



MONEY *notes*

Cents and Sensibility

A Guide to Sustainable Financial Independence: A Series

Part 4 of 6 (Navigating Your Peak Wealth Years)

For accomplished women in their mid-40s through mid-50s, this phase represents more than career success—it's a pivotal opportunity to orchestrate a wealth strategy that extends beyond accumulation to encompass legacy, purpose, and enduring financial security.

Your compensation now reflects decades of expertise and leadership. Your investment portfolio has matured. Yet this convergence of professional achievement and financial capacity demands thoughtful stewardship. The decisions you make during these years can fundamentally shape not only your own financial independence but potentially the lives of those you care about most.

Retirement Planning Strategies

With substantial discretionary income at your disposal, refining your retirement savings approach becomes paramount. For 2026, retirement contribution limits allow you to direct \$24,500¹ (up from \$23,500 in 2025) to employer-sponsored retirement plans. At age 50 and beyond, catch-up provisions enable an additional \$8,000 (up from \$7,500 in 2025) annually. Remarkably, new this year, those turning 60-63 in 2026 may contribute an additional catch-up amount of \$11,250.

Navigating the Roth Mandate for High Earners

Legislative changes have introduced complexity for successful professionals. Since 2024, individuals whose prior-year wages exceed \$145,000 must make all catch-up contributions as Roth (after-tax) contributions to employer plans.² While this requires paying taxes currently rather than deferring them, it creates a valuable stream of tax-free retirement income—particularly strategic if you anticipate remaining in a high tax bracket throughout retirement or wish to minimize required distributions.

Aligning Wealth Protection with Your Values

As your net worth crosses significant thresholds, your insurance portfolio requires recalibration to match your current reality rather than past circumstances.

Life Insurance as a Wealth Transfer Instrument

Beyond income replacement, life insurance serves as an effective wealth transfer vehicle for high-net-worth individuals. Consider permanent life insurance not merely as protection but as a tax-efficient mechanism to transfer wealth to heirs outside your taxable estate, providing liquidity for estate taxes, or equalizing inheritances among children when certain assets cannot be easily divided.

Long-Term Care: Protecting Decades of Wealth Building

Long-term care expenses represent one of the most underestimated threats to accumulated wealth. With premium care facilities often exceeding \$120,000³ annually, even substantial portfolios can be depleted rapidly. Expenses associated with long-term care are *not* covered by Medicare -- and those expenses could quickly deplete a lifetime of retirement savings. Long-term care insurance lets you:

- Access high-quality care should you ever need it, without having to spend down your life's savings
- Transfer some or most of the risk to an insurance company, depending on the policy type and options you choose
- Select the best coverage for your needs and goals -- whether traditional long-term care insurance, a hybrid life and long-term care policy, or permanent life insurance with an LTC rider

Establishing Your Philanthropic Legacy

We at BLBB Advisors are strong proponents of giving back to the community through time, talent, and treasure. For women who are charitably inclined, reach out to your BLBB Advisor to discuss how a [Donor-Advised Fund \(DAF\)](#) offers a vehicle that can align your values with your wealth. A DAF is a program sponsored by a public charity (affiliated with a sponsoring organization, such as a community foundation or an investment advisory firm) that allows an individual to make an irrevocable charitable contribution, take advantage of an immediate tax benefit, and then recommend grants from the DAF over time so that your charities do not miss your annual gifts.

Strategic Advantages of DAFs

- *Immediate Tax Benefits:* Receive a charitable deduction in the year you contribute, even if you distribute funds to charities over many subsequent years—particularly valuable during high-income years.
- *Asset Flexibility:* Fund your DAF with appreciated securities, avoiding capital gains taxes while deducting the full fair market value. This proves especially powerful when you need to rebalance a concentrated stock position.
- *Simplified Giving:* Consolidate your charitable giving through a single account rather than managing numerous receipts, while maintaining the flexibility to support various organizations over time.
- *Multigenerational Engagement:* Many DAFs allow you to name successor advisors, creating opportunities to instill philanthropic values in your children while they participate in meaningful grant decisions.
- *Privacy Options:* You can make grants anonymously if you prefer to support causes without public recognition.

Navigating Dual-Caregiving Responsibilities

The confluence of peak earnings and the "sandwich generation" phenomenon can create a uniquely challenging dynamic for women. As primary caregivers, women often find orchestrating care for both aging parents and young adult children a dual responsibility that carries profound emotional and financial implications.

Not only does dealing with a parent's declining mental and/or physical health exact an emotional toll, but it can also pose a major financial hurdle in the form of:

- Lost wages due to either scaling back hours or taking a sabbatical to provide care
- Fewer retirement savings and a reduced future Social Security benefit (by losing key earning years from your benefit calculation)
- The potential loss of career advancement opportunities
- Considerable out-of-pocket costs if you hire a caregiver so you can continue working

Tax-Smart Wealth Transfer Strategies for Family Caregivers

If family assistance becomes necessary, prioritize your own retirement security first—you cannot borrow for retirement. When providing support, investigate tax-strategic approaches such as gifting appreciated securities to elderly parents in lower tax brackets, allowing them to liquidate these assets with minimal tax impact while you reduce your own estate and rebalance your portfolio simultaneously.

Caution: Do not make the common mistake of comingling your assets with your aging parents to simplify tasks like depositing checks and paying bills. Comingling of assets may disqualify them with Medicaid and other essential benefits, as your wealth may be deemed available resources under program eligibility rules.⁴

Comprehensive Estate Planning

At your wealth level, estate planning becomes more than simple document execution—it becomes a strategic framework for asset protection, tax minimization, and values transmission.

Essential Foundation Documents

Everyone should maintain current versions of key estate documents such as a Will, Healthcare Proxy, Durable Power of Attorney, and HIPAA authorization. These documents ensure your wishes govern asset distribution, medical decisions, and financial management should you become incapacitated.

Beneficiary Designation and Asset Distribution

Be aware that your account beneficiary designations supersede Will provisions for retirement accounts, life insurance policies, and other contractual assets—often representing much of your wealth. These designations require coordination with your overall estate plan and regular review with your legal counsel and BLBB Advisors following any life changes like marriage, divorce, birth, and death.

Trust Structures for Tax-Efficient Wealth Transfer

- Revocable Living Trusts provide probate avoidance, privacy in asset transfer, and management continuity if you become incapacitated—all while maintaining complete control during your lifetime.
- Irrevocable Trusts remove assets from your taxable estate while offering creditor protection and enabling you to direct how and when beneficiaries receive inheritances. Particularly valuable for women concerned about protecting family wealth from future divorce, creditors, or beneficiaries who may lack financial sophistication.
- If you are the beneficiary of a Family Trust, understand your "power of appointment" authority—the ability to redirect trust benefits to other family members, creating flexibility in wealth distribution across generations.

One Woman's Journey: Strategic Wealth Management in Practice

Alexandra M., Technology Executive, Age 49

After two decades of building her career at a major technology firm, Alex found herself navigating multiple financial crossroads. Her company stock comprised 60% of her \$2.8 million portfolio, her aging mother required memory care assistance, and her current advisor did not seem to understand her unique concerns.

She needed someone who recognized that her financial plan encompassed far more than portfolio returns—it was about preserving her independence, honoring her philanthropic commitments, and ensuring her mother received excellent care without derailing her own retirement.

Alex needed a fiduciary advisor like BLBB who listens first and advises second to help her create a comprehensive wealth management strategy to:

- Systematically diversify her concentrated stock position over 18 months, donating appreciated shares to a newly established DAF (eliminating \$28,000 in capital gains taxes while generating an immediate charitable deduction)
- Restructure her retirement contributions to maximize both traditional and Roth accounts
- Implement a hybrid life insurance policy with long-term care benefits
- Create a revocable living trust coordinated with updated beneficiary designations across all accounts
- Establish a sustainable monthly contribution to her mother's care facility while preserving her own retirement timeline

The need wasn't just financial—it was also psychological. It will allow her to move from anxiety about juggling competing demands on her own to confidence knowing she has a coherent strategy addressing her complete life picture.

Your Next Steps Toward Strategic Wealth Management

Financial focus during peak earnings years extends beyond maximizing contributions and minimizing taxes. It encompasses aligning your wealth with your values, protecting your independence, and creating structures that reflect your vision for family and legacy.

Seek out a financial advisor like BLBB that understands that women often face distinct planning challenges—from career interruptions and caregiving responsibilities to compensation disparities and longer life expectancies. We are here to work with you well before retirement to help optimize your portfolio's risk-return profile, tax efficiency, and income-generation capability and prepare for unforeseen life changes—widowhood, divorce, or adult children's financial needs—before these transitions occur rather than amid their emotional complexity.

Be on the lookout for our next piece in this series - **The Retirement Transition**— where we will explore strategies for converting decades of accumulation into sustainable, purposeful retirement income.

Share this series with the women in your life to help them approach their financial future with confidence, clarity, and comprehensive strategies designed for their success.

¹ <https://www.irs.gov/newsroom/401k-limit-increases-to-24500-for-2026-ira-limit-increases-to-7500>

² <https://tax.thomsonreuters.com/news/what-is-the-mandatory-roth-requirement-for-catch-up-contributions/>

³ <https://money.com/americans-underestimate-long-term-care-costs/>

⁴ <https://www.agingcare.com/articles/joint-bank-accounts-affect-medicaid-168094.htm>

Disclosures

BLBB does not offer legal or tax advice. Please consult the appropriate professional regarding your individual circumstances.

BLBB's investment approach may incorporate, among other things, asset allocation and portfolio diversification. While these strategies are designed to limit risk, there is no guarantee that such strategies alone, or in combination, will guarantee against a loss of principal.

The case study of *One Woman's Journey* is provided for illustrative purposes only and includes services offered by third-party partners. Proposed solutions will vary based on individual circumstances.



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