AI-04509 High Net Worth BKM Financial Planning

Financial Visibility and Account Control in High-Net-Worth Retirement Planning

A 65-year-old couple who are longtime family friends—both physicians and reportedly in the top 1% income/wealth bracket—are contemplating retirement. They asked about the strategies and best practices we used when we retired early at age 55.

I started asking some basic financial-planning questions to understand their situation: How much do they have invested? What are their tax brackets? How much are they paying in taxes and insurance? What are their annual expenses? How are their assets allocated? What investment vehicles are they using?

What surprised me was that their financial affairs are largely managed by an accountant and a financial adviser. They receive quarterly reports summarizing their accounts, but the husband could not answer some fundamental questions, such as:

Where exactly is their money invested?
Which financial institutions hold their assets?
What is the current balance of each account?
What investment vehicles do they own?
How are their assets allocated among stocks, bonds, cash, real estate, etc.?
What are the account numbers and account ownership structures?
What are the tax implications of their current allocation?
Do they personally have online access to all of their accounts?
Who ultimately controls the accounts and assets?

This raised a broader question for me:

Is it normal for a high-net-worth household to delegate so much of its financial management to an accountant and financial adviser that the owners themselves don't know exactly where their money is invested or how to access the accounts?

I also wonder whether it is considered best practice for the account owners to have their own login credentials and independently check their balances, transactions, holdings, and performance without having to go through their financial adviser.

Finally, is there a best practice for consolidating investments under a single brokerage—such as Fidelity—so that the couple can have one secure login and a centralized view of their retirement accounts, taxable investments, cash, and other assets?

I'd like to understand the BKM (Best Known Methods) for high-net-worth couples approaching retirement, particularly regarding:

Financial visibility — knowing exactly what they own and where it is held.
Account access — maintaining direct owner access to every financial account.
Security — properly managing passwords, MFA, and account recovery.
Custody — understanding who actually holds and controls the assets.
Advisor relationships — what the financial adviser should manage versus what the owners should control themselves.
Consolidation — whether using one primary brokerage such as Fidelity is advantageous.
Redundancy — whether both spouses should independently have access to all important accounts.
Documentation — maintaining a complete household balance sheet and account inventory.
Tax coordination — ensuring the accountant, financial adviser, and account owners are working from the same information.
Retirement readiness — establishing whether they could actually retire based on their assets, income needs, taxes, insurance, and withdrawal strategy.
The fundamental question is:
For a high-net-worth couple preparing for retirement, what should they personally know, control, and have direct access to—even when they have excellent professional advisers managing their finances?

Here is a detailed breakdown of industry standard practices, fiduciary frameworks, and Best Known Methods (BKMs) for high-net-worth (HNW) retirement governance.

Is This Degree of Delegation Normal?

Common, but dangerous. High-earning, busy professionals—particularly physicians and senior executives—frequently fall into what wealth management professionals call the **"Delegator Trap."** Because their career demands leave little time for financial administration, they often outsource everything to a trusted adviser or accountant.

However, **it violates fundamental fiduciary standards and modern asset-protection practices.** Under standard regulatory protections (including SEC Custody Rules), independent custodians—such as Fidelity, Charles Schwab, or Pershing—are required to maintain direct lines of communication and statement delivery directly with the asset owner.

Outsourcing *investment strategy and execution* is reasonable; outsourcing *basic asset visibility, ownership knowledge, and direct login access* creates immense operational, legal, and fraud risks.

Best Known Methods (BKMs) for HNW Retirement Governance

1. Financial Visibility

- **The Standard:** Account owners must have a real-time, unmediated view of all assets, liabilities, and holding locations.
- **BKM:** The couple should be able to produce a complete list of accounts within 5 minutes. They should rely on direct custodian portals or a read-only wealth aggregation tool (e.g., eMoney, Orion, or Monarch) rather than relying exclusively on customized quarterly reports generated manually by an adviser.

2. Account Access

- **The Standard: Owners must have their own primary login credentials** directly with the custodian holding the funds.
- **BKM:** Account owners should never ask an adviser for account balances or basic statements. Credentials should never be shared with an adviser or accountant; advisers access accounts via limited trading authorization or discretionary management mandates granted through the custodian's adviser portal.

3. Security & Authentication

- **The Standard:** Enterprise-grade security protocols for personal credentials.
- **BKM:**
  - Use a secure household password manager (e.g., 1Password or Bitwarden) with shared vaults between spouses.
  - Require Hardware-based or App-based Multi-Factor Authentication (MFA) on all financial portals (avoid SMS-based 2FA where possible due to SIM-swapping risks).
  - Establish secondary account recovery mechanisms that don't depend on the financial adviser.

4. Asset Custody

- **The Standard:** Complete separation between the **Investment Adviser** (who gives advice/manages trades) and the **Qualified Custodian** (who holds the money).
- **BKM:** Assets should reside at an institutional custodian (e.g., Fidelity, Schwab, BNY Mellon Pershing). The adviser should only have *discretionary trading authority* and authorization to deduct pre-agreed advisory fees. The adviser should never have direct withdrawal power or hold assets in an in-house entity without independent audits.

5. Adviser Relationship & Roles

- **The Standard:** Clear boundaries between governance (owners) and management (advisers).
- **What Owners Control:** Asset allocation targets, cash distribution authorizations, major structural decisions, account ownership structure, and hiring/firing advisers.
- **What Advisers Manage:** Tactical rebalancing, tax-loss harvesting, security selection, and executing agreed-upon financial plans.

6. Account Consolidation

- **The Standard:** Consolidate to minimize administrative drag and risk exposure, without creating single-institution exposure beyond coverage limits.
- **BKM:** Consolidating 80–90% of liquid wealth under **one primary custodian (e.g., Fidelity or Schwab)** provides a unified login, simplified tax reporting (one 1099 bundle), and seamless estate settlement. Higher tier HNW features (such as private wealth servicing and umbrella insurance coordination) are much easier to manage from a single institutional hub.

7. Redundancy & Spousal Access

- **The Standard:** The **"Incapacity Rule"**—if either spouse passes away or becomes incapacitated tomorrow, the surviving spouse can immediately access and operate every account without institutional delay.
- **BKM:**
  - Both spouses should be named as Joint Tenants with Right of Survivorship (JTWROS) on taxable brokerage accounts, or have formal Durable Power of Attorney (POA) on file with the custodian.
  - Non-owner spouses must be listed as primary beneficiaries on IRAs/401(k)s and have established online login access to the platform.

8. Household Documentation

- **The Standard:** A central "In Case of Emergency" (ICE) master directory.
- **BKM:** Maintain a living document (stored securely) updated annually containing:
  - Master balance sheet (Assets & Liabilities).
  - Institution names, account types, and masked account numbers.
  - Key contacts (Adviser, CPA, Estate Attorney, Insurance Broker).
  - Location of physical documents (Trust agreements, deeds, titles, passkeys).

9. Tax Coordination

- **The Standard:** Triangulation between Owner, CPA, and Adviser.
- **BKM:** The adviser executes tax-aware strategies (e.g., asset location, Roth conversions, municipal bonds), while the CPA files return details using *direct electronic tax document exports* pulled straight from the custodian portal—not hand-edited summaries from an adviser.

10. Retirement Readiness & Execution

- **The Standard:** Knowing exact cash flow mechanics prior to leaving active income.
- **BKM:** Before retiring, the couple must clearly understand:
  - **Net annual spendable baseline** (after tax and healthcare).
  - **Withdrawal sequencing:** Which accounts (Taxable, Traditional IRA, Roth) are drawn down first to optimize tax brackets.

- **Healthcare/Insurance transition:** Coverage bridge until Medicare (age 65) and secondary umbrella policy maintenance.

What High-Net-Worth Owners Must Personally Know and Control

Even with a top-tier advisory team, the owners must **never delegate ultimate oversight**. The minimum threshold of direct control includes:

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|                        OWNER-CONTROLLED GOVERNANCE LAYER                             |
|  - Direct online logins to primary qualified custodians (Fidelity, Schwab, etc.)     |
|  - Full knowledge of account locations, ownership titles, and beneficiary designations |
|  - Independent approval of all asset transfers and third-party disbursements         |
|  - Clear visibility into total asset allocation, total fees, and net cash flow       |
+--------------------------------------------------------------------------------------+
                                          |
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+--------------------------------------------------------------------------------------+
|                        DELEGATED MANAGEMENT LAYER (ADVISERS)                         |
|  - Discretionary trading within agreed Investment Policy Statement (IPS)            |
|  - Rebalancing, tax-loss harvesting, and implementation of income streams           |
|  - Tax filing preparation and financial modeling                                     |
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```

1. **Direct Access:** Active login credentials to every primary custodial account.
2. **Location & Ownership:** Exact knowledge of where every dollar lives and how each account is titled (Trust, Individual, Joint, IRA).
3. **Distribution Power:** Absolute control over money movement outside the account ecosystem (advisers should only trade, never move funds to outside accounts without explicit owner sign-off).
4. **Key Numbers:** Total net worth, annual baseline living expenses, net withdrawal rate, and all-in advisory/management fees being paid.

ChatGPT

Yes. What you are describing is a **real distinction between professional financial management and financial ownership/control**.

For a high-net-worth couple approaching retirement, I would consider it a significant weakness—not necessarily evidence of mismanagement—if the *owners themselves* cannot answer basic questions about where their assets are, who the custodian is, what they own, and how to access the accounts.

The adviser can manage the money. **The owners should still understand and control the financial architecture.**

The core BKM: "Delegate management, never delegate ownership"

A useful way to think about this is:

> **Professionals can manage your financial system. They should not become the only people who understand your financial system.**

An accountant, financial adviser, estate attorney, insurance professional, and tax specialist can each have important roles. But the couple should remain the **central source of authority and knowledge**.

I would divide responsibility into four layers:

Investments **Area**	Asset selection, rebalancing **Professional can manage**	What is owned, allocation, risk **Owner should personally know/control**
Trading	Execute according to mandate	Authority to approve/limit activity
Custody	Coordinate	**Know exactly where assets are held**
Accounts	Administration	**Direct online access**
Estate	Attorney drafts documents	Know beneficiaries and structure
Insurance	Adviser reviews	Know coverage, premiums, beneficiaries
Retirement	Adviser models	**Understand whether retirement is actually sustainable**
Security	Adviser may assist	**Own credentials, MFA and recovery**

The golden rule

Nobody should have to call the financial adviser to find out how much money they have.

That information should be available directly to the owners.

1. What should the couple know?

At age 65, before retiring, I would want both spouses to be able to sit down with a spreadsheet and answer these questions.

The "10-minute financial test"

Each spouse should independently be able to identify:

1. **Total household net worth**
2. Total investable assets
3. Total retirement assets
4. Total taxable assets
5. Total cash
6. Total real estate
7. Total debt
8. Annual household spending
9. Expected retirement income
10. Approximate annual taxes

Then go one level deeper.

Every account

For every account:

- Institution
- Account type
- Approximate balance
- Owner
- Joint/individual ownership
- Beneficiary
- Investment holdings
- Cost basis where applicable
- Tax treatment
- Financial adviser attached to account
- Custodian
- Online access
- MFA method

- Last statement date

The exact account number does **not** need to be memorized. It should be securely documented.

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2. Custodian vs. adviser is critically important

This is one of the concepts I would specifically teach your physician friends.

Suppose:

John & Jane → Financial Adviser → Fidelity

The adviser may manage the portfolio.

But **Fidelity is the custodian** holding the securities.

That distinction matters enormously.

The SEC's custody framework is specifically designed around protecting client assets and using qualified custodians; registered advisers with custody obligations have requirements concerning how client assets are maintained. (SEC)

The couple should therefore be able to answer:

> "Who actually holds my $4 million?"

Not merely:

> "Who manages my $4 million?"

Those can be two different organizations.

I would actually ask the adviser:

"If your firm disappeared tomorrow, where would our securities be?"

The answer should be immediately understandable.

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3. Direct owner access should be non-negotiable

This is probably the biggest issue in your example.

I would strongly favor:

Owner → institution's website/app → personal login → MFA → account

rather than:

Owner → adviser → quarterly report → information

Quarterly reports are useful, but they're not a substitute for direct access.

The couple should be able to log into the institution and independently see:

- Current balance
- Holdings
- Transactions
- Cash
- Cost basis
- Statements
- Beneficiaries
- Performance
- Tax documents

And importantly, **both spouses should know how to do it.**

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4. Both spouses need financial redundancy

This is an extremely important retirement BKM.

Imagine the husband handles 90% of the finances.

Then something happens to him.

The wife shouldn't suddenly discover:

> "I don't know where the accounts are."

That creates a potentially catastrophic dependency.

I'd recommend a **two-person financial redundancy model**:

Husband

Can access:

- His accounts
- Wife's accounts where legally authorized
- Joint accounts
- Banking
- Brokerage
- Retirement accounts
- Insurance
- Estate documents

Wife

Can independently do the same.

Not necessarily identical legal ownership—but both should understand the household architecture and have whatever authorized access is appropriate.

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5. Consolidation: Fidelity can be excellent, but "one brokerage" isn't mandatory

Your Fidelity example is reasonable.

There can be significant advantages to having a primary custodian:

One institution → fewer accounts → fewer logins → easier monitoring → easier beneficiary management → simpler administration.

But I wouldn't make:

> "Everything must be at Fidelity"

the BKM.

I'd make:

> **"Create a simple, centralized financial architecture."**

For example:

Primary brokerage
→ Fidelity

Primary banking
→ Bank A

Secondary bank
→ Bank B

Credit cards
→ 2–3 institutions

Insurance
→ Separate

Real estate
→ Separate

Employer retirement plans
→ May remain elsewhere

And if assets remain elsewhere, aggregate them into a consolidated dashboard.

Fidelity's Full View, for example, can aggregate Fidelity and outside financial accounts into one financial picture and show balances/net worth information. (**Fidelity**)

So you can have:

Multiple custodians

but

ONE household financial dashboard.

That's often better than forcing everything into one institution.

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6. I would create a "Household Financial Command Center"

This is probably the single most useful BKM I'd recommend to them.

Create one secure master inventory.

Household Financial Balance Sheet

Category	**Institution**	**Owner**	**Balance**	**Tax Type**	**Allocation**
401(k)	Fidelity	Husband	$X	Tax deferred	70/30
IRA	Schwab	Wife	$X	Tax deferred	60/40
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cash	Bank	Joint	$X	Taxable	Cash
Real Estate	—	Joint	$X	—	—
HSA	Fidelity	Husband	$X	Tax advantaged	—

Then calculate:

Total Assets

minus

Total Liabilities

equals

Net Worth

And separately:

Investable Assets

This becomes the family's **single source of truth**.

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7. The portfolio must be understandable in plain English

A quarterly statement isn't enough.

The couple should be able to answer:

> "If the stock market falls 40%, what happens to our net worth?"

For example:

Household portfolio

- U.S. equities — 45%
- International equities — 15%
- Bonds — 20%
- Cash — 10%
- Real estate — 10%

Then ask:

> "What is our actual equity exposure?"

Not:

> "What funds do we own?"

Because owning 17 different mutual funds doesn't necessarily mean diversification.

The adviser should be able to produce a **look-through asset allocation**.

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8. The accountant and adviser need to work from the same model

This is another potential weakness in your friends' arrangement.

You don't want:

Financial adviser: "You're 70% stocks."

Accountant: "Your taxable income is X."

Owners: "We have no idea."

Instead:

One household financial model

Assets

↓

Investment allocation

↓

Expected income

↓

Withdrawals

↓

Taxes

↓

Insurance

↓

Estate

↓

Net cash flow

↓

Retirement sustainability

Everyone works from the same numbers.

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9. Retirement readiness is much more than "Are we rich enough?"

This is where your original conversation with them was actually going in the right direction.

A couple can be extremely wealthy and still be poorly organized.

The retirement question is:

> **Can our assets reliably support our desired lifestyle after taxes, inflation, healthcare, market volatility and longevity?**

I'd build a retirement model containing:

Income

- Social Security
- Pension
- Rental income
- Business income
- Portfolio withdrawals

Expenses

- Housing
- Food
- Transportation
- Healthcare
- Insurance
- Travel
- Family assistance
- Taxes
- Property expenses

Assets

- 401(k)
- IRA
- Roth
- Brokerage
- Cash
- Real estate
- Business interests

Risks

- Sequence-of-returns risk
- Longevity
- Inflation
- Healthcare
- Long-term care
- Tax-law changes
- Concentrated stock positions
- Excessive withdrawal rate

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10. At 65, tax planning becomes particularly important

This is one area where the accountant and investment adviser need to be coordinated.

For example, traditional retirement accounts generally have RMD requirements beginning at age 73 under current federal rules. (IRS)

That means retirement planning shouldn't simply ask:

> "How much can we withdraw?"

It should ask:

> **"Which account should we withdraw from, when, and what does that do to our lifetime tax bill?"**

That can involve decisions around:

- Taxable accounts
- Traditional IRA/401(k)
- Roth
- Roth conversions
- Capital gains
- Charitable giving
- Social Security taxation
- Medicare-related tax consequences
- RMDs
- Estate planning

This is precisely why the accountant, adviser and owners need to operate from the same financial picture.

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11. Security: don't give the adviser the owner's password

This is another important distinction.

The best architecture isn't:

Adviser knows your username/password.

It's:

Owner owns the credentials.

Then the adviser receives whatever authorized access/permissions are appropriate.

The couple should use:

- Unique passwords
- Password manager
- MFA
- Hardware security keys where appropriate
- Secure recovery methods
- Device security
- Account alerts
- Transaction notifications

And they should periodically test:

> **"Can both of us actually log into every important account?"**

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12. Create a financial "break-glass" document

I'd have a document that answers:

"If both of us were incapacitated tomorrow, could our children/adviser/estate attorney reconstruct our financial life?"

It should identify:

Banks

Brokerages

401(k)s

IRAs

Insurance

Real estate

Businesses

Tax preparer

Financial adviser

Estate attorney

Trusts

Beneficiaries

Safe-deposit information

Digital assets

Important documents

But don't put raw passwords into a normal spreadsheet.

Instead, document **where credentials are securely stored** and how authorized people can access them.

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13. The adviser should be able to pass the "owner independence test"

I would give their adviser this hypothetical:

> "If we decided tomorrow to terminate the advisory relationship, could we log into every account ourselves, see all our assets, understand our holdings, and continue managing them independently?"

If the answer is **yes**, that's excellent.

If the answer is:

> "Well, your adviser has all that information..."

that's a warning sign.

Not necessarily fraud.

Not necessarily incompetence.

But **excessive dependency**.

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14. My ideal architecture for a high-net-worth retired couple

I'd design it like this:

```
                  HOUSEHOLD OWNERS
                Husband + Wife
                       │
             ┌─────────┴─────────┐
             │                   │
      Financial Dashboard     Estate Plan
             │                   │
       ┌─────┼─────┐             │
       │     │     │             │
```

```
     Brokerage Bank  Retirement    Trusts/Wills
         │      │      │
         └──────┼──────┘
                │
                │
        Consolidated View
                │
                │
        ┌───────┴─────────┐
        │                 │
   Financial Adviser   Accountant
        │                 │
   Portfolio            Taxes
   Management           Planning
        │                 │
        └───────┬─────────┘
                │
          Household Owners
          remain in control
```

The critical point is that **the adviser and accountant sit beside the owners—not above them.**

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15. My "22 BKM" checklist

If I were helping this couple, I'd use these 22 rules:

1. **Know total net worth.**
2. **Know total investable assets.**
3. **Know every financial institution.**
4. **Know every account type.**
5. **Know who legally owns each account.**
6. **Know every beneficiary.**
7. **Know the actual custodian.**
8. **Maintain direct owner login access.**
9. **Both spouses maintain access.**
10. **Use MFA everywhere possible.**
11. **Use a password manager.**
12. **Never rely solely on quarterly adviser reports.**
13. **Maintain a household balance sheet.**
14. **Maintain an account inventory.**

15. **Maintain a consolidated asset-allocation report.**
16. **Understand the portfolio's tax characteristics.**
17. **Coordinate accountant + adviser + estate attorney.**
18. **Maintain adequate cash/liquidity outside investments.**
19. **Have a documented withdrawal strategy.**
20. **Review beneficiaries and estate documents periodically.**
21. **Have a financial disaster/recovery plan.**
22. **Make sure either spouse can reconstruct the entire financial system.**

The biggest takeaway from your friends' situation

I wouldn't conclude:

> "They're doing something wrong because they use an accountant and financial adviser."

Quite the opposite. **Using excellent professionals can be a very good strategy for a high-net-worth household.**

The concern is this:

> **Professional delegation has become informational dependency.**

Those are different things.

A sophisticated retirement household should ideally be able to say:

> **"My adviser manages my portfolio. My accountant manages my taxes. My attorney manages my estate documents. But I know exactly what I own, where it is, what it costs, what it generates, how it is taxed, who controls it, and how my spouse and I can access it."**

That's the BKM I would use.

And I would go one step further: **quarterly reporting should be considered the reporting layer—not the control layer.** The owners should have real-time/direct visibility into the underlying custodial accounts.

The SEC's custody framework itself reflects the importance of independent custody and verification of client assets rather than simply relying on an adviser's representations. (SEC)

So if your physician friends asked me, "*What should we personally know before we retire?*", my answer would be:

Know the entire financial map. Own the keys. Understand the strategy. Let professionals do the specialized work. Never surrender the ability to independently see, verify, and access your own wealth.

That is particularly important when you're talking about a household with several million dollars—or potentially tens of millions—because **complexity increases the need for professional help, but it should not decrease owner visibility.**