitment
to being a part of our communities.

Not just being a community bank,
but being a bank for communities.

So we're just so thankful that
you all are joining us today.

We're expecting about 200 people.

So we are very excited to share
some great information with you.

So with that we are going to
move over to Jocelyn Walters.

So Jocelyn is a great partner of ours.

We are really excited to have her today.

She works in an organization
called Next Street.

She is a director for Next Street.

And Next Street is a mission driven
firm that partners clients like

us to advance small businesses and
deliver a more inclusive US economy.

And the really great thing is
Jocelyn is also an entrepreneur.

So she can relate to a lot of things
that all of you are going through

as you're trying to build your businesses,
scale your businesses even in this day and

age just try to try to stay in business.

So she's gonna go over some
really great information for us,

you know giving us some statistics and
really helping us define what generational

wealth you know what is well, and
you know also kind of set us up for

the great conversation that you know,
you know, is going to bring us on.

So, with that Jocelyn,
thank you again for being with us today.

And you have the floor.

>> Thank you so much Ditra and
thank you Alvina, Glen and Jacqueline for

hosting this opportunity.

I was really impressed.

Glen with what you said about this
is a moment within a movement.

And that's truly a major statement
because all members of our

business society are part of
the team that makes up our economy.

And so whether you're a small business or
big business, you're on our national team.

And if you think about a sport, we need
everyone on the team to contribute.

And so what is aiming to do and hopefully more organizations in our country

are aiming to do is create those pathways and opportunities.

So that every member has a opportunity and access to succeed.

And so from an expert standpoint,

we sit in that intersection where we help mobilize capital, customers and

capabilities in partnership with Financial Institutions, governments and

corporations to help small businesses thrive,

particularly those that are systematically held back.

And our goal is to create a more inclusive economy for everyone.

So again, I thank you for letting us participate in this.

And I look forward to the discussion as a whole.

So we can move forward and get into today's Material and

what we're gonna do as Detra said, we're gonna talk about general racial wealth.

We're also gonna talk about some of the groups that have been systematically

held back.

But the reality is, all of the tips you will hear today are good for everyone.

Because everybody needs to be doing these things, again to contribute to our

national economy and our team and your own livelihood.

Generational wealth, what is it and so it's not just having money or

accumulating a good savings.

It's really about having assets that you can pass down through multiple

generations and it can be in any form.

It can be cash, but it can also be stocks and bonds, and even your entire company.

So when you're thinking about your small business, yes,

you may have initially gone into small business to work for yourself.

You might have initially gone to small business to supplement your income.

But now that you're here, are you thinking about your business as a tool to

set up your grandchildren and their children?

Because that is very possible and that is something that we'll talk about.

Some others have done we know about, you know the Rockefellers and

the Vanderbilts and some of these iconic American families.

I think it's important to recognize that in some instances that wealth was passed

down like the Rockefellers.

But in other instances, it wasn't.

And that's because of planning.

And so Alvina will go
through this in a great deal.

But I just want to highlight that we're
gonna talk about some of the barriers.

And then we're gonna get into some
of the things that you can be doing

to help set up your family and
the next generation.

For that type of wealth,
we can move forward.

So first we're gonna talk about some of
the groups that have been that aren't

at the same starting line, I should say.

So there we have more to do,

again as a team as a national team to
make sure everyone is able to contribute.

Part of that falls along race lines.

And so when we look at the data,
this data only looks at three main groups.

We know that there are more ethnic
ethnicities and others that

are affected in that same way, but
these are some of the larger disparities.

So if you don't fall into these groups
don't feel that you're not reflected in

this data.

It's sort of to show you the massive gap.

And so we see here that If you want
to create generational wealth,

it has to be a notable inheritance.

Again, it's not necessarily
the dollar amount only, but

it really has to be something of worth.

And the reality is most across racial
lines we do not pass down the same

amount of that worth because we
don't have a notable inheritance.

And when you see these numbers,
you can see it forecast for

2024 is that just a couple
of \$1,000 are being passed

over generationally in the black and
Latino communities.

We're up in the hundreds of thousands for
the white community.

So if you are in any of these groups,

I would hope you would think about how can
I either play a role in helping others,

maintain and grow your generational
wealth, or how can I better positioned

myself utilizing some of the things that
Glen talked about and some of the things

that will we'll talk about to set myself
up for success despite these barriers.

And some of that may be, as Detra
mentioned, the responsibility within

the financial institutions and
the changes that they're making, but

it also might be policy change that we can
all advocate for in our individual lives.

There are many ways that we can
start to look at this as again,

removing barriers and creating pathways.

We can continue forward.

The other day looking again
deeper into this data,

it has more impacts
than just am I wealthy.

It has an impact on education.

It has an impact on
income levels over time.

So in this data, you start to see that
breakdown of where the wealth gap persists

and even after we put some math in place
in order to make sure we're adjusting for

median wealth and race and marital
status status, we still see that there

are massive differences between
how we're moving forward racially.

And I thought this quote from racial
wealth gap was really telling

that the wealthiest 100 of
the Forbes list owns as much

wealth as the entire black population.

If that doesn't say a lot about
where we've ended up as a country,

I don't know what does.

And a lot of people talk about
this that 50 years ago and

that when we were in the 1950s,
that gap was much smaller.

We have actually been putting things in place policy wise and

practice wise that have continued to exacerbate the gap racially.

And you also see this by gender.

We have to be intentional if we wanna close these gaps, And again,

it's both in business and in government where we can all play a role.

We can move forward.

And so I do wanna show you by gender as well, you'll see some, again,

staggering statistics that show that the lifetime earnings by age,

particularly people born starting from the 1950s, as I mentioned,

it starts to really start to spread apart.

And so, again, we want to be mindful of the fact that everyone is not starting

from the same starting line in our country.

And therefore, we have to be intentional, as Greg and Glenn mentioned,

in order to create the right dynamics where everyone can thrive.

Globally, women have held 30% of wealth controlled by individuals or

families in 2015.

That's up from 28% in 2010.

And 44% have grown their wealth

independently as entrepreneurs.

So something I want to point out is black women particularly have been touted for

their acceleration of starting businesses in recent years.

And I think this is how we're going to move the needle.

But it's really all women who are starting to show up in business ownership.

And again, it's because some of the barriers have been removed, but

also some of the psychological and

social norms have been addressed in ways that it opened up pathways.

We have to continue doing that great work of making sure that there is room for

others to play a part in our economy through business ownership.

That, again, will help to further develop generational wealth.

And when we see all across the world where women are playing a part in the economic

development of their families, so much other good comes around that.

So we we'll continue to look at this number, but again,

in your particular role or if you are a woman and

you have started a business, there are some barriers.

And all those that are trying to move the needle will be there to help.

But it is something that continue
advocacy is necessary in order for

us to get to where you want to go.

We can move forward.

So one of the things
that I found striking is,

when we get down to the personal level
of what are the habits that business

owners need to take in order to start
to create that generational wealth,

there are some everyday things that
we need to shift our thinking around.

So again, you may have started your
business with one thought in mind.

And you may run your business with some
of the same practices with which you run

your personal finances.

But it's now time to take a shift.

We need to look at day-to-day banking,

what you're doing from estate planning,
what you're doing from a legacy planning.

You might not plan to leave your
business to your children, but

there's still someone who
could take over your business.

Maybe you'll sell it, maybe it'll just
go on to be something that your workers,

a member of your executive
team start to takeover.

Whatever it may be,

you wanna create a plan.

And so, as we look at some of these statistics, there are things that you

need to be more intentional about in order to move the needle for your business.

And three that I thought were very important is the day-to-day banking.

Do you handle your day-to-day banking differently than your personal banking?

Do you handle your legacy planning differently?

And are you intentional about your legacy planning for

your personal versus your business?

And then most importantly, your estate planning and

that succession planning, are you being thoughtful about

that in a way that's different from how you're looking at your personal finances?

We can move forward.

So how do you do that?

We won't be able to cover every single thing in today's discussion, but

I want to touch on four areas, or sort of a checklist that you can utilize

in order to better position yourself for generational wealth.

The first is setting targets.

At least annually, you need to set some targets for your business and

where you wanna be in the next year,
with the idea, again, generational wealth.

Not simply, can I leave my day job?

So it's really a broadening of
your thoughts and your strategy.

So when you're coming up with your
business strategy and you're putting

together your business plan,
input a section on on generational wealth.

And make sure you're asking yourself, what
are the targets that I need to set for

this next year?

Are those targets realistic against
my overall strategic plan and

my overall operational budget?

And review any non-financial activities,
such as employee turnover,

that may be affecting how you're
gonna to hit those targets.

But then you need to be careful
about measuring that performance.

So again, you're not just measuring
performance, how much revenue did I make,

how successful is my business?

You wanna look at cashflow and
past performance and

really start to think further ahead.

Making sure that you are reinvesting in
your business, if that's what it takes.

Or you're making external investments that

will allow you to accumulate wealth but

also stabilize your business and
remove any existing debt.

You want to compare key financial
statements, looking at what's working and
your capital ratio to industry averages.

So is your business performing at a level
that's competitive in your industry?

And are you doing anything new and

innovative that's going to allow
you to have staying power?

And then lastly, you want to
cultivate a healthy balance sheet.

So you can work with your financial
advisor, you can work with your business,

your banker to really figure out,

am I thinking about my
business in a healthy way?

And does my balance sheet reflect that?

And then thirdly,
you want to manage risks.

And this is something, again, you can do
annually, but depending on the climate,

like we're in right now, you may wanna
do this a little bit more frequently.

And look at the factors that could
impact generational wealth over time.

And then lastly, mind the gap.

So ask yourself what causes any gaps
between my budget and actual performance?

Are there things in my strategic plan that I need to address or

add a solution to in order to, again, make progress over time.

And then, repayments.

If you have areas where you are working on your business and you're missing due dates

or hitting penalties, that's just money you're giving away.

So can you minimize the areas where you have debt or

repayments to make sure everything's happening on time?

The other thing that's not on here that I will talk about a little bit in the last

slide is one of the major factors of generational wealth is having financial

conversations with your family and with whomever you plan on leaving your business

to, as well as your company leadership.

Because this is a plan that involves it's more than just you as the business owner.

And if you want your children to inherit your business or

if you want your business to live on, those people that you have in mind to be

part of that future vision need to also be involved in your plan.

They need to be knowledgeable about how the business runs.

They need to understand how finances work.

So a lot of the wealth that had been squandered over many generations is simply

because the future generation doesn't know how to run your business or

they don't know how to handle your wealth.

I think I read a statistic that 70% of children who inherit wealth,

the first thing they do is buy a car.

And many of them, that wealth doesn't even live on past that first generation.

And so it is about planning with more than just yourself.

It is about planning and

setting targets and sharing this information with the next generation.

And we can go on one more.

And so generational wealth is more than business ownership, even though that's

the goal for today's conversation, but again, we mentioned succession planning.

Real estate, Gordon mentioned financial wellness overall,

wise investment, and that family values and education piece is critical.

Because what you're able to do is you're able to decrease educational debt.

If your children don't have to take on educational debt, because your business is

thriving and you're able to use your business to offset those costs,

you're providing your family

with a great opportunity.

There are other things like life insurance and annual gifts.

And I would also say that generational wealth is also about setting your

organization, your family up for being more philanthropic and

participating in other people's well being.

So think about that in your plan, am I setting my business up for generational

wealth so that I can participate more in the well being of others.

So some of the things you can do is open up a children's savings account.

You can invest in an estate plan,

I think that's almost something we don't talk enough about as a society.

You need to work on succession planning and

there are many other steps you can take that marry to your business ownership.

So I'm gonna turn it back to Detra and

this is as a segue into what Alvina will talk about

where she'll get a little deeper into some of the steps you can take.

>> Thanks Jocelyn, thanks for setting the foundation for

the tips that Alvina is gonna be sharing with us today.

It's so important to have a plan and
I know Jocelyn kind of touched

on the different parts of how we
should be thinking about our planning.

But really needed to look at where we
are as our businesses is getting up and

running and we're able to now benefit
from having a net income as we

know the first couple years in
business can be a bit of a struggle.

But one of the things that we
recently had a fireside chat and

some people that were on that chat said,

well now that my business is running
operationally now what, now what do I do?

I know many of you probably
didn't get into business to just,

be running so hard, 16-17 hours a day.

You probably got into
business to make money and

to be able to retire, and
live a comfortable lifestyle.

So we're really excited for

IBM to share some really practical
tips on how to manage your wealth.

One of the beauties of working at M&T
is we have an amazing duo brand, so

we are M&T Bank and Wilmington Trust and
Wilmington Trust is world renowned.

We are so thankful for
this partnership that we have and

Wilmington Trust is a premier provider of wealth and institutional services for

M&T Bank, and is really well known not just in the US but around the country.

So Alvina Lo has been with us for a number of years,

she's our chief wealth strategist.

So looking forward to her telling us a little bit more about that at

Wilmington Trust and she is part of the Wilmington Trust and

M&T Emerald advisory services team.

She's responsible for wealth planning and strategic advice and thought leadership

development growing with Wilmington Trust Wealth Management Division.

So she has a number of very successful individuals that work on her team.

That work side by side with entrepreneurs every single day helping to advise them on

how they're keeping the wealth within their families and

how they're leaving legacies.

So with that I will turn it over to Alvina to share some of

her insights on how to go about managing your wealth.

>> Thank you so much Detra, thank you so much for

the opportunity to speak with all of you.

Well before I became chief wealth

strategist at Wilmington Trust,

which is the wealth management
division at M&T Bank.

I was an immigrant,
well, I am an immigrant.

I came to this country when
I was 10 with my family, and

my grandparents were very
wealthy in China, and

lost it all overnight,
because of the communist revolution.

So the idea and the notion of
passing on generation wealth that

was once in my path and no longer,
is very, very dear and near to me.

And so when Detra invited me to do
this I was thrilled because while my

everyday life in the private
wealth division,

are working with millionaires on their
planning, right, that's great fun.

But what really I am
very passionate about,

is helping first time entrepreneurs not
necessarily generation wealth and maybe

not necessarily those whose businesses are
in their 50 million plus market, right?

The how to start doing it and
as a diverse person myself,

I am an advocate and an ally.

So today I wanna share with
you some very high level

practical tips on what to think about.

Okay, and the first question
that Detra asked me to look at,

if you could point the next slide please.

Is, okay, now that I made it,
the first one,

meaning that I'm not worried
about is my business gonna go on?

It's good operationally,
I have some excess cash, right?

What do I do with that money?

What do I do with that cash, right?

And this is a very,
very high level chart and

I really try to make it as
simple as possible, right?

I'm an attorney by background in trade,
right, and

I always pride myself my team and I have
kind of digesting the tax code and and

all the complexity and
just some very simple actionable advice.

So here it is, you have extra cash,
just think about it.

You can either reinvest it in your
business, which is the left hand side of

the slide, or you could take it out of
the business and distribute it out and

put it on your personal balance sheet,
right?

It is really as simple as that,
now obviously, there's so

many nuances to that decision.

But the first decision you need to make
is, where am I gonna build this wealth?

Now if you decide to go and put it back
into your business to reinvest this extra

cash in order to grow your business, and

obviously you have to think
about what that means, right?

Is it meaning to hire additional people?

To train and upskill the additional
staff that you have so

you can generate more business?

Is it to develop a new product line,
upgrade your system,

invest in equipment, right?

Or simply to maintain operations well and
improve efficiencies, so

that maybe you can expand in either
geography or more customer base.

And those are obviously very individual
decisions that you as the business owner

who has been successful already,
right, have to answer for yourself.

Now if you were to instead
decide to distribute money,

which is the right hand side of the slide,
and outside of your business, right?

And that's when you wanna start talking
with the financial advisor, right?

And depending on the amount of wealth you're talking about, maybe even with

a private wealth management firm like Wilmington, discuss what that means.

And at all times, what you wanna think about is,

what is your adjusted, risk adjusted possible return, right?

Cuz everything is about risk and reward in money, right?

So would you for every dollar you invest,

are you gonna get better return through your business adjusted for the risk?

Or are you gonna get a better return of it,

putting in your personal balance sheet right again, adjusting for all the risk.

So let's for a moment say that you've decided that you are gonna take some money

off the table from your business and you want to start building up that personal

investment, right, that that is a better risk adjusted return for you.

Well, what do you do and how do you start?

So if you can go on to the next slide, please.

Okay, first and foremost, before you start thinking about investing, okay?

Before we even start thinking about opening account talking to somebody,

make sure that you have

an emergency fund set up, okay?

And best practice we always advise our clients is to have three to

six months of living expenses in a liquid or cash equivalent account.

And by that I literally mean a checking account, right, or

a money market account or a savings account but

liquid Things that you can tap on easily that you don't have to end up selling,

right or taking a penalty to take out three to six months worth of liquidity.

Now, obviously you want liquidity also in your business too.

So don't confuse the two because I know for

a lot of entrepreneurs is really hard, right?

You are your business and your business is yours, it's very hard to separate the two.

But when you are talking about building sustainable Generation Well,

you have got to stop separating the two because you cannot have one completely

dragged down the other.

That is what diversify risk is all about.

Okay, now the next thing is if you want to start thinking

about invest, right, and and what do you do, right?

So now what I often see
people don't get and

people who are kind of didn't grow up
in that environment don't kind of speak

the language as you think about
about asset allocation, right?

How much should be in equities, how much
should be in bonds or such as such, but

what I think people often miss
is asset location, right?

Which bucket,
are you gonna invest your money in?

Because what you always want to look
at is your net after tax return,

right because it doesn't really matter
as much that you don't have a great

investment that is returning seven or
8% a year, right?

Because when you sell it, you're going to
get hit with a giant capital gains tax.

Right and that might be fine
because we all have to pay taxes.

But you should be very intentional
about where you're investing

because asset location will
matter to your after tax return.

So quite simply here I broke it down
to three buckets for you guys, there

is your taxable asset, your tax deferred
asset, and then third your tax free asset.

So let's go through each of
these just very briefly so

you have an idea of
what I'm talking about.

Taxable assets are assets
that are well taxable.

So to the extent these investments
are earning income, or

when you sell them,
there's a capital gains tax involved.

You have to pay taxes on
those as you go along.

So a typical account for

something like this is in an investment
account a brokerage account or

in our manage account that's in stocks and
bonds, although it

has hedge enhancement in precisely
inflation hedge investments, right?

And also maybe some money markets or
private equity but

these are things that are taxable to you,
and so when you're talking to

investment professionals and looking
at what the expected return is, right?

Always ask and

think to yourself well, what does
this mean to me on a bottom line?

It is not just a gross number, it is what
the number means to you after you pay

all the taxes on now there are also
tax deferred assets, right?

These are accounts that when you
make investment in those accounts,

the income earned in those accounts,
as well as the things that you have in

those account when you sell them
are not taxable immediately.

They will be taxable later but
not immediately.

Why does that matter?

Because when you sell or
when you have returned from those assets,

you could take the gross amount and
we invest it right, so

it's firstly the compounding
effect of money.

So when you're talking about
building generation wealth right,

we'll always want to talk
about the compounding of.

So these are investments that you can
make inside a tax deferred account,

like the most popular ones,
especially for entrepreneurs or

business owners will be a SEP IRA,
simple IRA, right, or a 401k plan.

Again, you're still making investments,
but you got to be very clear as

to whether you're making investment in a
taxable account, which gets tax yearly or

you're making in a tax deferred account.

Now, many of you might be thinking, well,
geez, why would I make everything all my

investment in a tax deferred account,

who wants to pay taxes every year, right?

Well, that's because there are a limit
to a what you can invest in, and

also how much you could put into
these tax deferred accounts.

But a way to start and

to build generational wealth I gotta tell
you is to maximize those tax deferred

accounts to the extent that your
cash flow will allow you to do it.

Now, lastly, you've got tax free accounts,

which is my favorite kind because who
doesn't like to be tax free right?

Tax freed accounts are accounts where
one money's in the account, right,

there's no tax and when money comes out
of the account, there is also no tax.

So literally tax free.

Now you can match and
these are very special and you can't,

there's a big restriction as to what can
conveniently what you can invest in, but

the most popular ones
are a Roth IRA account, right?

These are accounts that when you
contribute the money into the account,

you don't get a deduction so it's not
taxed as beneficial at the moment but

while the money is in the account,
it completely grows tax free and when you

take it out also, okay, I actually have

a client one time who started one of these

for the grandchildren, when they were
very little, while it was a little enough

to have work and have earned income or
qualify me some fabulous investments and

believe it or not, the Roth IRA account
was an \$8 million by the time he was 67.

So, it is very possible to be building
wealth in this accounts, okay.

Now many of you might be wondering,
just to mention this about education for

the future generation, right?

So, you might notice that
the 529 plans aren't in here.

That's really important and

that's because I struggled a little
bit of where bucket to put the five.

These are education funds that you can set
up to save money for your children and

grandchildren, or even for a partner or
maybe yourself for education purposes,

that I think would fall somewhere between
tax defer and tax free, right because

while the money is inside the 529, it can
grow tax deferred, there's no tax on it.

If you took out the money to pay for

education qualified education
expense is also tax free.

But if you take it out and
end up not using it for education, right,

there will be a tax and in fact a penalty

of 529 a straddle somewhere between

[INAUDIBLE] Okay, so
now we talked about asset location.

So now you've decided which
buckets put it right.

Let's then talk about asset allocation,

you probably heard a lot of this in
the news and in the financial industry.

So here you have to have
a plan as Jocelyn saying,

right think about what
are your goals right?

If you have a long term horizon,
say you are in your 20s and your 30s and

you have a very long retirement and
investment horizon,

you probably want to get a lot
of my more aggressive and

a little bit more into your aggressive
growth type of investments, right.

So for example here Wilmington Trust,
right, if you're in one of our

portfolio and you're in the aggressive
growth portfolio we will allocate

generally speaking about 80% and
inequities and 20% equities, okay.

Now if you have a shorter goal,
let's just say you are older, right, or

you have specific goals where you want to
stop working right and you don't want to

take take as much risk whether you had to
give up some of that upside of potential

growth and do a little bit more of
a conservative or balanced approach.

And just again,
By way of comparison, at Wilmington,

trust our allocation kind
of framework right, for

a balanced portfolio would be 48% lashes,
excuse me 30% equities and

70% fixed income, that's typically is for

people who are older who
are closer to that retirement.

But it is not a fixed target, right,

it really depends on your investment
horizon, your own risk tolerance,

and also kinda what your goals are and
where you are in life.

I can tell you that for
a lot of business owners, they tell me,

I'm taking risks every
single day with my business.

And therefore, for the investment of the
money that I'm taking out of my business

to put into my personal balance sheet,
that is my [INAUDIBLE].

This is beyond my emergency, right?

I don't wanna stress about that.

I don't wanna worry about the market,

what's gonna happen
with [INAUDIBLE] Risks.

So far a lot of our business owners,

right they tend to be a little bit more

conservative in their personal portfolio
and they invest in fixed income, right?

That is their, balanced right to the risk
that they're taking every single day with.

Now lastly,
you also in conjunction about this must,

must develop a personal financial plan.

Because you wanna make sure that
these assumptions that you're

making are indeed going to be
performing the way you are.

And if not, you have to quickly pivot.

So this pullback to have 4 boxes that
Jocelyn talked about earlier, right?

Underpinning the whole kind of cycle of
how you planned your life is a financial

plan that you ought to have with your
financial advisor and update accordingly.

All right, if we could just
go to the next slide, please.

I have 2 more, okay.

When we're talking about generation
wealth, what are we talking about?

Right, Jocelyn explained this to us.

It is about passing on asset
to the next generation.

Now I hope many,
many of you live a very, very long life.

And this is a topic that
is many years from now, but

the reality is that this pandemic
has taught us anything, it's that

unfortunately anything can happen at any
time and death can come at any moment.

And what I've seen over and
over again is that,

business owners think that
they are immortal, right?

Like, okay,
well that's not gonna happen to me.

I am my business and my business is me.

And they don't plan for these things,
which is a shame, right?

So it is very important for you to
understand how assets are passed because

a lot of very common misnomer for
people who aren't educated this,

if you don't know about this is they say,
well, I just passed everything on my will.

Well guess what?

Your will,
doesn't control everything at that.

In fact, I bet a vast majority of you
have assets that aren't touched by your

will at all.

So while you think you're doing the right
thing by passing on certain things you

wrote it will, but you might not know
is that assets that you have actually

have nothing to do with
the direction you gave on your will.

Now how do you possibly create generation well if you don't even know

where the money's going, right?

So, big picture categories how things can pass upon them.

There are things that are individually own.

Those are things in your individual name, right?

That is not held in other kinds of other name or empathy, right?

Those things do get passed according to your will.

So I have a will assess when I pass away I leave my assets including, say my

individual checking account that's in my name or the car that's in my name right?

To my husband and my children, right?

That's great.

I plan for that.

Now many of you and I believe in our guys, all of you have a will,

you just might not know it.

Because if you don't write will guess who did it for you,

the state government of which you live in.

I live in New York if I didn't write my own will, what happens when I die?

New York state attorney that I think you should distribute the first \$50,000 of

your net worth to your spouse.

Everything else gets divided between your spouse and your children equally.

That's fine with me because that happens to be my family dynamics, right?

But that might not be the same for all of you, right?

So you work so hard for this money.

Do not, do not let the state government tell you what to do with it.

Do it yourself and write a will.

Now, for those of you who are married or maybe have a jointly held property,

understand that those things do not get passed in your will.

It doesn't matter what you saying those documents,

what controls the truth on the title.

What's the most common one, your house right?

So if you bought your home with your spouse, chances are the titling on that D

is held as evidenced by the entirety, or joint with the right of survivorship,

which means that if one of you died automatically goes to the spouse, period,

end of story.

Now, for the vast majority of people that might be what you want.

Right, but

on occasion I've had clients come and
tell me I really don't want my have to go
to my lover for whatever reason, right?

I really need to go to somewhere else.

Well, if that's the case, writing
a will is not gonna help you, right?

You need to change the titling on your
home or the jointly held assets for
that to work.

And then lastly,
there are things or assets, right?

That you can pass on to
the next generation.

That are controlled by contract,
life insurance,

retirement accounts,
pay on death accounts.

So when you go and
buy an insurance policy,

who you fill out as the beneficiary
on that form is gonna control.

So same thing with your
retirement account.

And this is a true story right?

When I first started my
first job at a bank,

I at that time to was was married and
so I have one child.

So I named my husband as
my primary beneficiary and

then the second beneficiary

I named my son.

Fast forward a few years later,
my daughter, my second child came aboard.

I didn't put it on the phone.

I do this for a living,
and I didn't do it.

I just inherited her accidentally and
didn't even knowing, right?

So again and it doesn't matter that
I updated my will to include her.

The fact is I never went back.

I never opened my fidelity account,
right or my M and T account and say, Hey,

you know what I like to change
the beneficiary designation.

So understand how assets a pass
upon death is very critical

in order to create generational wealth.

And lastly, my last slide
before we go on for questions.

Okay, is that sorry.

Is okay so key concepts, what do you need?

Okay, I think the best plan and
I always tell this I'm such

a refer I know but
plan as if you're going to die tomorrow.

I'm sorry to tell you, right?

But you always want to plan for
the inevitable, right?

So make sure that you know and

you are prepared for any life transition.

Sometimes those transition
can be voluntary, right?

You're selling your business or you're,

transitioning your
business to your children.

And for many of these transition or
involuntary.

Death, disability, right?

So I always tell my clients
when they come to me and

they say, I want to write a will 15 or
20 years from now.

I'm like, stop, stop, do not think about
what's gonna happen 20 years from now,

think about if you were to
get hit by a bus, okay,?

And I'm sorry to people pessimistic,
but that is what you have to do so

that you don't accidentally do
something that ruins [INAUDIBLE] Right?

Buy so these are the things that you
I think you need to have a minimum.

On the left hand side write a buy sell
agreement if you have a business partner,

I cannot emphasize that enough.

A lot of businesses a stuck,
in a garage with a friend.

Before you knew and
you grew into a business and

then once one partner dies and it

becomes a mess that nobody can think of,

as a well thought out, buy sell
agreement with a business partner.

If you're in business with somebody else,
have it be very clear with what happened.

If there's a disability, or
if there is a death for one of you.

Have a will or trust if you're
worn if your estate warrants it.

Power of attorney, health care proxy,
living will, right?

These are documents that governs what
happens if you are disabled, right?

And we have this time and time again,
people are incapacitated in this pandemic,

that happens more often
than we would like, right?

And so, what do you do if
you were incapacitated and

you can't make decisions?

Make sure you have these
legal documents in place.

Place and then finally, update your
beneficiary designation form, right?

Don't do what I did and

accidentally disinherit 1 of
your children in your 401k plan.

And then lastly to the right hand side
teacher asked me to cover this too, right?

What are the next steps?

Make sure again you have

the liquidity to cover and

handle these transition events at
the emergency fund in place, right?

Have a plan in place to pay any taxes
that might be necessary should there

be a transition event happens.

And then finally, building your advisor.

Obviously it starts with your banker
was the 1 who has been providing and

helping you with the liquidity
with access to capital Right.

But once you're building up your wealth,

you need to have a team that's set up
to help you get to the next stage.

And here I would say that a mistake
that I often kind of see people do,

is that they are aligned or sometimes
the more successful you are sometimes you

can outgrow your current advisor, Right.

And you're so grateful and

loyal to them because they help
you get to where you are, Right.

And I'm not saying to forget your friends,
I'm not saying that.

But time and time again, I have seen
clients who are at that next level, right,

who outgrew whoever their accounting was,
whoever their lawyer was, or

whoever the financial advisor was right?

Because what they need simply as at

the next level, so I would say that align

yourself with a company or firm that has offering that that wealth continuum so

that you don't lose that personal relationship with your banker,

which is where this all starts, right?

But make sure that you are with a place that can offer you all the things that

you need to help you get to your next step so that you don't outgrow them Okay.

And I know we have 5 minutes left for questions so

I will just end the talk
>> it's so much, and

with some really great tips on just not just being practical, how to get started.

And then as we think about the generational wealth piece,

just some really specific things that we should be thinking about.

Because we do not want anything to stop us from being able to pass on the wealth that

we've worked so hard to create for our families.

So some of the things that I kind of heard from you,

was the importance of having a plan.

And that was maybe probably a theme amongst all the speakers today,

it's just really making sure that we have a plan because, as we can see,

unfortunately, we're still
a year into this pandemic.

And well, I know you didn't
want to be a grim reaper,

just a lot of people have passed away.

And I'm even wondering how many
of those individuals had a plan,

had a will in place,
had a buy sell agreement,

had a well thought out plan of how things
are gonna be transitioning to their

family, their loved ones if they
had indeed planned to do so.

So just some quick action steps and then
we'll get into the QA, we are going to

be sending out this presentation so
there was a lot that we covered today.

And there was a lot in the slides so
the slides will be sent out and

this will also be recorded, so

we will send this out to you as well, but
just some quick action steps as we think

about practicality that I wrote down
are write down your wealth goals.

What do you want for you and
your life and your situation?

What is that you want that usually say
when you speak something that's where it

can come into existence, if you speak it.

So you've gonna write down, write down
what your goals are, create that plan,

that I'll be not.

And Jocelyn, we're talking about
really identifying resources that

are gonna help you reach your goal.

So if it's an advisor, advisory team,
Making sure that you are reaching out

seeking out information because we
are not on this journey of life alone, so

we all could use some help some times.

And then the last thing that we will we
will ask for you all to do, and maybe this

is more of a takeaway from the event,
but we are gonna send out a survey so

we may be the right team of advisors for
you, someone else may be the right team.

We just want to send out a quick survey
if any or all of you would like to

be contacted, we there are just 3
questions that we have in a survey.

Do you wanna get some more information
from us so that you have access to

information do you wanna be
contacted by a banker or an advisor.

And then also like if you if you
have a need for anything else,

we have that in there as well.

So please, please, please, if you get a
minute, I promise you only take you about

a minute or so or less to do the survey,
so with that we do have a few questions,

so Amina, you did mention you

talked about the Roth IRA.

The question that we had that came in is when you transfer a Roth IRA to your

children, your grandchildren,

is there still a need to potentially pay the federal gift tax?

Could you answer that question for us please?

>> Question, okay, so the federal gift tax only applies to gifts you make during your

life, so when you're transferring a Roth IRA to your kids or grandkids, you can

only do that at death actually, you cannot give away a Roth IRA during your lifetime.

So therefore the tax that will be applicable is the federal estate tax. Okay.

And yes, so the federal estate tax would apply to any transfer of assets including

a Roth IRA to the next generation.

But the good news there is that at least currently until they change the law,

the federal estate tax exemption,

that is the amount that you can pass on to the next generation with no tax.

It is at an all time high in United States history, it's \$11.7 million per person,

double that up a married couple okay, so as long as your wealth is less than that

you do not owe a federal estate tax, which is at a rate of 40%.

Now, that's I should tell you that there's

a lot of talk about decreasing that estate tax and President Biden has promised that the exemption will drop on our promises campaign for it in his campaign.

So, we're obviously in the Piper wall space Washington very closely, so

if you find yourself to be within that range or even over that range,

that's something we do every day to help structure.

And mitigate and estate tax, the last thing I would say is also be aware that

depending on the state you live in, there is also a state estate tax, okay?

So while the 11.7 is wonderful, and that's excellent, and

a huge number that's only on the federal level, so,

off the top of my head in Massachusetts, the estate tax exemption is 1 million.

That's probably the lowest in the country,

some states don't even have a separate estate tax so we just wanna be aware.

>> Of that [INAUDIBLE]

>> Same question have you mentioned I'm

having an advisor so when you're putting together a financial plan,

if you plan to use the financial advisor, what are some questions that

you should be asking as you're interviewing different advisors so

you can find the right choice for yourself?

>> That is a great question, so

you want to understand their experience and their workload, right?

So I will ask questions such as how many clients do you have?

What are there what is their range of net worth, or

the average network because what you want to do is pick an advisor where you are,

in my opinion, kind of middle upper tier of the pack, right?

Because you don't want to be the lowest Klein in terms of network if you're not

gonna get any touch, you also don't want to be the highest right,

because maybe you need to know what they can provide, right?

So in my opinion, you kind of want to be in the middle higher pack, so

you get the attention you want, but

at the same time that they are equal to handle what you have in the next level.

I think that relationships is incredibly important oftentimes we have clients

who come and meet us and we're almost like insistent it's like

part of our practice to meet the spouse, too, right?

Because oftentimes what we

call the money spouse and

typically the male in the family
does everything Right.

But the problem is if you have
a transition event unexpected 1,

then your spouse or your children,
might not know what to do, right?

So you want to make sure that
from a personality standpoint,

right this is of course, assuming you
vetted them and they're qualified,

but don't don't underestimate the value
of having a personal connection.

And feeling that you can
connect before yourself and

your family with the financial visor.

The other one is,
I will also inquire about their platform.

Like I said earlier,

if you have aspiration for your wealth to
get higher and higher and higher, right?

Just understand kinda what's the plan,
right?

If you move up to the wealth continuum,
what happens, right?

Do you have to then leave the farm and
go somewhere else or

is there something else within the company
that is full service that can help you?

So for example here at M&T Bank,

that's why our wide wealth management

business are in different tiers, right?

You've got folks, financial advisors,

who could help when you're at
the affluent space, right?

And then you can move up
to the high net worth and

then eventually the ultra
high net worth space.

I think that's important for
you to understand.

And you look, you might not make
a decision today based on what your wealth

might be 20 years from now, but you need
to understand how the firm is structured.

And then lastly, find out how your
financial advisor are incentivized, okay?

There's a lot of financial advisors
out there carrying a card of

an insurance company.

I've seen it over and over again, and
I'm not saying they're not good, okay?

In fact, I think the first financial
advisor that I had is from an insurance

company because he did a presentation
in my husband's medical school, right?

So they got us when we're all young and
we had no money and

all we had was skill, right?

He was great.

He actually helped me with a lot.

This was before I got into the business before I went to law school, right?

But you have to ask them how are you getting paid, right?

And I don't think there's anything wrong with that.

You guys all business people, right?

I'm very transparent as to how my team and I get paid, and

then when Wilmington Trust get paid, right?

We're all doing it for a living.

Because a lot of times people say, I'll provide you with free planning advice when

they're really just trying to sell you an insurance products, or

whatever it is they're trying to sell you.

And again, there's nothing wrong with them trying to sell you something, right?

Because that's how people make a living.

But you need to understand where their incentives are aligned, right?

Sometimes it might be that I am rather pay for a financial plan independently.

Then work with somebody who would do it for free,

because they're really trying to move me towards a specific type of product.

>> Thank you.

I think that's so important, that relationship piece, in just understanding

where their missions is that kinda aligned with where you are in life.

So I think that's really important.

And that it's not stagnant.

It's ever changing, right?

So as your goals evolve,
as your status evolves.

I need to consider who may be
the best person at this stage in life

to help you through your plan.

So I know we are just a few minutes over,
but I did wanna ask one last question for

Jocelyn before we move on.

We talked a lot about just
putting together an action plan,

some really practical tips
on how to get started.

But a lot of business owners they work so

hard in their business that's it's
hard to even think about other things.

So could you just maybe recommend
a few other best practices or

action steps that are often
overlooked that you

would recommend that are just really
simple for people to start focusing on?

>> Yeah, I think that the first step is
still the step we talked about is looking

at your strategic plan and evaluating
it from a standpoint of the long term.

And I like that Albina said if you were to pass away tomorrow, is your plan sound?

I think the other step that again, Albina talked on this but

it can't be overlooked is you're looking at the extra.

If you're a new small business especially, once you get to that extra place,

what are you doing with that extra or surplus of asset or cash?

So that you're creating, you're not taking from the money you need to reinvest.

You're not taking from the money you need to keep your business running or

your emergency fund.

But you're really separating out some funds that you can make a decision

around for that generational piece.

And then the third thing is, is there conversation with your family?

Again, Albina touched on this as well.

Your generational plan has to incorporate more than just yourself.

And even though you are your business and your businesses you,

it is something where you have to shift your mindset.

I would highly recommend finding other people who are a few steps ahead of you in

their business, so that you can have a mentor that is where you want to be.

I think that sometimes when we're especially in the small business

environment, we're talking to other peers, which is great.

But who do you have in your circle in your network that's a little bit ahead and

can help guide you on some of those things that may be more nuanced?

So I would say build yourself a network of others that are moving in the same

direction but a little bit ahead of you.

So that you have some other folks that understand the ebbs and

flow of a small business building.

>> Thanks, Jocelyn.

That's the beauty of having an ecosystem, right?

So having folks that have already, I guess fortunately or unfortunately for them,

but have already faced certain hurdles, right?

And having that network of individuals to help guide you like,

this is what I did and it wasn't a good idea.

Like let's try to help you avoid that particular hurdle.

It just makes the journey so much easier.

So, I definitely appreciate some of those great tips that you shared.

So it is 12:35, we know we're just doing the lunch hour, so you can get back to running your busy businesses, but we are just so grateful that you decided to spend an hour with us today.

We hope this information was valuable to you and something that's very easy to take action on.

And this is not like we're planning on having a lot more events, provide a lot more content.

Please remember to take the survey, just so we know what ideas, what content you wanna see more of.

And can we help you on your journey?

And we would love to reach out to you if you need some support.

That's what we're here for.

And I just wanna thank our lovely panelists for all of the thought leadership that they provided today.

So Jocelyn, Albina, and Glen, thank you so much for being on this with us.

And we're looking forward to hopefully having you back for another conversation.

So thank you all so much, and we look forward to seeing you on the next one.

>> Thanks, everyone.