

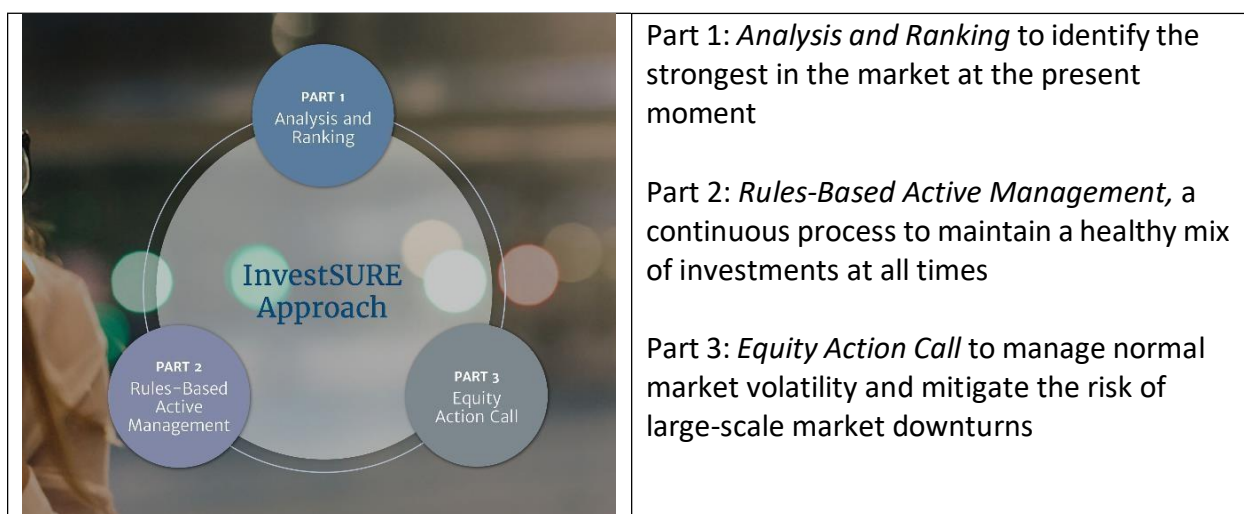
5 Smart Financial Moves to Protect and Grow Your Wealth in 2025

The start of a new year is the perfect time to take a fresh look at your financial strategy. For those managing significant wealth, even small adjustments can yield substantial long-term benefits. As the financial landscape evolves, staying proactive is key to protecting, growing, and preserving your wealth.

1. Reassess Your Portfolio Allocation

Economic uncertainty and shifting market dynamics continue to shape opportunities for investors. A regular review of your portfolio helps ensure that your asset allocation remains aligned with your goals and risk tolerance. Historical data shows that portfolios diversified across asset classes—including alternatives like private equity, infrastructure, and real estate—tend to outperform those limited to equities and bonds, especially during periods of high inflation or rising interest rates.

According to CFA Institute, a dynamic asset allocation strategy, which adjusts your portfolio based on market signals, has been shown to reduce volatility by up to 30% compared to static allocation models.



Actionable Tip: Discuss rebalancing with your advisor, considering current global market conditions and trends such as rising interest rates, which historically impact bond performance and real estate investments.

2. Leverage Tax-Efficient Strategies

With top marginal tax rates in Canada and the U.S. exceeding 50% in some provinces and states, tax efficiency is a critical wealth-preservation tool.

Personal Tax Rates - Combined - 2024				
	Salary & Interest	Capital Gains	Canadian Dividends (non-eligible)	Canadian Dividends (eligible)
> \$221,708	53.53%	26.76%	47.74%	39.34%
> \$220,000	49.91%	24.85%	43.58%	34.34%
> \$155,625	48.35%	24.17%	41.79%	32.19%
> \$150,000	44.97%	22.48%	37.90%	27.53%
> \$100,392	43.41%	21.70%	36.10%	25.38%
> \$95,906	37.91%	18.95%	29.78%	17.79%
> \$92,454	33.89%	16.95%	25.16%	12.24%
> \$81,411	31.48%	15.74%	22.38%	8.92%
> \$50,197	29.15%	14.83%	20.28%	6.39%
> \$46,226	24.15%	12.08%	13.95%	-1.20%
< \$46,226	20.05%	10.03%	9.24%	-6.86%

Source: HMID Accountants

Recent CRA data indicates that Canadians missed over \$1 billion in unused RRSP contribution room last year, while U.S. taxpayers forfeited similar opportunities with underutilized retirement accounts.

High-net-worth individuals can reduce their tax burden through strategies like tax-loss harvesting, which could save up to 30% on investment losses, or income splitting, which redistributes taxable income within lower tax brackets.

A 2024 report from The Veritas Foundation highlights that trust structures and donor-advised funds are increasingly popular, with donations via donor-advised funds growing by 23.9% over the 5-year period of 2018 to 2023.

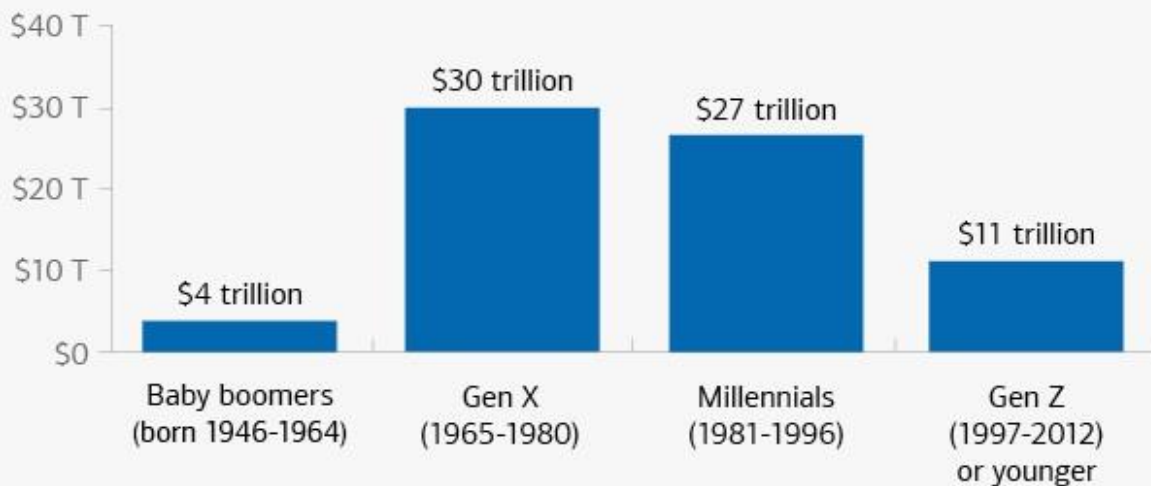
Actionable Tip: Schedule a meeting with your tax advisor early in the year to explore strategies such as prescribed-rate loans or setting up a spousal trust, which can offer long-term tax savings.

3. Plan for Intergenerational Wealth Transfer

Wealth transfer is a pressing issue as baby boomers pass on an estimated \$84 trillion to heirs over the next two decades (source: [Cerulli Associates](#)). According to the report, \$72.6 trillion in assets will be transferred to heirs, while \$11.9 trillion will be donated to charities.

By the numbers: The Great Wealth Transfer

Estimated wealth to be inherited through 2045, by generation:



Source: Cerulli Associates

Without proper planning, up to 40% of this wealth could be eroded by taxes and legal fees, according to studies by the Canadian Centre for Policy Alternatives.

Creating or revising a comprehensive estate plan ensures your wealth is protected and distributed according to your wishes. Beyond wills, tools like family trusts, private foundations, and buy-sell agreements can optimize your legacy while mitigating risks.

Recent CRA statistics show a 15% increase in the use of intergenerational trusts over the past three years, driven by their ability to provide tax-efficient wealth transfers while maintaining control over assets.

Actionable Tip: Host a family meeting to discuss your estate plan. Consider addressing cross-border tax implications if you or your heirs have ties to multiple jurisdictions.

4. Maximize Retirement Contribution Limits

Even with significant wealth, maximizing tax-advantaged retirement accounts can enhance long-term financial outcomes. For instance, RRSPs in Canada offer annual contribution room of up to 18% of earned income, capped at \$31,560 for 2024, providing both immediate tax relief and tax-deferred growth.

For business owners, Individual Pension Plans (IPPs) offer a tailored solution, potentially allowing contributions of up to \$100,000 annually, depending on income and age.

Actionable Tip: Review your contribution strategy and consult your advisor about higher-contribution options, such as IPPs.

5. Revisit Risk Management Strategies

The financial landscape is evolving rapidly, with 2024 seeing increased market volatility and heightened geopolitical risks. According to a McKinsey report, 70% of high-net-worth investors cite risk management as a top concern.

In addition to market risks, personal and business risks—such as legal liabilities, cyberattacks, or insufficient insurance coverage—must be addressed. Umbrella liability insurance, for example, can provide an additional layer of protection beyond standard policies, while advanced strategies like captive insurance can safeguard business owners.

Data from the U.S. Department of Commerce indicates that households with robust risk management strategies recover from financial setbacks 50% faster than those without them.

Actionable Tip: Conduct a full risk audit with your advisor, evaluating everything from asset protection to cybersecurity measures and liability coverage.

The Bottom Line

The new year brings an opportunity to strengthen your financial foundation with foresight and precision. By reassessing your portfolio, leveraging tax strategies, planning your legacy, maximizing retirement contributions, and managing risks, you can navigate 2025 with confidence.

Start the year with a tailored financial plan designed to protect your wealth, grow it strategically, and secure your legacy for generations to come.

**Let's align your financial goals for 2025—[schedule a consultation today](#).
Together, we'll build a plan that empowers you to achieve certainty in an uncertain world.**



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