



SIDEBAR ADVISORS

FINANCIAL PLANNING FOR ATTORNEYS

Financial Advice for High-Earning Attorneys

As a high-earning attorney, you face unique financial challenges and opportunities. You may begin your career with significant student loan debt, which you must immediately balance against high tax liabilities and the need to secure your financial future.

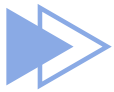
Navigating these challenges requires a strategic approach. This guide addresses the five financial planning concerns that impact your professional and personal life.



Tax Optimization

Often, attorneys are too busy with their practice to fully explore all available options, potentially leaving significant tax savings on the table.

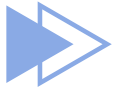
- High-earning attorneys tend to pay significantly more in taxes. To help mitigate this, consider taking full advantage of tax-advantaged accounts such as 401ks, and deferred compensation plans.
- Explore deductions and credits.
- Be strategic about asset placement. It might make sense to place investments outside of retirement accounts while keeping other holdings inside tax-sheltered vehicles.
- Let's face it, children of high-earning attorneys are less likely to qualify for financial aid. Consider setting up 529 plans for education expenses as you're more likely to be self-funding. Plan ahead to see if college means delaying your retirement.
- If you work on contingency, structured settlements might help better structure your salary and align it with your evolving tax situation.



Estate Planning

Managing and transferring wealth tax-efficiently can be complex.

- Establish wills, trusts, plan for guardianship, and update plans to reflect legal changes or family dynamics like divorce, second marriage, special needs, or distrust of your children's spouse.



Retirement Planning

If you're eligible for a pension or an equity cash out, plan ahead. This could shift how and where you save for retirement. This foresight can reduce the pressure to balance saving for retirement with day-to-day living. When planning for retirement:

- Strategically choose assets to withdraw based on taxes.
- Consider changes in strategy based on life phase and tax bracket.
- Plan ahead if eligible for pension or equity cash out to adjust retirement savings and reduce financial pressure.



Risk Management

- When purchasing life insurance, determine if it's for family protection or leaving a legacy. Consult with a professional for the right coverage and type.
- Many think of disability as resulting from accidents, but in our experience, disability can also result from genetic factors. Ensure adequate coverage beyond firm policies.
- Plan for long-term care, especially for women, who tend to live longer and incur higher health-related expenses at retirement.
- Consider the possibility of becoming a caregiver for aging parents. As an attorney, there's an unspoken expectation that you should absorb financial costs of being a caregiver. Planning for this possibility in advance can reduce stress.
- As attorneys are often at risk for malpractice, ensure you have adequate insurance coverage and structure your personal wealth to protect your assets against litigation.



Debt Management

Understand if you qualify for student loan forgiveness; don't assume your income bars you. It might also be worth exploring changes to your tax filing status to see if it impacts your ability to qualify.

- Create a structured debt repayment plan. Sometimes paying more down isn't the right approach, especially as the interest rate environment changes.
- Have an honest conversation with your significant other to balance between debt & future goals.

Why Book an Appointment With Us?

Receive professional guidance from experienced financial planners. Get a customized financial plan that addresses your specific concerns and goals. We believe you can benefit from comprehensive support, covering aspects from tax optimization to estate planning.

Contact us at (201) 422- 2971,
or info@sidebaradvisors.com

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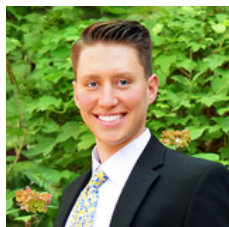
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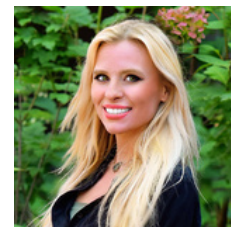
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