

# CORAL GABLES

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## Annual Dog Issue

THE POSH LIFE FOR GABLES DOGS  
GABLES OWNERS AND THEIR DOGS

PLUS

WEALTH MANAGEMENT  
CUBAN SURREALISM  
THE SHOPS AT MERRICK PARK





“EVERYONE THOUGHT, FROM THE FINANCIAL SERVICES SIDE, THAT WE WERE GOING TO ENTER THE ICE AGE – WITH EVERYONE BRACING FOR THE WORST....”

ANDY GARGANTA, SENIOR VICE PRESIDENT AND HEAD OF WEALTH MANAGEMENT AT AMERANT BANK, RECALLS THE COVID-19 PANDEMIC

# COVID, GENDER & GENERATION

**As the quarter-century mark approaches, Gables financial advisors unpack an unprecedented era**

BY DREW LIMSKY

**2024 represents a singular moment for financial planning, as we are experiencing the convergence of several consequential phenomena, all overlapping: falling interest rates; finding ourselves on the other side of a post-COVID world that saw both home values and portfolios take off; and moments of both urgency and opportunity for Generation X and Baby Boomers, with the latter group seeing an unprecedented transfer of wealth from men to women.**

Adding to the complexities of generation and gender, locally at least, is the impact of the COVID-era Great Migration to Florida (a flood of wealth, estimated at \$40 billion, has landed in the state), which means that 2024 and the years that follow will register as both an exciting and challenging time for financial planners and their clients.

Andy Garganta, senior vice president and head of wealth management at Amerant Bank, recalls that during COVID, “everyone thought, from the financial services side, that we were going to enter the Ice Age – with everyone bracing for the worst.” Instead, clients in the wealth management space increased their wealth, due, Garganta says, to “growth in the equity market and rising real estate prices in major metropolitan areas, with Miami leading the way.” (Amerant holds \$2.4 billion in assets in its wealth management department.) South Florida, he says, has been the beneficiary of wealth

transfers from people fleeing states like New Jersey, New York, and California. But upheavals, transitions, and mega-transfers are never uncomplicated.

## **A RUDE AWAKENING**

This is a momentous, and arguably more complicated, time for Gen Xers (born between 1965 and 1980) than for the Boomers (born between 1946 and 1964). Often referred to as the “sandwich generation,” because they are simultaneously caring for their aging parents and their children at home or in college, members of Gen X are often stressed out. Still, in 2019, the economically secure members of this generation, smack in the middle of their peak earning years (between 45 and 54, according to the Bureau of Labor Statistics), felt youthful, vital, and adventurous, often globetrotting when they weren’t taking care of career and family obligations.

But COVID rocked their world. “People started feeling their mortality more,” says Al Maulini, who, as managing director of Private Wealth Management of Coral Gables/Raymond James Financial Services, serves a demographic aged 50 and older. “They want to get in front of any negative thing that could happen. It’s a cold slap of reality. It’s a feeling of being shell-shocked. After a big decrease in the market – even though the market has recovered since then, it was pretty harsh in the moment – I think there’s a general decrease in risk appetite.” Maulini says that he’s hearing more requests for life



insurance. “Before COVID,” he says, “that really didn’t happen.”

During the pandemic, Gen Xers were trying to simultaneously manage work, home school, and childcare while being stuck at home. With the national unemployment rate spiking at 13 percent, remote workers were some of the lucky ones. “It was a time of great uncertainty in the job market, as what the world was going through was unprecedented,” says Catherine Lapadula, managing director and market executive of UBS Florida International. “People started thinking, ‘What does my financial plan look like?’ Many people who had never even spoken to a financial advisor, during and after COVID, started to take stock of their situation.” Indulgent self-care (think facials, massages, and travel) became synonymous with a menu of life-threatening risks.

Many Gen Xers who are on the latter end of the generation – in 2019, they were in their early- to mid-50s and feeling young and vigorous despite those AARP materials landing in the mail – came out the other side of the COVID-era feeling anxious and exhausted, and even panicked about being behind on their financial planning. The oldest of the Gen Xers are now turning 59.5. That’s the age when you can extract money from your IRA or 401(k) without penalty. Nothing makes you feel old like the government telling you that you’re entering the final third of your life and may require an emergency infusion of cash. Even if you’re far from needing those funds, the psychological effect is undeniable.

John Harris, a Gen Xer himself who is the managing director at Coral Gables Trust, has experienced the pressures of the sandwich generation first-hand, and is attuned to the concerns of his cohort.

AL MAULINI, BELOW, OF PRIVATE WEALTH MANAGEMENT OF CORAL GABLES/RAYMOND JAMES FINANCIAL SERVICES



**“MORE VOLATILITY IN THE MARKETS AND HIGHER INFLATION – THESE THINGS CAN BE IMPACTFUL TO FAMILIES OF GEN XERS”**

JOHN HARRIS, ABOVE, MANAGING DIRECTOR AT CORAL GABLES TRUST

“More volatility in the markets and higher inflation – these things can be impactful to families of Gen Xers,” he says. “These are wealth-creating years, but they come with incredible demands on families. It’s a difficult spot.”

Harris explains that COVID’s combined health, economic, and psychological shocks have led Gen Xers to strike a more conservative pose. “There was a period of time where there was an aggressiveness to investing in the markets,” he says. “Now, they’re not as aggressive in terms of the portfolio requests as they had been. They generally are less involved now with aggressive real estate investing, or Bitcoin and things like that, because of COVID and other factors.” Overall, he says, “Boomers are in a better position [than Gen X], in terms of having wealth – at least the clients that we deal with [and] their current financial positions and the issues that they’re facing.”

Garganta notes that Gen Xers are experiencing more divorce and are therefore raising more blended families (Jennifer Lopez and Ben Affleck being the most high-profile example), which can complicate financial planning even further. This is not to say that Boomers don’t have their challenges – Harris cites worries about long-term care, for example – “but in many cases, these people are part of a generation that was still provided with pensions, so perhaps they had more legs on the stool with regard to ongoing income after leaving the workplace.”

Maulini says that he’s seeing more interest in legacy planning, as in, “What happens to my name after I’m gone?”, which feels more

like a Boomer concern. To meet this need, Maulini offers a seminar series on philanthropic estate planning.

#### **GENDER TROUBLES – AND OPPORTUNITIES**

The first male Baby Boomers are closing in on 80-years-old. According to a Harvard T.H. Chan School of Public Health report, “We’ve known for more than a century that women outlive men. But new research... shows that, at least in the United States, the gap has been widening for more than a decade.” Women, on average, live nearly six years longer than men. “The pandemic, which took a disproportionate toll on men,” according to the Harvard study, “was the biggest contributor to the widening gap from 2019-2021.”

According to the U.S. National Academy of Sciences, most male deaths occur after age 60 – especially recently, due to COVID. In married heterosexual couples, that means the estate is typically passed onto the widow. The operative term: The Great Wealth Transfer. High net-worth Baby Boomers have seen their wealth grow on steroids since 2020, and according to business consulting firm McKinsey & Co., women are poised to control two-thirds of investible wealth – most of it Boomer money – by 2030.

“Women and COVID have two things in common: money-in-motion,” says UBS’s Lapadula. “The fact is that more men suffered fatalities during COVID than women, especially older men. That was an abrupt change for many women. All of a sudden, countless women were left wondering about their financial future. That is why financial planning is so important and will continue to be so. With up to \$9 trillion expected to be passed along to spouses and partners in the coming years, the largest beneficiary of that will be women. At UBS, we call this the horizontal wealth transfer. Most people think of wealth transfer as intergenerational. We see it as *intragenerational* [and] we think it’s going to be unprecedented.”

Lapadula believes that women need to do a better job of wealth management. “There are three key reasons for that,” she says. “One: Women factually outlive men. Two: Women sometimes have had part-time jobs, or have taken a few years off for childcare, so they may not have had the same income or retirement savings as men. And three: historically, women have been more risk-averse.” Lapadula argues that women, especially Gen X women, are adept at short-term, hands-on wealth management (budgeting, large purchases, and bill-paying), but need to be more focused on longer-term planning.

“UBS has set something up called the Woman’s Wealth Academy,” Lapadula says. “It allows you to choose the stage of life you are in and then select the educational modules that best fit your profile or stage in life. The concept is that it will allow all women to better understand the financial markets. The modules can be either product-based, as in private investing, or focused on expanding your knowledge of financial markets in general.... This just a small part of what UBS does to ensure that we help women own their own worth and plan for their future. I think all wealth management firms are going to have to pivot....”

#### **WHO’S THE BOSS?**

Diego Yvan Polenghi, senior vice president and market leader at PNC Wealth Management, acknowledges the cultural conditions that keep women on the financial sidelines. He emphasizes the need for financial literacy for everyone – and the ubiquity of wealth education. “I have to say, many institutions are paying attention to [education]. I mean, this is nothing new. There are seminars; there are workshops particularly tailored for women. At PNC, we spend a lot of time on these particular topics where we want to include the wife.”

PNC offers workshops for both clients and prospects on family



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**CATHERINE LAPADULA, ABOVE, MANAGING DIRECTOR  
OF UBS FLORIDA INTERNATIONAL**

and succession planning, as well as women’s events focused on discrete topics. “It might be an educational session,” he says. “It might be a lunch and learn.” And to Polenghi, trust is also gained by using a team approach. “Who talks to the client? It’s not just the one trusted advisor having the conversations. You have an investment advisor, you have a bank, you have the fiduciary, you have a relationship manager.” If the wife has not been involved before, PNC wants her to feel confident in the institution’s expertise and professionalism.

One gender-based trend that poses a challenge for financial advisors is that women tend to leave their financial advisors after the deaths of their husbands, because men have traditionally owned the client/advisor relationship. “The simplest thing [for widows] to do is just sell and put the proceeds into bank CDs,” Maulini says. The only way to counter that impulse, he says, is education, so that



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**DIEGO YVAN POLENGHI, RIGHT, SENIOR VICE PRESIDENT AND MARKET LEADER AT PNC WEALTH MANAGEMENT**

women can gain confidence.

“It is very common that many times I’m speaking with the husband,” says Peter Zubizarreta, senior vice president of wealth management at UBS Financial Services, “so it does take some effort from the point of view of the financial advisor to really build the relationship with both spouses.” Zubizarreta says that professionals in the financial services industry tend to speak in technical jargon that is not only off-putting to women, but to men as well. “I think, as an industry, we need to really make a strong effort to build a relationship with women,” he advises. “Our industry is really about relationships, and I think women are more relationship-oriented than men.”

Unsurprisingly, traditional gender roles are most pronounced in the Boomer generation, which can put women in a tough spot when it comes to financial planning. “The men are passing away, as they do tend to die before the women, and these widows don’t even know their ATM PINs,” says Michelle Grillone, managing director at Mariner Wealth Advisors. (Mariner’s Miami office handles assets of \$2 billion.) “The husbands did not leave things in order, so we are getting a combination of frantic widows not knowing what to do because they didn’t have their affairs in order, or the reverse, where the husbands get diagnosed with something terminal, and then they look for a financial advisor when they’re literally on their deathbeds. We’ve seen around three of these cases in the last year.” In one sad situation, the client died while the advisor was flying out to see him, financial documents in hand, ready to be signed.

David Evensky, principal of Evensky & Katz/Foldes Wealth Management, has tried to overcome the limitations of traditional gender roles. “Financial advisors have often built relationships primarily with the husband in a couple,” he agrees. “However, at Evensky & Katz/Foldes, we take a more holistic and inclusive approach from the very beginning. We believe it’s essential to involve both partners in financial discussions and planning, regardless of who may initially take the lead. This helps ensure that both voices are heard, and both individuals are equally empowered to make decisions.”

Evensky advises building these relationships early on and across the family, to “ensure that both partners – and often their children – feel connected and informed about their financial future... We see the results in that we rarely have experienced this phenomenon play out where the ‘secondary’ spouse leaves the advisor relationship after the death of the primary.” Evensky says advisors should challenge the notion that there is a “primary” in the relationship at all.

“We find that when both spouses are involved from the outset, not only do they feel more secure in their financial plan, but they’re also more likely to stick with us through life’s inevitable changes,” he says. “After all, our fiduciary responsibility is to the entire family, not just one person.”

#### **FACE TO FACE**

Grillone stresses that women value the human touch when it comes to their advisors. “My advisors almost take on a husband role, not only for the financial areas, but even for things around the house,” she says. “They even end up helping the widows fix the leaky toilet.” Still, she notes, all things considered, female clients would prefer to



work with female advisors.

Harris echoes that and says that, at Coral Gables Trust, one of the managing directors is a woman, and that the majority of relationship managers dealing with clients – including executive vice presidents, senior vice presidents, and vice presidents – are women. “It’s a mega-trend, and rightfully so,” he says. “So, I think firms have to adapt. They need to have more women involved with their firm.” He says that firms that have historically overlooked the wives “are paying a heavy price for that, because the spouse is in control of those funds now. A lot of those firms are losing that wealth, and it’s going to other firms, in part because women felt slighted to some degree.”

Coral Gables Trust offers a Women and Wealth Seminar series and is heavily involved in community organizations. “That resonates with women,” Harris says. “You can preach it, but you have to practice it.” He says that women particularly appreciate the complimentary financial planning that Coral Gables Trust offers to clients with \$1 million or more in assets with the bank.

Harris also notes that it’s important to be cognizant of different investing habits between men and women, in both style and substance. Picking up on the relationship theme, Harris has noticed that women prefer to meet with their advisors in person, while men are fine with Zoom. And he says that while men tend to be more aggressive than women in terms of their expectations, “there are some studies out there that show that women are better long-term investors than men. Women are more qualitative than quantitative – not always, but generally.”

Amerant’s Garganta seconds that impression, adding that there are gender differences in both Boomer and GenX marriages. “I think there’s a huge opportunity with younger women investors,” he says, “and in many ways, what we’ve seen – and I think the data backs this up – is that younger women, from a wealth management perspective, tend to value the services that wealth advisors like us provide more than men do. They are more inclined for planning. Again, I hate painting with a broad brush [because] there’s nuance in everything. But if you look at it from the data and anecdotally, we see [younger] women taking a much more active role in creating the wealth plan for the household and they are more inclined to think about capital preservation.” Garganta says men, meanwhile, are more focused on the types of investments to choose from, and shorter-term outcomes.

MICHELLE GRILLONE, BELOW, MANAGING DIRECTOR  
AT MARINER WEALTH ADVISORS.



**“A GOOD PERCENTAGE OF OUR CLIENTELE ARE SAME-SEX COUPLES. THERE’S ALMOST ALWAYS ONE PARTNER WHO’S MORE FOCUSED ON FINANCE AND MONEY WHILE THE OTHER ONE IS NOT...”**

PETER ZUBIZARRETA, ABOVE, SENIOR VICE PRESIDENT OF  
WEALTH MANAGEMENT AT UBS FINANCIAL SERVICES

#### MODERN FAMILIES

Of course, the husband-wife model doesn’t always apply. UBS, for example, is especially attuned to the needs of LGBT+ couples. “A good percentage of our clientele are same-sex couples,” Zubizarreta says. Lapadula points out the considerable wealth of DINK (Double Income, No Kids) marriages, as well as same-sex partners who are raising children. Zubizarreta adds that both spouses in a same-sex marriage typically are in the workforce, unlike some of the wealthy opposite-sex couples that UBS advises.

Zubizarreta shares that sometimes the dynamics of same-sex couples mirror those of straight couples. “There’s almost always one partner who’s more focused on finance and money while the other one is not, and it might not necessarily be the wealthier one” who is more passionate about finances, he says. “It even happens in my relationship with my wife, where I’m more of the numbers person and she’s not, and it’s no different with a same-sex married couple. But I think the most important thing is to make sure you involve

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