CORAL GABLES

OCTOBER 2023

MAGAZINE

The Dog Issue

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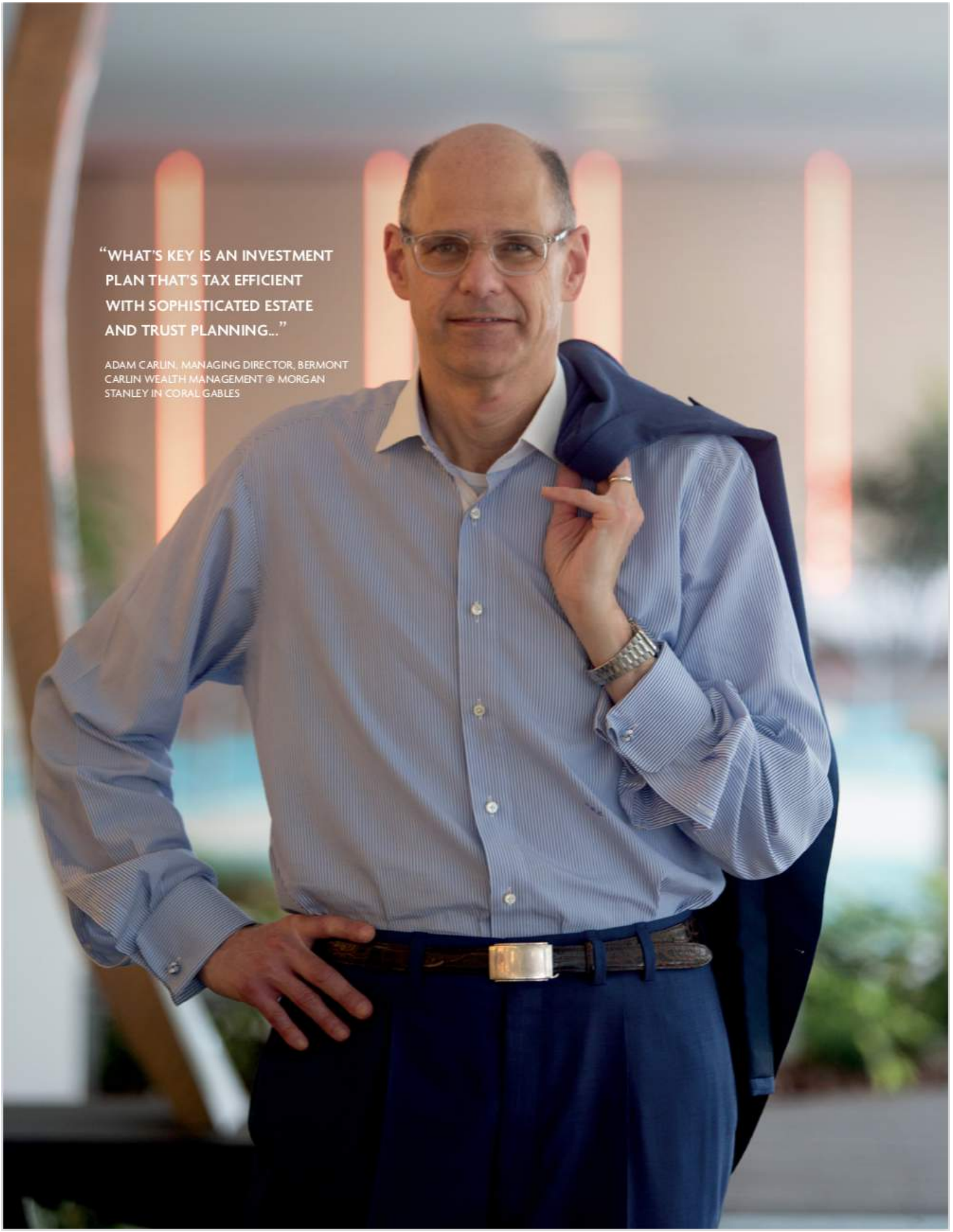
THE HEALTH OF GABLES WEALTH


"WHAT'S KEY IS AN INVESTMENT PLAN THAT'S TAX EFFICIENT WITH SOPHISTICATED ESTATE AND TRUST PLANNING..."
ADAM CARLIN, MANAGING DIRECTOR, BERMONT CARLIN WEALTH MANAGEMENT @ MORGAN STANLEY IN CORAL GABLES

THE HEALTH OF GABLES WEALTH

The latest priority for the managers of wealth in Coral Gables is as much related to reducing client stress levels as to increasing the size of their portfolios

BY DOREEN HEMLOCK

The COVID-19 pandemic boosted attention on health and wellness worldwide. But who would have guessed that the new focus would extend to financial wellness too?

Private wealth managers say they're seeing that shift in South Florida. As more folks look holistically at health involving diet, exercise, and stress management, more are recognizing finance as a stressor, and they're seeking ways to boost their financial wellness now and long-term, advisors say.

"Clients are generally most anxious about the longevity of their wealth – how to make it last for future generations," says Adam Carlin, managing director of Bermont Carlin Wealth Management at Morgan Stanley in Coral Gables, which manages $5.5 billion in assets (as of June 30, 2023). "So, what's one of the keys is an investment plan that's tax efficient with sophisticated estate and trust planning strategies. And having that financial knowledge gives a degree of wellness that reduces their stress levels."

The idea of wellness – sometimes defined as "being in good health, especially as an actively pursued goal" – entered finance long before COVID hit in 2020. Indeed, Kaufman Rossin Wealth, an affiliate of the South Florida accounting firm, touted "financial wellness" as a key pillar at its 2019 launch. "And we call our periodic reviews with clients 'financial wellness checkups,'" says Jay Pelham, president of the Coconut Grove-based firm that manages some $220 million in assets. But the concept gained ground after COVID lockdowns, as more people gave priority to living healthier and the idea of savoring life while you still can – taking more vacations with family, for instance.

"He or she with the most money does not win at the end," says Michael Walsh, a certified financial planner at Gables-based Evensky & Katz/Foldes Wealth Management, which manages some $3.8 billion in assets. "Most people want to experience life in a financially solvent way. They want to enjoy their wealth with their loved ones and community, and also make sure they can help their grandchildren in college later."

CORAL GABLES AS A WEALTH MANAGEMENT HUB

The wellness shift stands out in Coral Gables because the city shines as a hub for firms that manage investments and advise clients on financial plans, often charging a fee based on total assets. Wealth management firms have clustered in the area because of its affluent residents, strength in professional services, and central location that makes access convenient. Area firms now manage tens of billions of dollars in assets. Yet no two are the same.

"WE CALL OUR PERIODIC REVIEWS WITH CLIENTS 'FINANCIAL WELLNESS CHECKUPS'"

JAY PELHAM, BELOW
PRESIDENT, KAUFMAN ROSSIN WEALTH

Photo by Jonathan Dann

Photo by Tiege Dolly

"MOST PEOPLE WANT TO EXPERIENCE LIFE IN A FINANCIALLY SOLVENT WAY..."

MICHAEL WALSH, ABOVE
FINANCIAL PLANNER, EVENSKY & KATZ/FOLDES WEALTH MANAGEMENT

Coral Gables Trust, for example, offers expertise in trusts, including some for disabled individuals and others that hold non-traditional assets such as art, says new CEO Donald "Don" Kress. The nearly 20-year-old firm now handles some $2.1 billion in assets from its Gables base and from offices in Fort Lauderdale, Boca Raton, and West Palm Beach, employing 35 people and focusing on South Florida.

Bermont Carlin Wealth, in contrast, manages its $5.5 billion in assets from a broader geography, coming from South Florida, the U.S. Northeast/Midwest, and the rest of the nation, says Carlin. Its team of 20 at its Coral Gables home often work with top executives of publicly-traded companies, serial entrepreneurs, and family offices, says Carlin.

Year-old Private Wealth Management of Coral Gables, meanwhile, is focused even more locally, with its team of five often working with area businesses and philanthropic groups. It's been using its Miracle Mile office for events to benefit local chapters of such organizations as the Humane Society, says financial planner and founder Al Maulini, who deems wealth a means "for the important things in life."

"We're like doctors in a hospital," Maulini says of the wealth management profession. "We each run our own practice and have our own specialties."

Photo by Tiege Dolly

"WE EACH RUN OUR OWN PRACTICE AND HAVE OUR OWN SPECIALTIES..."

AL MAULINI, ABOVE
FOUNDER, PRIVATE WEALTH MANAGEMENT

HOW WEALTH FIRMS APPROACH WELLNESS

The varied firms also see wellness differently. At Kaufman Rossin Wealth, wellness starts with staff and the office. At headquarters, there's a living wall made of plants for better air quality and color. Plus, the company offers employees free yoga and exercise classes, cut-rate massages, plus free snacks, sodas, and coffee.

"We think of wellness as financial and also physical, mental, and emotional," Pelham says. "Diversity, equity, and inclusion is very important for us," with the company offering programs to empower such employee groups like women and African Americans.

For financial wellness, most firms start with holistic planning. "It's like going to a doctor when a part of your body hurts, and saying, 'Here's my hand.' The doctor says, 'Let's do a full exam and see how you're doing,'" says Kress of Coral Gables Trust. "You need to know the whole picture: the family tree, the client's income, assets, investments, and how they'd like their money handled if they're disabled or die."

A long-term plan, with periodic reviews, includes checking that the titles on retirement accounts, insurance policies, and other holdings stay current. "People tend to forget about updating beneficiaries, and it can be a big surprise and hurtful when someone dies and leaves assets to the wrong person," such as an ex-wife instead of a new spouse, says Kress. "That can lead to family fighting and litigation, so it's an important area where close attention needs to be paid."

TRENDS IN WEALTH MANAGEMENT

Of course, wellness is not the only shift underway in wealth management locally. Firms are seeing a continued influx of affluent customers to South Florida, both from longtime markets in Latin America and the Caribbean and, more recently, from high-tax U.S. states.

"There's not a week that goes by that I don't speak with a peer from New York or California about a client that may be moving here. So, we try to collaborate as best as we can," says Diego Polenghi, senior vice president and market leader in Miami-Dade County for PNC Private Bank, part of Pittsburgh-based PNC banking and financial services giant. PNC's Asset Management Group, including PNC Private Bank, manages some $345 billion in assets nationwide and has had a Gables office since 2021. For PNC, helping newcomers may involve not just wealth management but help with loans and other diverse services.

There's also generational change taking place. As Baby Boomers born after World War II age and die, they're shifting trillions of dollars in assets to heirs and charities. Some wealth firms are engaging with Boomers' children – and sometimes, their grandkids – on finan-

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DONALD "DON" KRESS, BELOW
CEO, CORAL GABLES TRUST

Photo by Tiege Dolly

cial education and planning, hopeful to retain family business longer-term. "You need to earn your spot to gain assets," insists Polenghi.

Generational change is happening even inside the firms. At Coral Gables-based Firestone Capital Management, for example, founder Jack Firestone is retiring in 2024 after more than 30 years in the field, with managing partner Carlos Carbonell staying at the helm. Carbonell has been running Firestone for five years and has been 20 years with the firm that now manages $650 million in assets. He's already seen major changes in the industry and expects more to come.

"Wealth management is evolving. It used to be driven by stockbrokers and big Wall Street firms focused on stocks, bonds, and mutual funds. Then, advisors expanded their role, with the certified financial planner becoming more common and taking a more holistic approach, focusing on insurance, savings, tax planning, estate planning, and wealth-transfer planning," says Carbonell. "The advisor isn't there to sell you 100 shares of IBM, like the broker did in the 1980s. The advisor asks, 'Are you protected? Have you made the right tax moves? What do you need to be happy?'"

The firms also are reaching out more to women, both as clients and staff. That's partly because women tend to outlive men and may soon inherit large accounts from Boomer spouses.

"TRADITIONALLY, WEALTH MANAGEMENT FIRMS CATERED TO THE DECISIONMAKER WHO WAS A MAN, BUT TRILLIONS IN ASSETS WILL BE CHANGING HANDS TO WOMEN..."

DIEGO POLENGHI, BELOW
SENIOR VICE PRESIDENT, PNC PRIVATE BANK

Photo by Jonathan Dunn

"THE ADVISOR ASKS, 'ARE YOU PROTECTED? HAVE YOU MADE THE RIGHT TAX MOVES? WHAT DO YOU NEED TO BE HAPPY?'"

CARLOS CARBONELL, ABOVE
PARTNER, FIRESTONE CAPITAL MANAGEMENT

Photo by Rodolfo Benitez

"Traditionally, wealth management firms catered to the decisionmaker who was a man, but trillions in assets will be changing hands to women, and if we're not present for female clients, they're going to pick someone else," says PNC's Polenghi.

Technology is also revolutionizing the industry. With better software and more information online, it's now easier for wealth managers to coordinate with accountants, tax lawyers, and others to offer clients a more integrated view of their finances. "The complexity of the topics forces you to bring in subject matter experts," says Polenghi. "The trusted advisor of 50 years ago who did everything? Those days are gone."

Still, challenges abound. The firms are careful to bolster cybersecurity, while professionals – as in many other industries – are pondering the potential impact of artificial intelligence on their jobs. Some wonder how much of their work can be replaced by computers. Says Carbonell, "I think AI can enhance our services, but it can't replace personal attention and personal relationships" – and those are some of the key ingredients that boost wellness. ■

CULTIVATE
PR & SOCIAL MEDIA
by SISSY DeMARIA +
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Coral Gables Magazine
Is published to provide the residents of the city with intelligence about its culture, business, politics, and people, with information about civic issues, entertainment options, retail establishments, and business developments.
UVM: 14,799,630

https://issuu.com/coralgablesmagazine.com/docs/cg_oct_issuu_2023