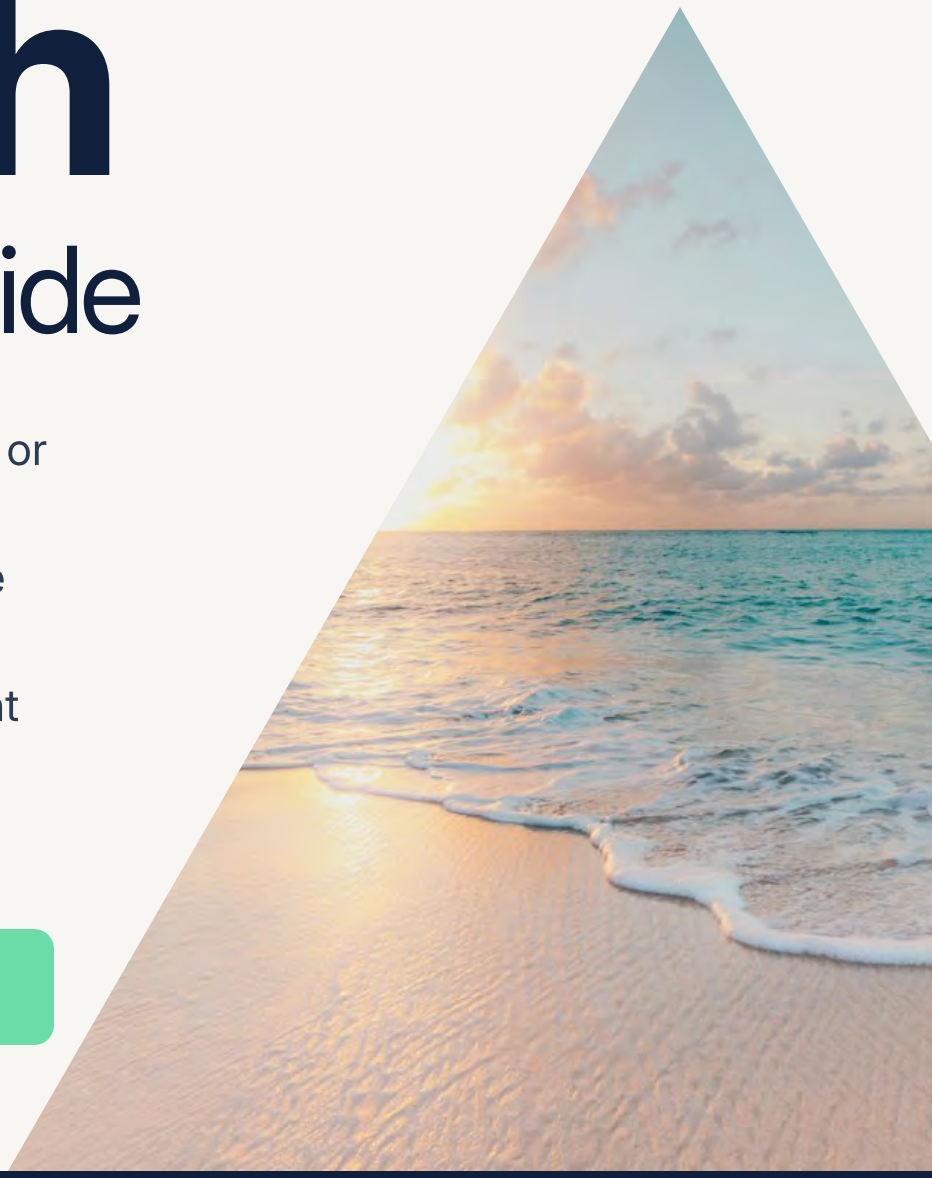
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The High Net Worth Financial Guide

For Americans with $1 million or more in investable assets, Datalign's guide examines the financial decisions behind retirement income, investment taxes and passing wealth to family.

Get matched with an advisor →



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What do I want my wealth to make possible?



You've made financial decisions for years. Some of the next ones may be new to you.

You know your investments well. But as your assets grow, questions about retirement income, taxes and passing money to family can become harder to answer. Should you sell investments to fund retirement? Would giving shares to charity make more sense than giving cash? What happens to accounts that aren't covered by your will?

More than 100,000 Americans have used Datalign to seek financial advice, giving us firsthand experience with the questions people ask when looking for an advisor. We've addressed many of them here, using financial examples and guidance from the IRS, SEC and other sources cited throughout. Read the guide in full, turn to a topic that interests you, or upload it to an AI assistant to ask questions about the examples.

When you're ready to speak with an advisor, Datalign can help. Our nationwide network includes **more than 13,000 financial advisors**. We use information about your finances, goals and preferences to match you with one participating firm. The introduction is free to you; participating firms pay Datalign, and you decide whether to proceed.

Get matched with an advisor for your goals →

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The examples in this guide are illustrative and are not recommendations. Decisions about your own finances call for advice from a qualified professional who knows your situation. Disclosures appear on page 24.

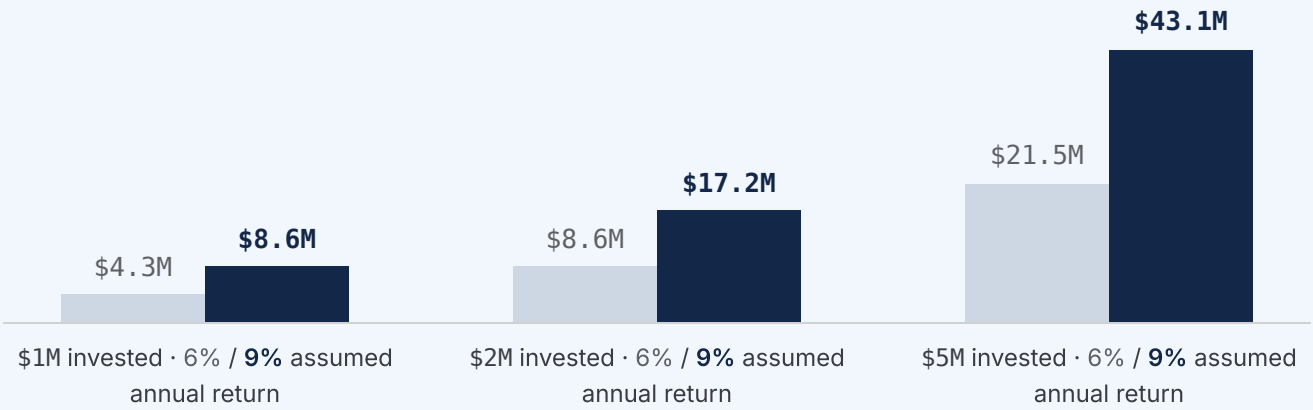
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Professional advice can make the difference

Vanguard's Advisor's Alpha research estimates that financial advice can add up to 3% in net returns annually compared to unmanaged assets through portfolio construction, tax-aware strategies, behavioral coaching and other services. Vanguard describes that value as irregular rather than annual, and says the amount varies by client and circumstances. For a high net worth household, the relevant services may include tax-aware investing, managing concentration risk and coordinating estate planning with a financial plan that reflects personal goals.

Exhibit 1: Illustrative effect of a 3-percentage-point annual difference over 25 years

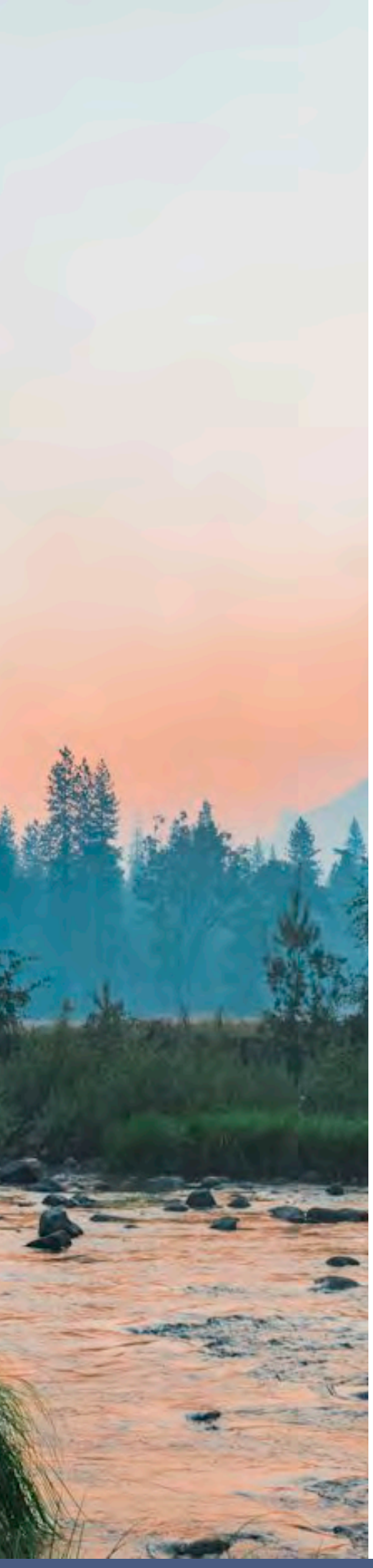
Hypothetical growth at 6% and 9% assumed annual returns. Both scenarios are hypothetical; the exhibit illustrates compounding only and does not represent expected advisor performance.



2× A three-percentage-point annual difference nearly doubles the ending value over 25 years under these assumptions.

Ask an advisor which of these services would apply to your situation.
See what an advisor can help with →

Source: Vanguard, "Celebrating Vanguard Advisor's Alpha: Clients and Their Advisors Thriving Together for 25 Years," 2025, advisors.vanguard.com/content/dam/fas/pdfs/IARCQAA.pdf. Exhibit 1 is illustrative only: it assumes 6% and 9% annual returns compounded over 25 years to show the effect of a 3-percentage-point difference. It does not represent the performance of any advised portfolio, any Datalign-matched advisor or any actual client, and is not a guarantee of future results. Vanguard is not affiliated with Datalign.



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Calculating your net worth and how quickly each type of asset could be turned into cash.

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Make decisions about your investments

Capital gains taxes, the risks of holding a concentrated stock position, and what to review before a large sale.

Pages 13–17

Plan your retirement income

The income your savings may need to provide, the order of withdrawals, Social Security timing and required distributions.

Pages 18–21

Prepare your estate and giving plans

Beneficiary designations and estate documents that determine who receives your assets, and the tax effects of giving to charity and family.

Pages 22–23

Working with a financial advisor

Seven questions to ask before you hire an advisor, and how Datalign matches you with a participating firm.

How to calculate your net worth

Financial firms generally describe someone with $1 million or more in investable assets as high net worth.[1] Net worth is broader: everything you own minus everything you owe. Investable assets exclude your home and belongings. Retirement accounts count as investable, but withdrawals from them can be taxed or restricted.

Exhibit 2: One household's net worth and investable assets

WHAT YOU OWN	
Home (current market value)	$900,000
Traditional 401(k) and IRA	$1,100,000
Brokerage account	$450,000
Cash and savings	$80,000
Car (current value)	$30,000
Total assets	**$2,560,000**

WHAT YOU OWE	
Mortgage	$400,000
Car loan	$10,000
Total liabilities	**$410,000**

Net worth
$2,150,000

Investable assets
$1,630,000

Hypothetical. Investable assets are the retirement, brokerage and cash accounts, shown before tax.

This household has $2.15 million in net worth and $1.63 million in investable assets, including $1.1 million in traditional retirement accounts. Withdrawals from those accounts are generally taxable.[2]

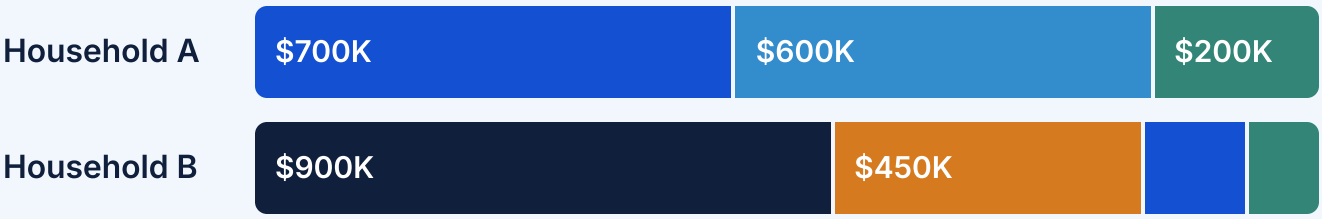
Get matched with an advisor who can review your assets →

1. Capgemini Research Institute, World Wealth Report 2025. Firms commonly use $1M–$5M (high), $5M–$30M (very high) and $30M+ (ultra high net worth); these are conventions, not regulatory definitions.
2. IRS, Publication 590-B, Distributions from Individual Retirement Arrangements.

How quickly could you turn your assets into cash?

Liquidity, the speed and cost of converting an asset to cash, varies widely by asset type. The two hypothetical households below each hold $1.5 million, with no debt.

Exhibit 3: Two households, each with $1.5 million



Cash	Available now, with no sale required.
Diversified investments	Usually sold within days; gains may be taxed.
One company's stock	Also sells within days, but its value rests on one company and selling may realize a large gain.
Retirement accounts	Withdrawals are generally taxed as income, and early withdrawals may add a penalty.
Private business	No public market; a sale can take months, and its value is hard to pin down.

Hypothetical, before taxes. Household B also holds $100K in retirement accounts and $50K in cash.

Both households have $1.5 million in assets, but Household A has more in accounts that can generally be accessed or sold quickly. Household B has most of its wealth in a private business that may take time to sell and a concentrated stock position that could expose it to substantial losses or capital gains taxes.

Review what your assets are made of with an advisor →

When you sell an investment, what gets taxed?

When you sell an investment worth more than you paid for it, tax generally applies to the increase in value rather than to the full amount you receive. The amount you originally paid is called your cost basis.

Exhibit 4: Selling shares that cost $60,000 for $100,000

You paid	Cost basis **$60,000**	
You sell for	Return of your cost **$60,000**	Realized gain **$40,000**

$100,000 − $60,000 = **$40,000 potentially taxable**

Hypothetical, taxable brokerage account, federal tax only.

In this example the realized gain is $40,000, and the tax on it depends on how long you held the shares, your other income that year and your state's tax. Federal tax on gains from shares held more than a year is generally 0%, 15% or 20%, while gains on shares held a year or less are taxed at the same rates as wages.[1]

Discuss the tax implications of selling investments with an advisor →

IRS, Topic No. 409, Capital gains and losses.

Does the account you withdraw from change your taxes?

If your savings are spread across several types of accounts, the one you draw from affects both your taxes and what remains for later. The $100,000 below is illustrative.

Exhibit 5: Three ways to withdraw $100,000

A	B	C
Sell brokerage investments	**Withdraw from a traditional IRA**	**Use cash savings**
You receive **$100,000**	You receive **$100,000**	You receive **$100,000**
Potentially subject to tax **$40,000** capital gain	Potentially subject to tax **$100,000** ordinary income	Potentially subject to tax **$0** no new income tax

Hypothetical; the taxable amount is not the tax owed. A: shares cost $60,000. B: assumes every contribution was deducted when made, so the full withdrawal is pretax money; before age 59½ a 10% additional tax may apply.[2] Federal tax only.

Selling investments reduces what remains in the brokerage account.[1] Withdrawing from a traditional IRA reduces money that could continue growing tax-deferred. Spending cash leaves less in reserve.

Discuss tax-aware withdrawal strategies with an advisor →

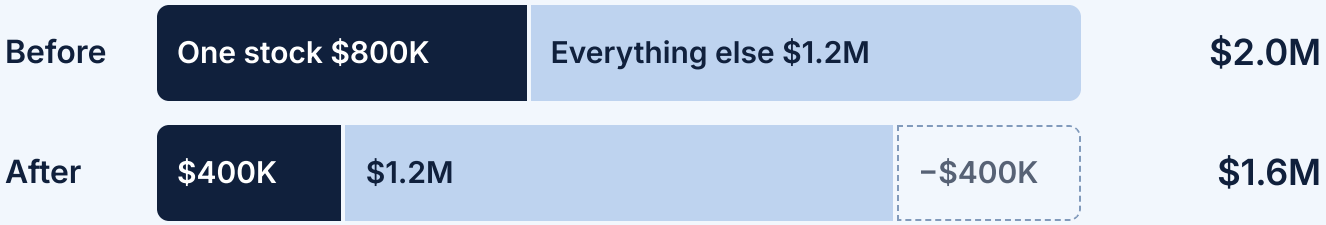
1. IRS, Topic No. 409, Capital gains and losses.
2. IRS, Publication 590-B, Distributions from Individual Retirement Arrangements.



How much of your wealth depends on one investment?

Stock from an employer, an early investment or an inheritance can grow to make up a large part of a portfolio, and the larger that part becomes, the more one company's results move the value of the whole.

Exhibit 6: A 50% drop in one stock, in a $2 million portfolio



−20% change in the total portfolio from a 50% fall in the one stock

Hypothetical. Assumes the rest of the portfolio is unchanged.

With 40% of the portfolio invested in one stock, a 50% decline in that holding reduces the entire portfolio's value by 20%. A smaller position would have a smaller effect. Diversification can reduce exposure to one company, although it cannot prevent investment losses.[1]

Talk with an advisor about a concentrated position →

FINRA, "Love Your Company Stock? Here's What to Know".

What happens when you sell $750,000 of stock?

Selling part of a large holding in one company reduces how much of your wealth depends on it, but the sale can create a large taxable gain. Alex, a fictional investor, has a $4 million portfolio that includes $1.5 million of one stock originally bought for $300,000.

Exhibit 7: Selling half of a $1.5 million position

Before: one stock's share of $4M	After: one stock's share of $4M
37.5%	about 19%

Sold		Cost of those shares		Realized gain
$750,000	−	$150,000	=	$600,000

Hypothetical. Assumes the $750,000 is reinvested outside the stock before any tax is paid and the share price is unchanged, so the portfolio stays at $4 million.

Selling half the position lowers the share of Alex's portfolio held in one company from 37.5% to about 19%, and it realizes a $600,000 gain that is taxable in the year of the sale.

Talk through a large stock sale with an advisor →

If the full gain were taxed at the 20% federal long-term rate plus the 3.8% net investment income tax, federal tax would be $142,800. Alex's actual tax depends on other income, deductions, losses and state tax. IRS, Topic No. 409, Capital gains and losses. IRS, Topic No. 559, Net investment income tax.

What should you review before selling a large investment position?

Selling a large investment position can affect your taxes, your remaining risk and your plans for the money. These are the four areas a sale is most likely to affect.

1 **The tax this year**

The tax depends on how long you've held the shares, your other income, any losses that can offset the gain and your state's tax.

2 **Your remaining concentration**

Consider how much of your wealth would still depend on one company after the sale.

3 **What the money is for**

Whether you plan to spend the proceeds, hold them in reserve or reinvest them can affect how much to sell and when.

4 **Your other plans**

If you plan to give to family or charity, giving the shares themselves can have different tax results from selling them first.

> **Ask an advisor:** "If I reduce this position, how much would you sell, over what period, and why?"

Discuss a planned sale with an advisor →

How much will your savings need to provide in retirement?

Before deciding which accounts to draw from, it helps to estimate how much of your yearly spending your savings will need to cover: what you expect to spend, minus what you expect from Social Security or a pension.

Exhibit 8: A hypothetical household's yearly funding gap



	Expected yearly spending	$140,000
−	Social Security and pension income	$55,000
=	**Needed from savings and investments**	**$85,000**

Hypothetical yearly figures. Taxes on withdrawals could raise the amount needed. Not a recommended withdrawal amount.

The $85,000 is a starting estimate. Whether the household can sustain those withdrawals depends on inflation, taxes, investment returns, changing expenses and how long the money needs to last. An advisor can help assess those assumptions against the household's savings.

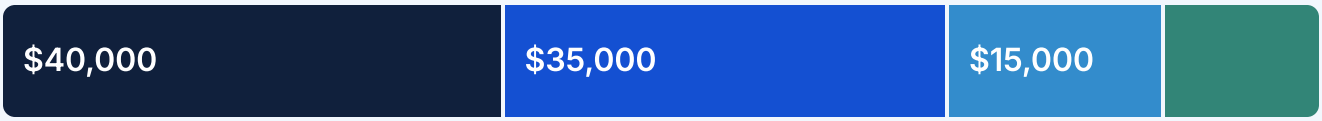
Discuss your retirement funding gap with an advisor →



Where will your retirement income come from?

Once paychecks stop, retirement income can come from several sources at once. The example below shows how a hypothetical retired couple might receive $100,000 in one year, before taxes.

Exhibit 9: Sources of $100,000 in one year



Social Security	$40,000	Traditional IRA or 401(k)	$35,000
Taxable brokerage account	$15,000	Cash savings	$10,000

Hypothetical; not a recommended mix.

Each source is taxed under its own rules: Social Security may be partly taxable, traditional IRA withdrawals count as ordinary income, brokerage sales are taxed on any gain, and cash creates no new tax. The $100,000 represents money received before taxes. The amount available to spend will depend on the couple's actual tax liability.

Get matched with an advisor for retirement-income planning →

In what order should you draw from retirement accounts?

If your savings sit in a traditional IRA, a brokerage account and a Roth IRA, the account you draw from in a given year affects that year's taxable income.

Exhibit 10: How three account types compare

	HOW WITHDRAWALS ARE TAXED	WHAT ELSE TO KNOW	WHAT TO DISCUSS WITH AN ADVISOR
Traditional IRA or 401(k)	Ordinary income on the full amount, assuming pretax contributions and earnings	Required withdrawals start at 73 or 75, depending on birth year	How much to take each year given your bracket
Taxable brokerage	Only the gain on shares sold	Losses can offset gains	Which holdings to sell, and when
Roth IRA	Qualified withdrawals are generally tax-free	No required withdrawals for the original owner	When to use it and when to leave it invested

Roth withdrawals are qualified after age 59½ from an account open at least five years.[1]

Because each account is taxed differently, the order in which you draw from them can change your taxable income from year to year. A suitable order depends on your income, tax bracket, spending and account sizes.

Plan your retirement withdrawals with an advisor →

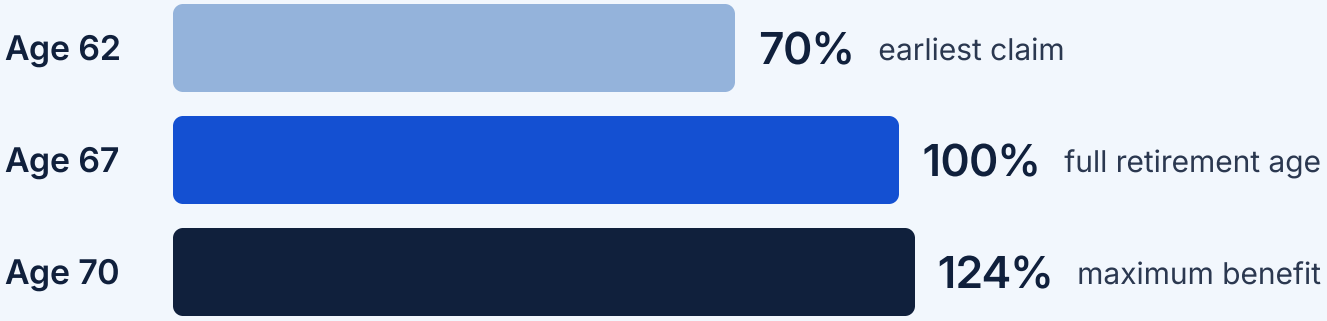
1. IRS, Publication 590-B, Distributions from Individual Retirement Arrangements.
2. IRS, Retirement plan and IRA required minimum distributions FAQs.



When should you claim Social Security?

The age at which you claim Social Security sets your monthly benefit, potentially for decades. You can start as early as 62 or wait as late as 70.

Exhibit 11: Monthly benefit as a share of the full-retirement-age benefit, for people born in 1960 or later



Claiming before full retirement age reduces the benefit; waiting past it increases the benefit until age 70.[1] Up to 85% of benefits may be taxable, depending on other income.[2]

Someone who claims at 62 receives about 70% of the full benefit each month, while waiting until 70 raises it to about 124%. The age that makes sense depends on your health, your other income and how long you expect to rely on the benefit.

Discuss when to claim Social Security with an advisor →

1. Social Security Administration, "Retirement age and benefit reduction".
2. IRS, Publication 915, Social Security and Equivalent Railroad Retirement Benefits.

When must you start withdrawing from retirement accounts?

Savings in a traditional IRA or 401(k) can't stay in the account indefinitely. Starting at a set age, the IRS generally requires you to withdraw a minimum amount each year, called a required minimum distribution (RMD), whether or not you need the money.

Exhibit 12: When RMDs generally begin

Born 1951–1959	Born 1960 or later
Age 73	**Age 75**
first required withdrawal	first required withdrawal

Roth IRAs have no RMDs for the original owner.

Each year's RMD is based on the account balance and an IRS life-expectancy factor.[1]

These withdrawals are generally taxable as ordinary income, so a large traditional IRA balance can add significantly to your taxable income in retirement.

Plan for required withdrawals with an advisor →

IRS, Retirement plan and IRA required minimum distributions FAQs.

Your will may not determine who receives every asset

Retirement accounts, life insurance and jointly owned accounts can pass under their own instructions, and those instructions generally take priority over a will. In this fictional example, Morgan's will leaves everything to a niece, Sam.

Exhibit 13: How three of Morgan's assets could pass

ASSET	WHAT GENERALLY CONTROLS IT	WHO MAY RECEIVE IT
Home In Morgan's name alone	**Morgan's will** Passes through probate (court settlement)	**Sam**
IRA	**Beneficiary form** Still names a former spouse	**Former spouse** Depending on state law and plan rules
Brokerage account Joint with a partner, with right of survivorship	**How the account is owned** The surviving owner receives it	**Partner**

Hypothetical. Outcomes depend on state law, account terms and how each asset is titled.

Morgan intended to leave everything to Sam, but an old beneficiary form and the jointly owned account could produce a different result.[1]

Discuss coordinating your accounts and estate plans with an advisor →

FINRA, "Advance Planning for Your Investments".

What do estate-planning documents do?

An estate plan typically relies on five documents. A financial power of attorney and a healthcare directive name who can act for you while you're alive. A will and beneficiary designations direct your assets at death, and a trust can do both.

Exhibit 14: Which documents apply when

DURING YOUR LIFETIME	AT DEATH
Financial power of attorney Names someone to handle financial matters if you can't.	**Will** Directs property in your name alone and names an executor to settle the estate.
Healthcare directive Records medical wishes and names someone to make health decisions for you.	**Beneficiary designations** Name who receives retirement accounts, life insurance and transfer-on-death accounts.

BOTH

Trust

A revocable living trust can manage assets while you're alive and pass them on after death, generally without probate. Other trusts take effect only at death.

Rules vary by state.

An estate attorney drafts these documents and advises on state law. A financial advisor works alongside the attorney, helping keep account ownership, beneficiary forms and investments in line with the plan.[1]

Review your estate documents with an advisor →

FINRA, "Advance Planning for Your Investments".

How should you give to charity if your investments have grown?

If you give to charity and own investments that have risen in value, known as appreciated investments, the way you give can change your taxes. Selling the shares first realizes a capital gain, while donating them directly generally does not.

Exhibit 15: Giving $50,000 of shares that cost $10,000, held over a year

	A. Sell the shares, give the cash	B. Give the shares directly
Charity receives	$50,000	$50,000
Realized capital gain	$40,000	$0
Tax on that gain	Owed at your capital gains rate	None from the gift
Possible charitable deduction	Up to $50,000, subject to limits	Up to $50,000, subject to limits

Hypothetical; eligible public charity. Deductions require itemizing and are generally limited to 60% of adjusted gross income (AGI) for cash and 30% for appreciated stock.[1] From 2026, only giving above 0.5% of AGI is deductible, and in the 37% bracket each deducted dollar reduces tax by at most 35 cents.[2]

Donating appreciated shares directly may avoid realizing capital gains. The charitable deduction depends on the donor's circumstances, the type of asset and the charity receiving the gift.

Evaluate tax-aware giving with an advisor →

1. IRS, Publication 526, Charitable Contributions.
2. Public Law 119-21.

Should you give investments to family now or leave them in your estate?

If you plan to pass investments to family, giving them now or leaving them in your estate can change the tax your family owes when they sell. Tax is one consideration, along with how much control you want to keep, your family's circumstances and future growth.

Exhibit 16: A child sells shares for $200,000 that the parent bought for $50,000

Given during the parent's life	
Child's cost basis	$50,000
Sale price	$200,000
Taxable gain	$150,000

Inherited at the parent's death	
Child's cost basis	$200,000
Sale price	$200,000
Taxable gain	$0

Hypothetical. Assumes the shares are worth $200,000 at the parent's death and the child sells at that value. Gifted shares generally keep the giver's cost basis; inherited shares generally take a basis equal to their fair market value at death, with some exceptions.[1]

A gift passes on the parent's original cost, so the child has a $150,000 gain on the sale. An inheritance generally resets the cost to the value at death, so the same sale may create no gain.

For 2026, gifts up to $19,000 per donor, per recipient generally need no gift tax return, and the federal estate and gift tax exemption is $15 million per person, a lifetime limit.[2]

Discuss gifts to family with an advisor →

1. IRS, Publication 551, Basis of Assets.
2. IRS, "What's new — Estate and gift tax".

A checklist for hiring a financial advisor

Use these questions to understand how an advisor would approach your finances, what services they provide and what you would pay. You can bring them to an introductory conversation, including one arranged through Datalign. The questions follow the topics in this guide.

ADVISOR MEETING CHECKLIST Advisor: _____ Date: _____

- ☐ **01** What experience do you have advising people with financial circumstances similar to mine?
- ☐ **02** How do you coordinate investment decisions with tax planning?
- ☐ **03** How would you assess concentration risk and diversification in my portfolio?
- ☐ **04** How would you help evaluate retirement-income needs and withdrawal decisions?
- ☐ **05** How do you incorporate estate planning and charitable giving into your advice, and when would you involve an estate attorney?
- ☐ **06** How are you compensated, and what would I pay in total?

  Advisors may charge a percentage of assets they manage, a flat or fixed fee, hourly or project fees, or commissions. The firm's Form CRS summarizes its services, fees and conflicts of interest.[1] Datalign's introduction is free; the advisory firm sets its own fees.
- ☐ **07** What would you want to know about my circumstances before recommending changes?

Ready to ask these questions? Get matched with an advisor →

1. SEC, Investment Adviser Public Disclosure; Investor.gov, "Form CRS".

The Aligned Perspective

Financial advisors offer different services and have experience with different kinds of financial situations. Datalign asks about your finances, goals and preferences to identify one participating advisory firm whose experience is relevant to your needs. The introduction is free, and you decide whether to proceed.

13,000+
advisors in our nationwide network

86%
of RIA firms on our platform are on Barron's 2025 Top 100 RIA Firms list

100,000+
Americans have used Datalign

Free to you
participating firms pay Datalign for introductions, as disclosed on page 24



1

Tell us about yourself

Answer a few questions about your finances, goals and the services you're looking for.

2

Get matched with an advisor

Datalign identifies one participating advisory firm with experience relevant to your needs.

3

Decide whether to meet

Schedule an introductory conversation and decide whether you'd like to work together.

Get matched with an advisor →

Disclosures

The information in this guide is for educational purposes only and is not intended as, nor should it be relied upon as, individualized financial, investment, tax, or legal advice, and you should consult a qualified professional about your specific circumstances before making any financial decisions.

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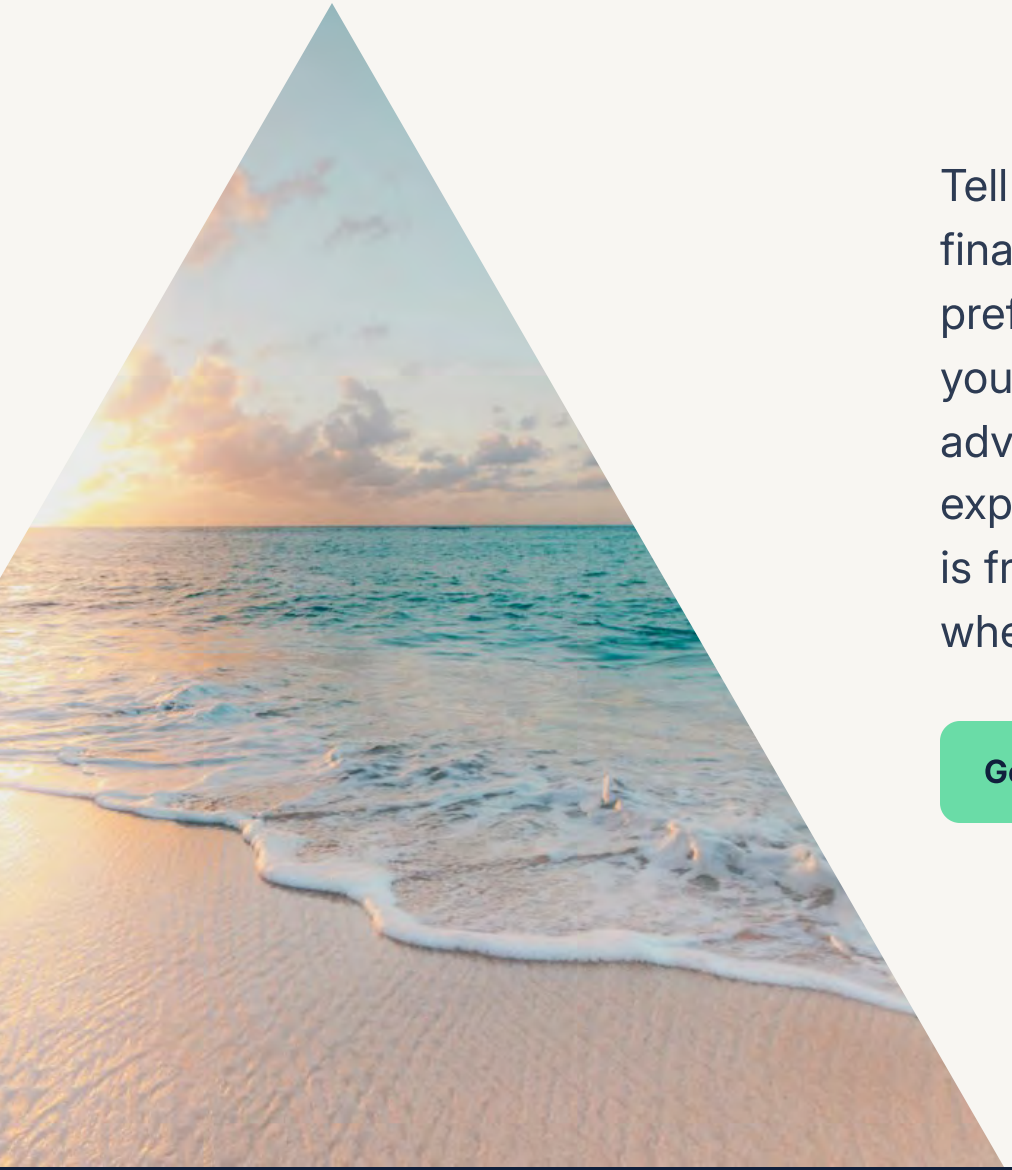
Awards: FinTech Breakthrough named Datalign Advisory “Financial Advisory Platform of the Year” in its 2026 FinTech Breakthrough Awards, announced March 19, 2026. An independent panel selected winners from nominations submitted by January 9, 2026, for products released or updated after January 1, 2023. FinTech Breakthrough states that companies do not pay to be considered or to be named winners. Informa’s Wealth Management Group named Datalign Advisory a finalist in the 2026 Wealth Management Industry Awards (the “Wealthies”), announced June 3, 2026, in two categories: AI: Marketing and Lead Generation (RelationshipAI) and Innovation Platforms (AI-Native Growth Platform). Independent judges selected finalists from initiatives introduced or enhanced in the prior 18 months. Informa states that no fee is required to enter. These awards recognize Datalign’s technology platform. They are not ratings of any advisor you are matched with and do not indicate future performance. Barron’s Top 100 RIA Firms (2025) is compiled by Barron’s based on data submitted by firms, including assets, revenue and quality of practice; the ranking is not an endorsement of any firm or of Datalign, and Datalign did not pay Barron’s to be included.

Classifications such as “high net worth” are industry conventions, not regulatory definitions, and vary by institution. Meeting a classification threshold does not establish eligibility for any product or service. Alex (page 11), Morgan (page 18) and the other households, portfolios, donors and families on pages 6–21 are fictional, and all hypothetical figures in this guide are illustrative only; they do not represent actual investors, advised portfolios or results. Tax figures reflect federal law for 2026, exclude state taxes and may change. Retirement, Social Security, estate and giving examples simplify rules that depend on individual circumstances, account terms and state law. Datalign does not provide tax or legal advice; estate documents should be prepared by an attorney. Third-party figures are cited on the pages where they appear. Datalign is not affiliated with Vanguard, Capgemini or Barron’s, and references to government or regulatory sources do not imply their endorsement.

Information is current as of October 26, 2026.

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Get matched with an advisor who understands your goals.



Tell Datalign about your finances, goals and preferences. We'll introduce you to one participating advisory firm with relevant experience. The introduction is free, and you decide whether to proceed.

Get matched with an advisor →

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