Pre-Approach Letter for Younger Clients with Children

**For Use by a CPA or Tax Preparer**

[Date]

[Return Address]

Dear [Contact\_Name]:

After reviewing your individual tax return, I would like to offer you some suggestions you may want to consider that might help you with your overall financial plan.

Over the years as a tax professional, I’ve been committed to helping my clients with the preparation and planning of their taxes. However, many of my clients have often asked for my advice on other financial matters such as investments, retirement planning, and education funding.

To address these requests, I’ve begun to work with [Name of the Agent], a Financial Services Professional. Working in this capacity helps me give clients the most comprehensive service possible. With this in mind, I’d like you to consider the following:

**Retirement Planning Now**

On your tax return, I noticed that your adjusted gross income for the last tax year was [enter dollar amount]. If you are planning to retire at age 65, it’s important to put a proper plan in place now to make sure you’re doing all you can to reach the accumulation goals you have in mind. A financial review could help us identify your needs and answer any questions you may have.

**Plans for College Savings**

You have several children listed as dependents and we should see if you are on track with proper college funding. There may be some tax credits that might be available to you. There are options available to you such as formal education funding programs and life insurance. With cash value life insurance, in addition to the needed death benefit, funds grow tax-deferred, and withdrawals for higher education expenses can be received without being subject to income taxes. Withdrawals and loans from life insurance contracts will reduce the face amount and increase the chance a policy may lapse. An effective plan may be developed to help you save for the formidable expenses of higher education. I’d be happy to give you more information about the options that are available.

**Survivor Needs**

If something unfortunate should happen to you, what would become of your family? No one wants to think about this, but it is necessary to evaluate how your family would fare if you were no longer there to provide for them. Would they have the resources to maintain their current lifestyle? Could they finance the future you dreamed of together? Proper life insurance coverage will help ensure that your family is protected.

If you already have life insurance, it may be important to do a review to see if it is adequate and if the policy you own is appropriate for your near and long-term goals. In some cases, life insurance might be able to do double duty and offer you additional means to potentially accumulate cash value for retirement with potential tax benefits. I would be happy to provide you with a complimentary review to make sure you’re on track.

**Cash on Hand**

Having savings in the bank for a rainy day is an important planning priority. Alternatively, having too much cash sitting around earning very low interest rates may not be the best plan. There are options besides passbook savings or CDs that could potentially make a big difference on your next tax return.[[1]](#footnote-1)[2] I’d be happy to provide you with more information.

**Capital Gains/Losses**

Sometimes your investments may be up, sometimes they may be down. If your assets have generated capital gains or losses for you, there are ways to offset them. I’d be happy to discuss strategies with you.

The decisions you make toward your financial well-being are important to me. I would like to schedule an appointment for us to talk in more detail about your goals and the tools that may help get you there. I will call you soon.

Best regards,

Financial Professional

Please be advised that this letter is not intended as legal or tax advice. Accordingly, any tax information provided in this letter is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer. The tax information was written to support the promotion or marketing of the transaction(s) or matter(s) addressed and you should seek advice based on your particular circumstances from an independent tax advisor.

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GE-3513849.2 (2/23) (Exp 2/25)

1. [2] CDs and Passbook Savings Accounts are generally FDIC-insured up to $250,000.

   GE- 3513849.2 (2/23) (Exp 2/25) Cat. # 141694 [↑](#footnote-ref-1)