LIVING AUTHENTICALLY, PLANNING ACCORDINGLY

Financial planning for the LGBT+ community

RAYMOND JAMES

A plan for your future starts with shared values

Choosing a financial advisor is the start of a personal relationship – the right advisor can help guide you through the milestones of your life.

Every financial plan, like every life, is unique, and working with an advisor who understands the nuances of the issues members of the LGBT+ community face can help ensure a more meaningful and beneficial relationship.

At Raymond James we celebrate pride, diversity, love and acceptance. Our history highlights our dedication to LGBT+ clients, and we foster an environment of affirmation among our associates and advisors. We're honored to further pave the way with lifelong financial planning that reflects our shared values.

100%

Score on the Human Rights Campaign Corporate Equality Index

a national benchmarking tool on corporate policies and practices pertinent to lesbian, gay, bisexual, transgender and queer employees

Coming together to protect your shared successes

Opening up about finances with your significant other will help you pursue your goals, your dreams, and build the future you want together. To nurture your shared success, it's important that the lines of communication are open and discussions become a habit. Your financial advisor can guide this conversation and help you establish healthy, routine communication about your mutual and individual goals.

COMMITTED BUT NOT MARRIED

Marriage isn't for everyone, but there are well-honed contractual plans to create similar – but not identical – financial and asset protections automatically assigned to married couples. These financial and legal agreements are especially important when it comes to protecting surviving partners, estate plans, shared assets and ensuring quality medical care.

COMMITTED AND NOW MARRIED

Couples who committed their lives to each other prior to 2015 and have since gotten married may no longer need their rigorous contractual safety net, or at least parts of it. Your financial advisor can work with your attorney to confirm that your legal documents are up to date and won't conflict with automatic spousal rights.

Planning tips

Clear communication and openness can go a long way to keep the financial knot-tying unobjectionable.

- **Share your financial inventory:** With both of you bringing your financial pasts and presents to the table, get a handle on the details you'll need to move forward in your new life together. Include any debt and current credit scores as part of the discussion.
- **Get organized:** Talk through how you're going to manage your short- and long-term finances. Will you keep separate bank and investment accounts or join them together? Is a prenuptial agreement right for you? Will one person be responsible for bill paying? Although you divvy up the doing, each partner should be privy to all the information and part of the decision-making process.
- **Discuss expectations:** Once you've decided to get married, other milestones may follow suit, such as buying a home, traveling and starting a family, which all bring their own financial implications.

29%

of engaged partners who haven't set a date say their financial readiness is a major barrier.[1]

More than three-quarters of committed couples combine at least some part of their finances, though it is less common among younger people.[2]

Financial stress is the top cited reason for discordance in committed relationships.[2]

1 Pew Research Center, 2019.

2 Harris Polls, 2020.

Giving your family your best foot forward

A multitude of options are now available for LGBT+ people hoping to start a family, but depending on the method – including adoption, IUI/IVF and surrogacy – it can represent a significant financial event that should be included early as part of your major goals. At minimum, raising a child is a considerable change to your household budget, with higher costs for housing and other necessities like day care. Income changes should be considered for self-employed parents and parents without paid parental leave.

As a new parent or future parent you should also take the opportunity to discuss with your financial advisor all the ways having a child can impact your taxes, insurance and estate planning.

LASTING CAPITAL FOR YOUR LITTLE PRODIGY

Though it might be a little early to start discussing your child's accelerated freshman-to-MBA academic schedule, getting started with a 529 education savings plan can be a gift that provides a lifetime of benefits. Depending on your state of residence, these tax-advantaged accounts may be withdrawn tax-free if used for qualifying educational expenses, elementary through postsecondary, getting more out of your regular contributions.

Planning tips

1. REVIEW YOUR INSURANCE

Protect your family's interests with adequate health, life and disability insurance. Employers often provide such benefits and optional extensions.

2. PLAN YOUR BUDGET

The average cost for raising a child to age 18 for families earning more than $118,000 per year is approximately $425,000, that is, $23,600 each average year.[1]

3. START SAVING FOR EDUCATION

529 plans are state-sponsored, tax-advantaged accounts that vary in coverage and tax advantages depending on your state. In some instances, other investment instruments may prove more useful to your situation.

4. CREATE (OR UPDATE) YOUR ESTATE PLAN

When your new arrival joins the family, it's a good opportunity to not only update your plan with your estate attorney, but to also review beneficiaries for your life insurance policies and retirement plans.

5. CLAIM THE TAX BENEFITS

You may be able to claim additional tax benefits like the child tax credit, depending on your income. You should also review your W-4 with your tax preparer to see if you can adjust your withholdings to increase your take-home pay.

1 USDA, 2017, adjusted for 2020 dollars.

Inner peace and financial security don't have to be at odds

Your financial plan can be a pillar of support during your transition, lowering the barriers to actualizing your true self. Every route through gender transition is a personal one, but each can include significant expense – even for people with generally affirmative health insurance coverage.

Preparing your household budget and planning for larger out-of-pocket medical costs is a simple and effective step to reducing stress when you're ready. Your financial advisor can also help you prepare for potential events like changes in income and time away from work with goal monitoring tools.

Gender confirmation surgery averages **$25,600 for women** and **$24,900 for men** in the U.S. Though increasing numbers of employer healthcare plans cover the procedures as medically necessary, other procedures considered essential by medical associations are less often included in coverage.

PROGRESS FOR EQUALITY

- 91% of Fortune 500 companies include gender identity in their nondiscrimination policies, up from 3% in 2002. Most – 65% – now offer transgender-inclusive healthcare, up from none in 2002.[1]
- Since 2010, federal law no longer requires gender-affirming surgery to change official gender markers on federal documents. Most states have followed suit for official IDs.[2]
- As of 2019, a major credit card issuer is now offering name-affirming debit and credit cards for transgender people who have not been able to change their names legally.

1 Human Rights Coalition, 2020.

2 Movement Advancement Project, 2020.

Caring for those you love without sacrificing your well-being

Caring for a loved one is a significant act that has the power to renew or deepen relationships at a time when it's needed most. Of course, it can be an overwhelming experience. There can be added dimensions for LGBT+ people whose closest family may be a family of choice. There are many options to build the right plan to help take care of your loved one, and yourself, such as:

- Long-term care insurance, which offers flexibility for long-term care in situations not covered by Medicare.
- Upsizing your house to keep a loved one close who doesn't need around-the-clock care.
- Durable powers of attorney, which make sure a trusted person can act on behalf of the loved one for legal and financial issues.
- Trusts are a diverse set of instruments that can be used to empower a trustee to oversee living expenses and healthcare costs to provide for the well-being of the trust owner.

Planning tips

Though things have improved, LGBT+ individuals should take steps to ensure they will receive quality care and support ahead of when they need it.

> Find LGBT+ affirming healthcare early, including doctors, nursing homes and in-home nursing agencies, to reduce stress and provide the best outcomes. LGBT+ community centers can be a good resource to identify these providers.

> Written directives can affirm loved ones' and close friends' empowerment to make decisions on behalf of the one receiving care, and prevent fly-in family members from overstepping their wishes.

Dedicating yourself to lasting wellness and well-being

As people are living longer, healthier lives – and long-term health concerns are more easily managed – what they can expect from their elder years has also changed. A number of services have emerged to provide the resources necessary to help them continue to live active, vibrant lives.

Along with legacy plans and financial plans, you can use these tools and services to plan for wellness and manage risks.

Many LGBT+ people feel less comfortable moving to areas with lower costs of living in their later years, preferring to stay near their communities and families of choice in more diverse cities – an important consideration when designing your plans.

A LITTLE GRAYER, NO LESS BOLD

There will be an estimated 7 million older, out LGBT+ Americans by 2030.[1]

Advocacy groups now offer certification programs for LGBT+ affirming retirement communities and long-term care facilities.

LGBT+ individuals are more likely to be concerned about their retirement years, and more likely to live alone, than Americans as a whole.[2]

Planning to handle the unexpected

As you achieve milestones in your life, it becomes even more important to protect what you've built. With each step the tendency is to seek more coverage – for your house, your family, income insurance and life insurance, for example – and pay more in tax. There is also the risk of missing out on insurance products that could fit your situation, like long-term care insurance. Your financial advisor and specific tax strategies can make sure you are hitting the mark.

1 SAGEUSA.org.

2 "Out and Visible," SAGE, 2018.

Charitable giving that does more for others

The strength and achievements of the LGBT+ community were built on the steadfast desire to make the world a better, more accepting place for future generations. Charitable giving can be an effective and fulfilling way to continue the tradition, building on what you're able to give and setting up a lasting legacy.

Crafting lasting protection for your loved ones

The rights won with the Obergefell decision in 2015 help LGBT+ individuals who chose to marry see their final wishes fulfilled, but it's still important to put things in writing to prevent obstacles, especially for singles and those in committed relationships other than marriage.

For those committed couples, there are a number of legal structures that with the help of an attorney can help keep their wishes intact. For those who established those agreements prior to getting married, it's important to review their continued value to avoid conflicting directives later on.

MANY WAYS TO SUPPORT IMPORTANT CAUSES

A wide range of strategies and instruments exist to provide for your most meaningful charities and nonprofit organizations.

- Donor advised funds
- Charitable lead trusts
- Charitable remainder trusts
- Charitable gift annuities
- Pooled income funds
- Charity advised accounts

A plan for you

You don't have to know all the answers right away – you don't even need to know all the questions. Your advisor can help you figure out your priorities and work with you to build a plan and strategies that are right for you. Planning and investing for your future doesn't have to be complicated, especially when you have a trusted partner working in your best interest.

LET'S GET STARTED

Let's take the next step together and start prioritizing your goals, addressing your needs and planning for the future you envision.

LIFE WELL PLANNED.

RAYMOND JAMES®

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Investors should consider, before investing, whether the investor's or the designated beneficiary's home state offers any tax or other benefits that are only available for investment in such state's 529 college savings plan. Such benefits include financial aid, scholarship funds, and protection from creditors. As with other investments, there are generally fees and expenses associated with participation in a 529 plan. There is also a risk that these plans may lose money or not perform well enough to cover college costs as anticipated. Most states offer their own 529 programs, which may provide advantages and benefits exclusively for their residents. The tax implications can vary significantly from state to state. Favorable state tax treatment for investing in Section 529 college savings plans may be limited to investments made in plans offered by your home state. Investors should consult a tax advisor about any state tax consequences of an investment in a 529 plan.

Long-term care policies have exclusions and/or limitations. The cost and availability of long-term care insurance depend on factors such as age, health, and the type and amount of insurance purchased. As with most financial decisions, there are expenses associated with the purchase of long-term care insurance. Guarantees are based on the claims paying ability of the insurance company.