

ANNUAL

DBE WORKSHOP & Networking Summit

2024

Award Luncheon KEYNOTE SPEAKER

Aaron Towns, BMO Bank
Feb. 28th • 12 pm to 1:30 pm

BUILDING GENERATIONAL WEALTH



Creating a vision for tomorrow.

“What do you want to give to the next generation? What do you want your legacy to be? When we have that kind of vision and you’re bought into your ‘why’ then the rest takes care of itself.” – AARON TOWNS

Aaron Towns

Vice President, Commercial Relationship Manager
of BMO Commercial Bank

BMO



Your Legacy Matters

Moving forward together

Rules of Engagement

- 1 Speak from a place of “I”
- 2 Don’t judge others
- 3 Actively Listen & Engage
- 4 Exclude Personal Bias’s
- 5 Be Open to New Perspectives

If you want to conquer
fear, don’t sit home
and think about it. Go
out and get busy.

- Dale Carnegie

Knowing Your Audience

- 1 Prime Entities
- 2 In Business for less than 5 Years
- 3 Looking to Retire in 5 Years
- 4 In Business to support Family & Community

Building Generational Wealth

What is Generational Wealth: Generational wealth refers to assets and financial resources that are passed down from one generation to the next within a family. This wealth can include a variety of assets such as real estate, stocks, bonds, businesses, and other forms of investments or valuable items. The concept of generational wealth is not just about money; it also encompasses the transfer of financial knowledge and practices that can help sustain and grow wealth over multiple generations. By effectively managing and transferring these resources, families can provide financial security and opportunities for future generations.

The Texan Story



Things to consider!

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Purpose – Desired Outcome

1 Education & Awareness: One of the primary purposes is to educate and raise awareness about the **concept of generational wealth**. This includes understanding how wealth can be accumulated, managed, and passed down through generations. It also involves discussing strategies for wealth preservation, investment, and the importance of financial planning.

2 Inspiration & Motivation: A keynote discussion on this topic can serve to inspire and motivate individuals and families to **take action** towards building and maintaining generational wealth. By showcasing success stories, providing practical advice, and highlighting the long-term benefits of financial stability and security, the discussion can encourage attendees to start or continue their own journeys towards financial independence.

3 Convener of Resources: **Simplified** Knowledge, Experts, Tools, Networks, Strategies, Support Systems



3 Key Themes to Highlight

- 1 Capturing your vision, your true desire
- 2 Review the key elements of a Financial Plan
- 3 Adopting a Successful Mindset

Phase **1**

Capturing your vision, your true desire

Creating Your Vision

1 Retirement | Financial Independence: What do you want to experience in retirement, when you have achieved financial independence?

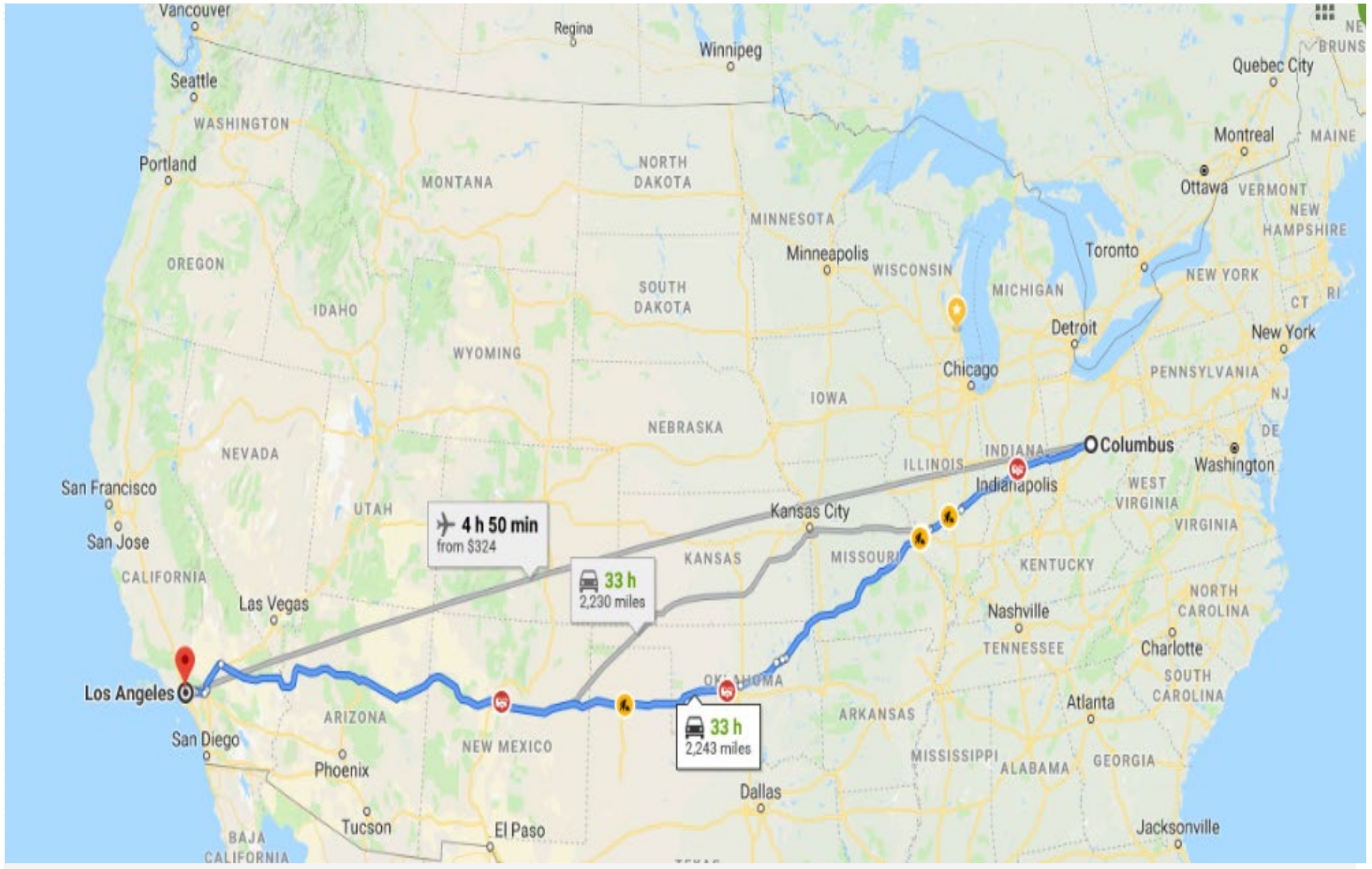
- Who do you see yourself spending time within retirement?
- What kind of lifestyle do you want?
- How much money will you need to maintain your lifestyle?

2 Legacy: What do you want your legacy to be?

- What do you want to be known for?
- What financial legacy do you want to leave for your family and loved ones?
- Are there charitable causes that you want to support?

3 Emotional Resilience | Your “Why”: What will keep you inspired to preserve?

The Journey - Defining your Vision



Gaining Clarity



What is your number?

Phase **2**

Review the key components of your
Financial Plan

smart progress



Gaining Clarity

A comprehensive approach.

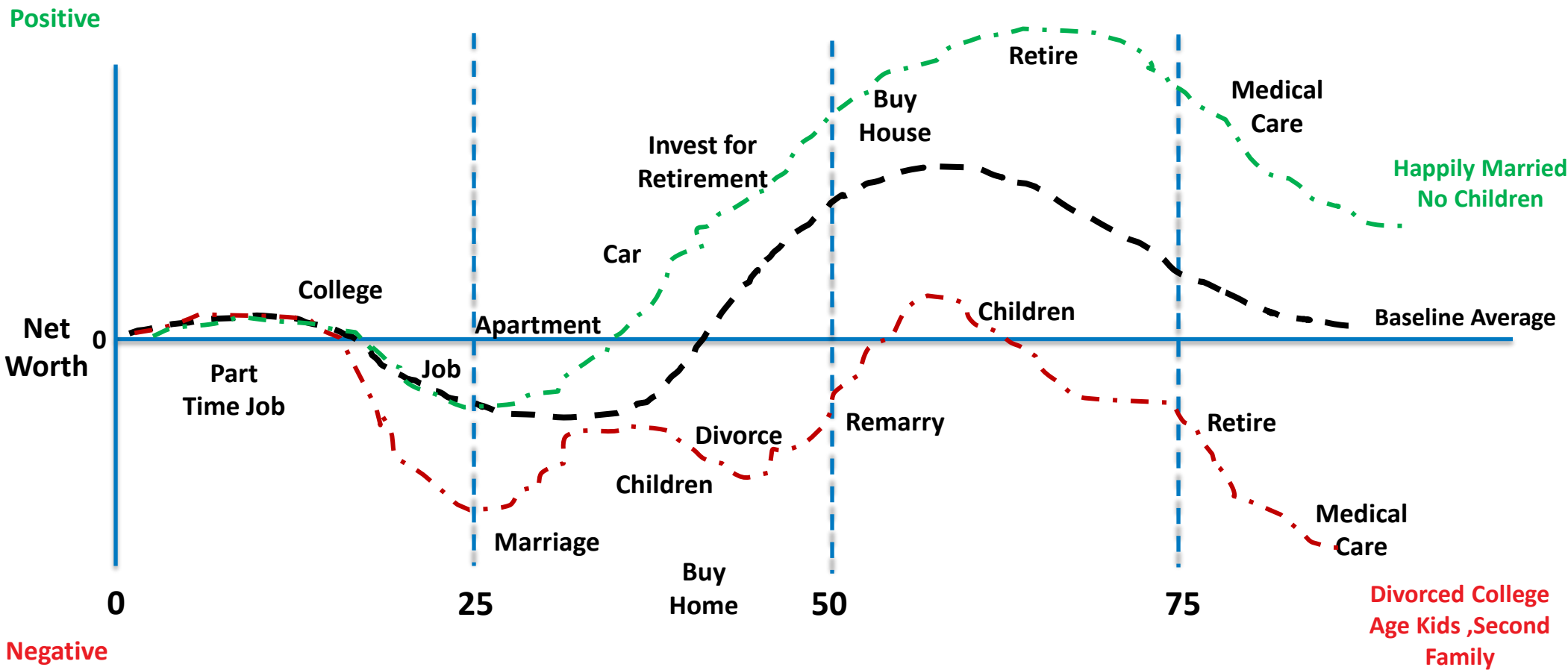


The key components of a Financial Plan include:



Highlighting Net Worth

Simple Savings Borrowing Investment Asset Draw Down



Customer Life Stages | Key Insights

Simple Savings (Age 0 – 25)

1. ★ Current minimum wage is \$7.25 / hour and hasn't increased since 2009
2. People with part-time jobs have more difficulty obtaining financial aid
3. ★ Average rate of inflation for tuition is 5 – 8% per year, college costs double every 9 years
4. 62% of jobs don't support middle class life after accounting for the cost of living

Borrowing (Age 25 - 50)

1. ★ In 2024, the average cost of a wedding is estimated to be between \$29,000 to \$31,000, excluding honeymoon
2. Average household credit card debt is \$9,654
3. ★ 44% of Americans between ages 60 – 70 have a mortgage when they retire, and 17% say they will never pay it off
4. ★ Average cost to raise a child from birth to 17 is \$306,924

Customer Life Stages | Key Insights

Investment (Age 50 - 75)

1. ★ The median retirement savings for Americans is between 55 – 64 is \$185,000 which equals \$380 monthly if invested into an inflation protected annuity
2. By the time you reach age 60, you should have 8 x your annual salary saved
3. National average cost for divorce is \$15,000 per person, current divorce in the US is 40 – 50%. Approximately 80% will remarry

Asset Drawn Dawn (Age 75 +)

1. ★ Social Security board of Trustees said the funds that help support the system will run out of money is 2034
2. ★ SSA estimated that 43% of seniors rely on Social Security for 90% + of their income
3. 54% of people ages 60 – 64 were working at least part time in 2017, 31% of people age 65 – 69 were still in the workplace in 2017

Customer Life Stages | Key Insights

A comprehensive approach.



The key components of a Financial Plan include:



Risk Management | Long Term Care

General Information

- National Median Home Price: Approx. \$350,000
- Need for Long Term Care - 52%
- National Average for LTC Cost – 1 Year \$97,500

Assisted Living Facility : National Median Monthly Rate: \$4,300

- National Median Home Price: Approx. \$350,000

Nursing Home : National Daily Rate for Nursing Home Care - \$275 (100,375 annum)

Risk Management | DIME Exercise



Insurance

Health Risks

Risk Management

Risk Management | DIME Exercise

Understanding Your Life Insurance Needs

Dime Life Insurance Needs Estimator						
Debt	\$130,000.00	\$15,000.00	\$10,000.00	\$35,000.00	='	\$190,000.00
	Mortgage	Credit Card	Auto	Other		
Income	\$ 50,000.00	x	10		='	\$500,000.00
	Annual Salary		Number of Yrs			
Mortality	\$ 15,000.00	+'	\$ 15,000.00		='	\$30,000.00
	Funeral Exp.		Medical Exp.			
Education	\$ 15,000.00	4	3		='	\$180,000.00
	Annual Cost	# of Yrs	# of Children			
Sub Total					='	\$900,000.00
Current Life Insurance					='	\$500,000.00
Annual Life Insurance Needed					='	\$400,000.00

- DIME Exercise Considerations
 - Cost for Long Term Care
 - Disability income and medical insurance
 - Cost of Home
 - Review your Estate Plan

Customer Life Stages | Key Insights

A comprehensive approach.



The key components of a Financial Plan include:



Customer Life Stages | Cash Management

Assess Your Current Situation

1. Understand your discretionary income
2. Create Balance – Plan | Emergency | Fun

Increase Your Savings

1. Set Short & Long Term Financial Goals
2. Pay Yourself First
3. Save Automatically



Customer Life Stages | Key Insights

Starbucks
\$200 / month



Customer Life Stages | Key Insights

A comprehensive approach.



The key components of a Financial Plan include:



Customer Life Stages | Key Insights

**Starbucks
\$200 / month**



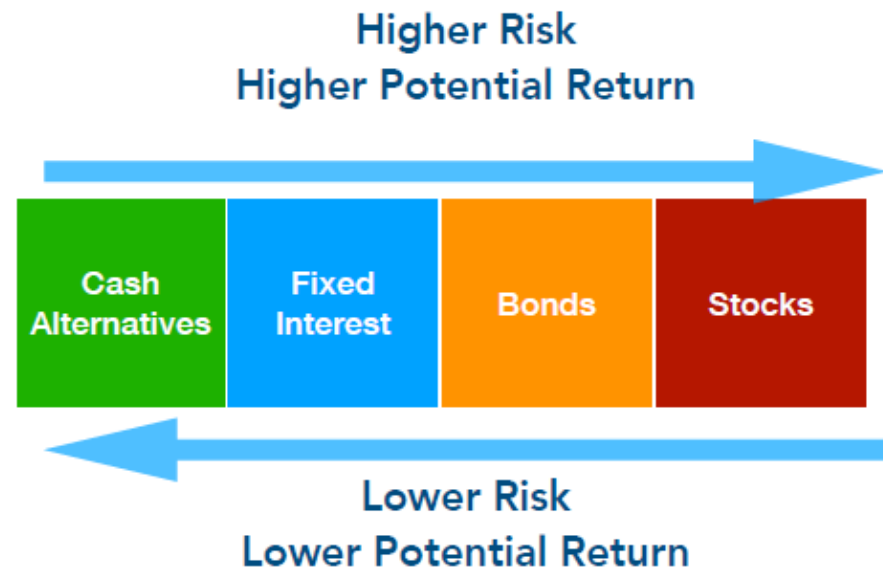
**\$118,000
Retirement**



calculator

Customer Life Stages | Key Insights

- Understand Your Objective
 - Consider your goal
 - Consider your timeframe
- Evaluate Your Risk
 - Inflation
 - Interest Rate
 - Economy
 - Market
 - Specific



Accredited Investor – Net Worth exceeding \$1M, Individual Income \$200K or Including Spouse \$300K

Customer Life Stages | Success Story



Investment Concepts


A comprehensive approach.



The key components of a Financial Plan include:



Tax Management

- Maximize your contributions to a retirement plan
- Consider hiring your children & Claim Dependents
- Consider placing cash reserves in a tax exempt money market fund
- Considering purchasing a non-qualified annuity contract to supplement your employer-sponsored retirement plan
- Consider shifting a portion of your investment portfolio into tax exempt investments
- Consider making a substantial donation to the charity of your choice
- Closely monitor your withholding to make sure you aren't giving the government an interest free loan
- Obtain a Tax Professional 



Tax Management

A comprehensive approach.



The key components of a Financial Plan include:

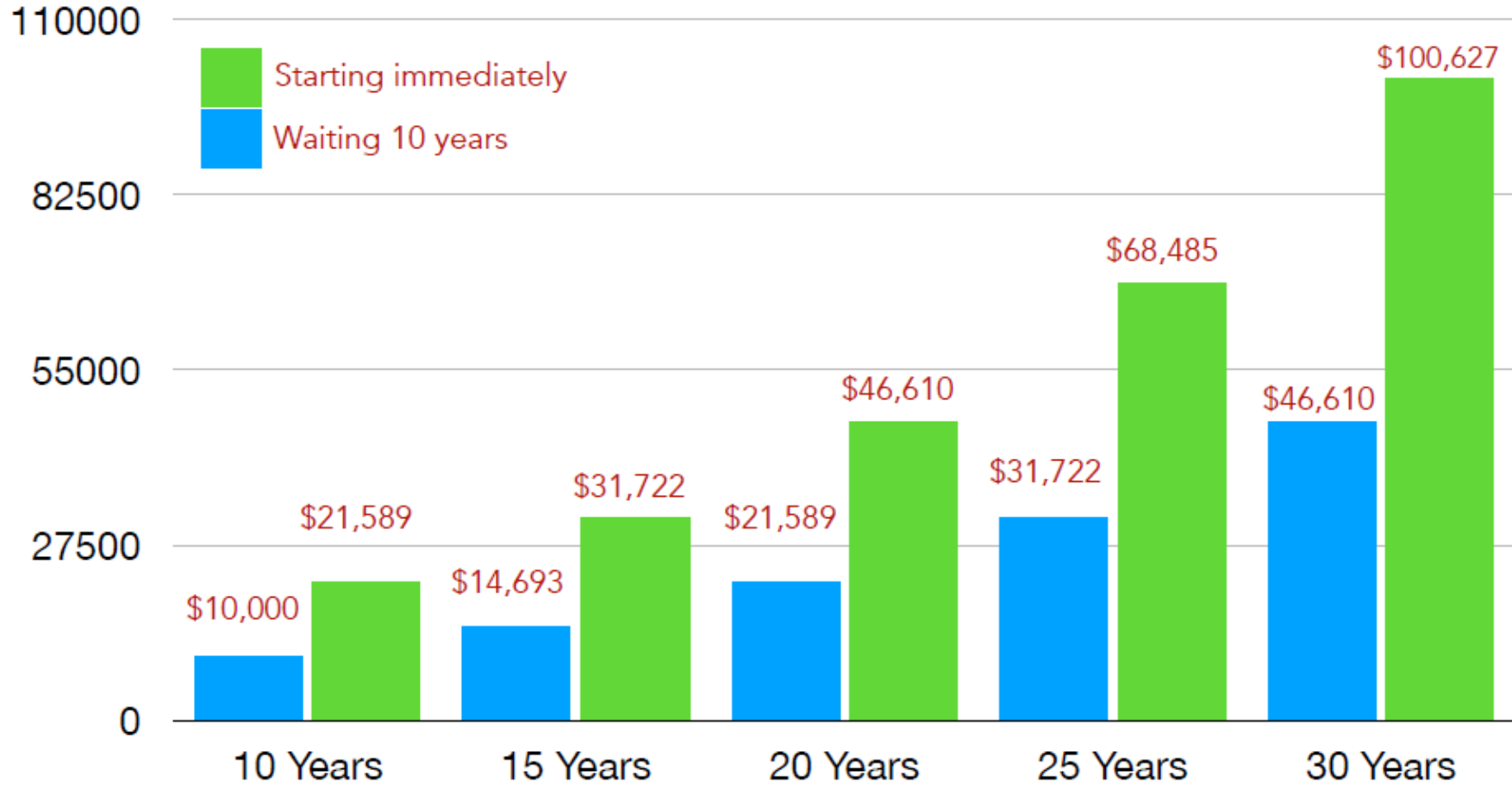


Retirement Planning | What is your number?

1. Social Security ★
2. Pension Plans
3. 401(k), IRAs and Other Retirement Savings Plans ★
4. Personal Savings and Investments
5. Annuities | Insurance
6. Part-Time Work or Consulting
7. Rental Income ★
8. Home Equity | Downsizing Home
9. Inheritance
10. Government and Private Grants
11. Dividends and Interest Income ★ -- Annual Income Needed / 4%
12. Life Insurance Policies – Cash Value
13. Royalties or Intellectual Property
14. Business Ownership ★ -- 70% Desire Transfer | 15% Successful Family Transfer

Retirement Planning | Procrastination

\$10,000 invested at 8%



Retirement Planning

A comprehensive approach.



The key components of a Financial Plan include:



Retirement Planning – What is your legacy?

- Probate Drawbacks
 - Time
 - Expensive
 - Lack of privacy
- Living Will : technique you can use to distribute your estate
- Trusts (Revocable and Irrevocable) :
 - Trust: legal arrangement under which one person or institution controls property given by another person for the benefit of a third party
 - Living Trust: enables you to control the distribution of your estate
 - Benefits: Control Distribution, Manage Fees and Taxes, Avoid Probate
- Documents designed to help you ensure that your future decisions will conform with your wishes
 - Financial Power of Attorney
 - Health Care Power of Attorney

The Roadmap



A comprehensive approach.



1 Clarify where you are today and **where you want to go.**

Your coach listens carefully to understand your core values, objectives and priorities. A review of your current financial standing, from your banking strategies insurance and investment portfolio, is the starting point for a plan that addresses your current position and aligns with your future goals.

3 Implement **your plan.**

Access to our network of professionals (advisors, lawyers, tax professionals, insurance experts, and real estate agents) will allow you to gain the support needed to implement the strategies recommended in your roadmap. This is designed to ensure synergy, plan thoroughness and accelerated growth.

2 Create a **roadmap**

Once your coach understands your goals and objectives, they aid you in developing your roadmap with the help of specialized planning tools. Your roadmap will include recommended financial strategies designed to help you reach your unique goals.

4 Help you **stay on track.**

Maintaining a close relationship with you, your Coach regularly reviews your current situation and addresses any changes you may have experienced. Together, your Coach will be able to help ensure your plan continues to remain aligned with your goals.

Your Community



Phase ③

The internal journey of creating wealth

Financial Strategy



Simplified Education



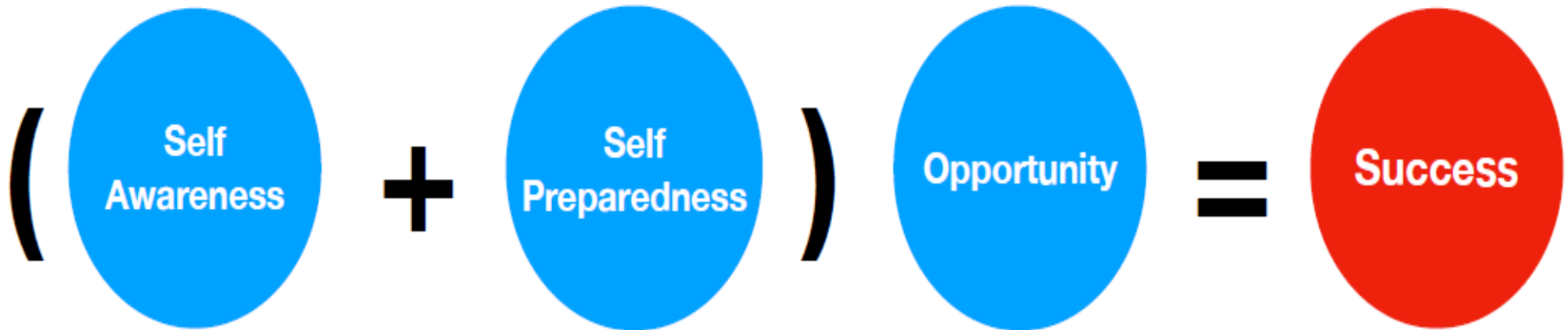
Abundance Mindset



Financial Strategy



Success Formula



Hierarchy of Income Planning



Aaron Towns Biography

Aaron Towns is Director of BMO's Commercial Bank in Southeast Wisconsin. He oversees the strategic execution of BMO's Diversified Industry Groups clients who have revenues that range from \$30M – \$1B and is the Ambassador for BMO's \$40B Empower program. An initiative designed to provide financial and community driven investment in communities across the state of Wisconsin and beyond. Aaron joined the bank in 2013 and has more than 20 years of professional service experience.

Prior to his role with BMO, Aaron was an IT Leader a part of GE Aircraft Engines Leadership Development Program, Project Team Member with Kroger Corporate responsible for the creation of the Kroger plus rewards program. He then was recruited to be a part of National City Bank's leadership team, where he led 4 business lines and was responsible for the implementation of six sigma and lean methodology concepts being integrated in banking / finance, as a Best In Class initiative. Aaron, then joined 5/3rd Bank's Consumer Banking line of business. With BMO, Aaron has served as a leader of one of BMO's top 5 Flagship locations, a Market President with BMO's Premier Wealth business, a Retail Regional Sales Manager and now takes his previous expertise to help his clients identify holistic solutions to positively impact their employees, leaders, corporate entity and community.

Aaron received his degree in Business Marketing and Information Systems with Xavier University and serves as an advisor and strategist for many local non profit organizations. Furthermore, he serves on the leadership committee for the OCC's Project Reach initiative, which supports and advocates for small businesses and affordable housing in order to offer equity to underserved communities.



Thank you for being a
part of this experience!