BUILDING AND PRESERVING YOUR WEALTH

Insights

CYBERSECURITY

How AI Fuels Fraud

YOUR INVESTMENTS

Looking Beyond the Noise

WOMEN + WEALTH

Prepare for Life's Seasons

Finding the Good and Helping It Grow

MAXIMIZE YOUR IMPACT ACROSS GENERATIONS WITH IMPASSIONED FAMILY AND INSTITUTIONAL GIVING

REGIONS
PRIVATE WEALTH MANAGEMENT

SPRING 2025

Making a Lasting Impact

Philanthropy is a way for us to make an impact in the communities that matter to us. There's no doubt that giving can also reshape how we think about the value of our wealth, especially when our families become involved in the process. That's why this issue of *Insights* focuses on giving strategies.

In our cover story for this issue, **"Finding the Good and Helping It Grow" on page 16**, we focus on steps you can take to define the impact of your giving so every dollar you donate works toward what you would like to accomplish. Our team explains how to translate your giving strategy into the right vehicle to achieve your goals and wishes. Working on these details with your Wealth Advisor and the Philanthropic Solutions group will help you clarify your charitable vision for yourself—and your family.

Inside, you'll also find articles that deal with today's most pressing topics: how to tune out the noise in a post-election world (**"Smart Ways to Engage With the Market" on page 5**), what we all need to consider with the potential sunsetting this year of the Tax Cuts and Jobs Act (**"Countdown to Tax Changes?" on page 10**) and how artificial intelligence will transform our lives in the near and long term (**"How to Detect and Avoid Fraud in the Age of AI" on page 12** and **"Exploring Investment Opportunities in AI Tech" on page 24**).

LESLIE CARTER-PRALL

Executive Vice President and Head of Regions Private Wealth Management

This issue of *Insights* also considers planning for the future transition of your business, the future of Social Security and perspectives from various women on legacy planning. How we manage these issues in 2025 will impact our financial and personal lives well into the future.

There is a lot to look forward to in 2025. As always, we appreciate the opportunity to serve you and your family.

EDITOR: Dana Obrist SPECIAL CONTRIBUTORS: Marcie Braswell, Maya Brill, Leslie Carter-Prall, Paige Christenberry, Kim Churchill, Mary Beth Coke, Jama DeHeer, Carla Gale, April Grajales, Bryan Koepp, Alan McKnight, Anna Priestley, Matt Renick, Connie Rogers, Amy Rohde, Sue Ross, Stephen M. Russell, Anjali Tagare, Olivia Wiggins, Jennifer Wilson, Jeffrey H. Winick

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COVER ILLUSTRATION BY PETE RYAN, PORTRAIT ILLUSTRATION BY KAGAN MCLEOD

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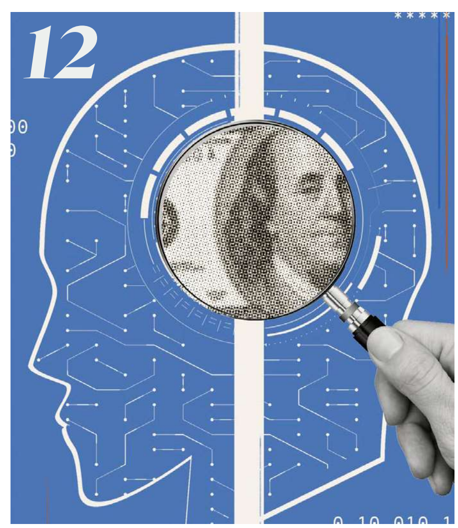


ILLUSTRATION BY VALERIE CHIANG

Intelligence

WHAT YOU NEED
TO KNOW FOR YOUR
MONEY, FAMILY & LIFE

PHOTOGRAPH BY MARGEAUX WALTER

Women's wealth could potentially triple. While many barriers to wealth accumulation for women remain—including lower wages—in 2020 women controlled **$10 trillion** in wealth. Through further accumulation and the ongoing wealth transfer from the aging baby boom generation, they're likely to supersize their wealth by 2030, controlling much of the **$30 trillion** in assets owned by boomers.

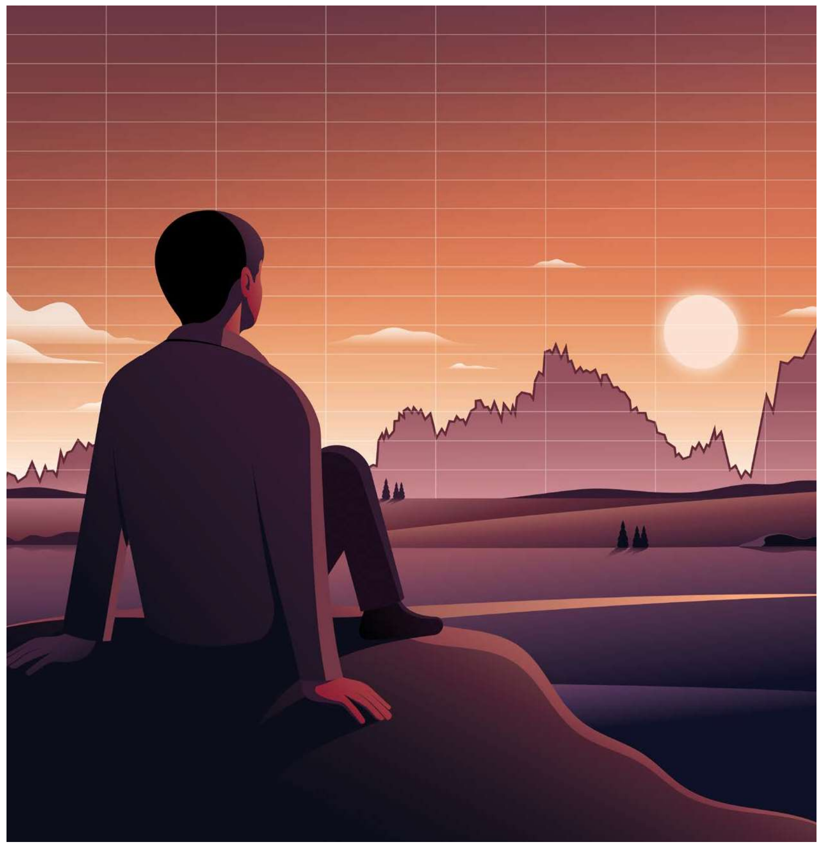
SOURCE: *WOMEN AS THE NEXT WAVE OF GROWTH IN U.S. WEALTH MANAGEMENT*, MCKINSEY & COMPANY, 2020

Smart Ways to Engage With the Market

AND WHEN TO LOOK AWAY

The results of the 2024 presidential election may have left you wondering what long-term impact it will have on the market—and your portfolio. How will the new administration's proposed tariffs affect the economy? What industries might benefit from a climate of deregulation? The answers to these and other questions could impact the stock and bond markets. "In the short run following an election, you typically get more volatility," says Alan McKnight, Chief Investment Officer at Regions. That's what we saw in November 2024.

Keeping tabs on those ups and downs can become all-consuming. McKnight offers a healthy approach to monitoring the market in 2025 and beyond.



1 Focus on what you can control

You can't control the market despite how much you'd like that. But you can control your future by ensuring you have a wealth plan that's designed to help you attain your short- and long-term goals. "What type of returns will you need to retire, for example?" says McKnight. "Are you taking too much or too little risk to achieve your goals?"

2 Measure what matters

You may find it easy to be caught up in constantly asking, "Am I outperforming the market?" But tuning into TV news several times a day to see if the S&P 500 is up doesn't tell you what matters. Instead, focus on whether you are on track to pay for retirement, health care, your kids' educations and other priorities. "The hourly updates are not indicative of your portfolio, so measure what matters to you," says McKnight.

3 Eliminate the noise

Up-to-the-minute market news is available with a few clicks on your TV, phone, tablet or computer. We are bombarded with info, and all that "noise" can encourage impulsive behavior, such as selling at a loss with the first hint of bad news about a stock. "It's important to restrain yourself from being reactive," says McKnight. "Taking a more thoughtful, long-term, data-driven approach leads to success the majority of the time."

Avoid the noise—and get a distillation of the market news you need—by joining the Regions team for our Asset Management Weekly Market Commentary, a weekly Webex call. Scan the code on this page with your phone to learn more.

LEARN MORE

Scan with your phone for weekly market insights.

ILLUSTRATION BY BETH GOODY

Wealth Planning for Your Unique Future

HOW WOMEN CAN CREATE A FINANCIAL ROAD MAP TOWARD THEIR DREAMS

SWEENSHOTS & SHAYMONE/STOCKSY

Women have made significant economic gains in recent years, and now is the time to lay the groundwork to ensure success in short- and long-term goals.

"The sooner you start planning and imagining your ideal life, the easier it is to create a financial plan to achieve that vision," says Amy Rohde, CFP®, CTFA and Wealth Advisor at Regions Bank in Southwest Florida.

These four steps can help you get started.

Step 1: Build a strong team

Make it a habit to pay yourself first, then pair that personal discipline with professional advice. A Wealth Advisor can help map out your financial strategy, provide guidance on retirement planning and recommend other professionals, such as a CPA or estate planning attorney.

Step 2: Orient your financial goals to your life plan

Whether your vision of success centers on an early retirement, traveling with family or growing your wealth, make sure your financial plans support it. "Once you know what you want to accomplish, the money is a means to an end," says Rohde.

Communicate that vision to financial professionals who can assist you.

Step 3: Keep your financial and life goals flexible

Life is unpredictable. Losing a job, inheriting money, recovering from an illness or simply changing your mind could upend your plans and call for new financial strategies. Meet with your Wealth Advisor at least annually to review your financial plan and make adjustments if needed.

Step 4: Protect your legacy

An estate planning attorney can offer guidance on how to protect your current and future assets using trusts and other financial strategies. Considering marriage? An attorney can also help you draft a prenuptial agreement.

To protect your loved ones, consider obtaining a life insurance policy when you are relatively young and healthy. Doing so will save you money on the policy and can provide a safety net that could cover outstanding debts or funeral expenses if you pass away unexpectedly.

Repeat as needed

Your financial road map is not a static document. Rather, it will reflect your changing needs. "Wealth planning is an evolving process," says Rohde. "Consider it your own unique journey." ▲

OUR EXPERIENCE

Are You Ready for Potential Changes to Social Security?

THE UNCERTAINTY SURROUNDING THE PROGRAM DOESN’T HAVE TO DERAIL YOUR LONG-TERM WEALTH PLAN

Some commentators believe that Social Security’s trust fund will run out of money. Others insist Social Security will be around for the long haul. What we do know is that Social Security is not likely to disappear anytime soon.

Even if policymakers do nothing to strengthen the program, the Social Security Administration has enough in tax revenue to pay 100% of scheduled benefits through 2034 and approximately 83% in 2035. What’s less clear is which of many proposed changes—such as increasing the age when people can access benefits or decreasing the amount in benefits recipients get—may be implemented in coming years.

Here are four things to do to protect your financial future.

BY JAMA DEHEER

CFP®, CDFA® and Senior Wealth Planner at Regions

Create a flexible plan

Any strategy for retirement must be grounded in a plan, including how much money you will need and where those funds will come from. The question marks about Social Security underscore the need for flexible planning.

Maximize your benefit

Make sure you’re not leaving money on the table. While you can begin taking Social Security when you turn 62, you’ll receive a reduced benefit if you retire before full retirement age (67 for people born in 1960 and later). If you delay drawing Social Security, you’ll boost your retirement benefit by 8% each year up until you turn 70.

Cultivate multiple incomes

Financial planners have long used the metaphor of the three-legged stool of Social Security, employer-sponsored retirement plans and personal savings to describe the income needed to fund retirement. For every individual, the weight of each source will vary, but the larger point is the need to have several income streams.

Amass personal savings

How much you save and the vehicles you use to save for retirement are in your control in a way Social Security is not. Your financial readiness for retirement will be enhanced by saving as much as possible in tax-advantaged accounts like 401(k)s and IRAs and taking full advantage of available employer matches.

No one can predict how Social Security might change. But we can take ownership of what we can control. Talk to your Wealth Advisor today. ▲

PROTECT YOUR SSN

In 2024, hackers gained access to the Social Security numbers of millions of individuals. Ensure your info is safe:

- **Check your credit report** for signs of suspicious activity.
- **Freeze your credit** to keep fraudsters from opening new loan accounts.
- **Consider a monitoring service** for breach alerts.

ILLUSTRATION BY KAGAN MCLEOD

MAKE THE MOST OF YOUR EVERYDAY SPENDING

3 BENEFITS OF YOUR WEALTH CREDIT CARD

Credit cards spare us from fumbling with cash and writing checks, but they can deliver much more if you use them wisely.

The Regions Wealth Visa® Signature Credit Card, for example, offers the convenience of a high credit limit, freedom from hassle when you travel and reassuring security features—all while contributing to your overall wealth strategy.

Here are three key benefits of carrying this heavy-duty dark gray metal card:

LEARN MORE
Visit
regions.com/
wealthcard

1 Big rewards, no restrictions

For every dollar you spend on qualifying purchases using the card, Regions offers 2.5 points in return, which can be redeemed for cash, travel and more. While other cards only offer points for certain categories of expenses, the Wealth card rewards points for all purchase categories. "I advise my clients if they spend at least $1,000 per month on purchases with their Wealth credit card, they will earn enough points to cover their $125 annual fee," says Paige Christenberry, a Wealth Advisor at Regions Bank. "Anything above is bonus cash."

2 Speedy screening at airports

Wealth cardholders receive a $100 statement credit for TSA PreCheck (for flights departing U.S. airports) or Global Entry (which includes PreCheck and offers expedited entry for international travelers arriving at U.S. airports) every four years, which helps to cover the cost of choosing one of these programs. "Even if you only fly once a year, it's a win-win," says Christenberry.

3 Instant fraud and theft protection

Ever misplaced your credit card or left it behind in a restaurant? The LockIt® feature on the Regions mobile app allows you to instantly deactivate your Wealth card until you have it back (or, if necessary, get a new one). "Many of our clients keep their cards locked except when they want to make a purchase," says Christenberry. "That way, their card is always protected, and no one can use it but them." ▲

ILLUSTRATION BY ELIOT WYATT

What's the Impact of Your Giving?

Every individual can impact their community by donating to organizations they care about. And every nonprofit you give to has a unique impact, from improving access to cultural events to protecting endangered species. These impacts can't always be measured in dollars or easily compared to each other, but every donation helps advance a cause.

YOUR WEALTH PLAN

KIM CHURCHILL

Wealth Advisor

"There are numerous strategies for charitable giving, so talk to your Wealth Advisor about how your donations might play into your larger wealth plan."

5 ways your giving to nonprofits benefits us all

There are numerous ways that philanthropic giving helps organizations better our lives. Here are a handful to consider.

YOUR GIVING KEEPS US HEALTHY

Nonprofits operate 49% of Medicare-enrolled hospitals in America.

YOUR GIVING ALLOWS US ACCESS TO NATURAL WONDERS

More than 450 local organizations support America's national parks.

YOUR GIVING PRESERVES CULTURE

Individual donor gifts to 78% of American museums have increased or stayed about the same over the last five years.

YOUR GIVING PROTECTS ANIMALS

Zoos and aquariums, many of them nonprofits, spend $160 million a year on conservation efforts around the world.

YOUR GIVING CREATES JOBS

The nonprofit community has 12.8 million employees and accounts for nearly 10% of America's private workforce.

Your giving also spurs research

Gifts help the nonprofit sector spend billions of dollars each year on lifesaving research and development—$28 billion in 2022 alone. The majority of it was spent on health, social science and engineering.

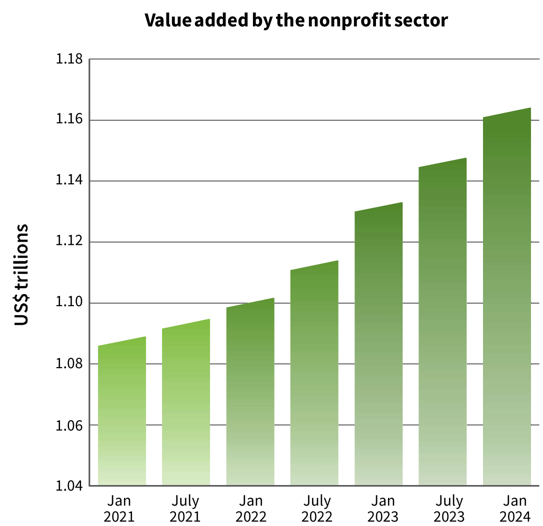
HEALTH
$20 billion

SOCIAL SCIENCE
$1.9 billion

ENGINEERING
$1.2 billion

Helping those in need boosts the economy

Nonprofits that help families in need add more than **$1 trillion** of value to the U.S. GDP each quarter. That number shows the sector's output after accounting for input, and it's been growing steadily.



Source: Federal Reserve Bank of St. Louis

Philanthropy offers a win-win

Philanthropy can make a positive impact on causes you care about and offer tax advantages. To learn more about how to maximize the value of your giving, talk with your Wealth Advisor about our Philanthropic Solutions team.

PORTRAIT ILLUSTRATION BY KAGAN MCLEOD

Sources: U.S. Department of Health and Human Services, U.S. Bureau of Labor Statistics, National Park Foundation, American Alliance of Museums, Association of Zoos and Aquariums, National Center for Science and Engineering Statistics

COUNTDOWN TO TAX CHANGES?

WILL THE CLOCK BE STOPPED BEFORE THE 2017 TAX CUTS EXPIRE?

Many taxpayers benefited from the Tax Cuts and Jobs Act (TCJA) of 2017, which ushered in such changes as lower income tax rates, higher standard deductions and increased gift and estate tax exemptions. However, select provisions of the TCJA are scheduled to expire on Dec. 31, 2025. "If you're wondering how that might affect you, you are not alone," says Maya Brill, Senior Wealth Strategist for Regions Bank. "Now is the time to consider some of those provisions set to sunset if Congress takes no action." Here's where to start:

Estate, gift and generation-skipping transfer tax exemptions

These exemptions determine the amount of assets a person can transfer without paying transfer taxes. The TCJA reset 2011's base amount from $5 million to $10 million and indexed for inflation. For 2025, the amount is $13.99 million per person ($27.98 million per couple).

In 2026, the exemptions are scheduled to revert to an estimated $7 million. "This may well be a use-it-or-lose-it situation," says Brill.

What taxpayers can do:
Consider transferring wealth to irrevocable trusts. This may help you use the exemption amount while still maintaining a degree of control over assets.

Top income tax rates

The TCJA reduced the top individual tax rate from 39.6% to 37%. However, in 2026, the rate reverts to 39.6%.

What taxpayers can do:
Families in the highest tax bracket may find it beneficial to accelerate income—if possible.

Itemized deductions

The TCJA suspended and/or capped most miscellaneous itemized deductions and increased the standard deduction ($15,000 for individuals and $30,000 for joint filers in 2025).

Many taxpayers maximized their deductions by adjusting the timing of deductible expenses. "Bunching enough deductions into a single year to exceed the standard deduction allowed taxpayers to receive the benefit of itemizing," says Brill.

What taxpayers can do:
With the sunset approaching, careful consideration should be given to whether accelerating deductible expenses for bunching purposes is more advantageous than deferring deductions to 2026 when tax rates could be higher.

Everyone's situation is unique. It is important to speak with your tax professional about how the sunsetting provisions could interact with each other and affect your tax position.

LEARN MORE
Scan this code for more detailed information on the future of the TCJA.

YOUR WEALTH PLAN

MATT RENICK
Wealth Advisor

"With potential changes to the tax code on the horizon, don't wait to start planning conversations with your Wealth Advisor. The earlier the better."

THE VOORHES/GALLERY STOCK, PORTRAIT ILLUSTRATION BY KAGAN MCLEOD

REGIONS DISCUSSES

Family Philanthropy

WHAT OUR EXPERIENCED PROFESSIONALS ARE SAYING

ON STARTING EARLY

"The earlier you can start, the better. Young adults who are focused on making a difference can find different ways to improve their community—or make the world a better place."

—**Jeffrey H. Winick**
Senior Wealth Strategist at Regions Bank in Birmingham

WHAT TO DO: Ask your kids to start thinking about how they would positively impact the world and their community if given the opportunity.

ON DIFFERING PERSPECTIVES

"Establishing a family-wide philanthropic plan is not necessarily about agreement, it's about alignment. It's about developing the next generation of philanthropic leaders rather than dictating, 'This is the cause that we're going to support with this foundation.'"

—**Stephen M. Russell**
Private Wealth Management Leader at Regions Bank in Nashville

WHAT TO DO: Talk with your Wealth Advisor today about how to create family meetings where everyone has a voice.

ON WOMEN AND PHILANTHROPY

"It's important to us as women to be very intentional with our money. You want to make sure you're giving to something you truly believe in and something you would like to see furthered in your community or region."

—**Carla Gale**
Trust Advisor at Regions Bank in Dallas

WHAT TO DO: Consider the timeline of how your family's giving will impact the communities you plan to help.

ON DUE DILIGENCE

"When you're considering your charitable donation—be sure you know your charity. Make sure you've done your due diligence. Who are they? Are they making an impact in their community? That's so important."

—**Marcie Braswell**
Philanthropic Solutions Executive in Birmingham

WHAT TO DO: Talk with your Wealth Advisor about what tools are available to help you vet organizations. ▲

ILLUSTRATIONS BY THOMAS FUCHS

ILLUSTRATION BY VALERIE CHIANG

How to Detect and Avoid Fraud in the Age of AI

DYNAMIC ADVANCES IN TECHNOLOGY HAVE MADE IT EASIER FOR SCAMMERS TO LEARN ABOUT AND DECEIVE PEOPLE AND ORGANIZATIONS

Artificial intelligence, or AI, is a catch-all term for technology and tools that are streamlining and automating many business and personal tasks. While experts debate just how much "intelligence" these tools contain, there's no denying their effects. Businesses and individuals are using the tools.

Like any technology, AI can serve malicious intentions. Common scams and financial fraud attempts, such as business email compromise and imposter scams, can become much more convincing and easier to deploy with AI tools.

While financial institutions and businesses are alert to this threat, families must also protect themselves. "For years, banks have developed ways to authenticate a customer, like asking for data only you would know before we provide a service," says Sue Ross, Head of Financial Crimes Prevention at Regions Bank. "As AI-assisted fraud emerges, people will need to take extra steps to authenticate their bank or anyone they do business with."

Education is still the best fraud defense, whether you're protecting your own assets and identity or those of your company.

How can AI enable fraud?

Most types of fraud depend on winning a person's trust. Through manipulative tactics that convince people to provide sensitive personal or financial information (a.k.a. "social engineering"), fraudsters can convince people they are communicating with someone they know or someone who works for a legitimate organization.

AI has the potential to make these scams more effective and harder to spot. "We see fraudsters using large language models to craft written and verbal communications that look much more authentic than they did even a few years ago," says Ross. "Where we used to advise people to look out for phishing emails with spelling mistakes and odd phrasing, now scammers can sound just as polished as a legitimate professional or friend."

AI tools can also help fraudsters manipulate video feeds or photos to create so-called deepfakes, which appear to be real people.

Generative AI has also led to breakthroughs in speech synthesis, or "voice cloning." With just a few seconds of a voice recording, text-to-speech algorithms can produce a believable reproduction of an actual person's voice. These tools could produce messages that sound like a boss, a financial advisor or a relative to make a request for money or sensitive information seem legitimate.

Ross notes that fraudsters can harness AI tools to collect information about a person or organization within seconds, which they can use to make scam communications more convincing. They can also make it much easier to build sham websites or generate emails that bear marks and logos of known institutions.

"AI can make fraudsters more dangerous," says Ross. "They don't need to be experts in building fake websites or apps or harvesting personal information to build synthetic identities. Generative tools can do a lot of heavy lifting."

How to watch for AI-assisted fraud

The advice to "trust but verify" still applies in the age of AI. But everyone will need to slow down and question more communications than before, especially when it deals with sensitive information.

"Fraudsters have tools that create fake security alerts and outreach messages. Consumers and employees will need to adjust and take extra steps to verify it's not a scammer who has collected enough information—and is using good enough tools—to sound like someone we know and trust," says Ross. Other ways to defend yourself include:

- **Being careful about what personal information you share online.** "AI tools can help fraudsters harvest more information faster than ever before," says Ross. "It's even easier for them to pretend to be you or someone who knows a lot about you."
- **Storing contact information for your bank and other organizations that can access your financial or personal information, and regularly updating it.** This precaution can help you spot scam fraud alerts or other types of interactions in which you might be talking to a scammer.
- **Partnering with financial institutions and businesses with strong security controls.** Fraud prevention increasingly is a two-way operation. Wherever possible, work with institutions that have strong anti-fraud controls and identity protection mechanisms. Take the time to learn how these organizations will communicate with you and through what channels.

Every person who uses digital technology should remember that fraud is a universal threat. "The biggest risk remains thinking it can't happen to you," says Ross. "Everyone is a potential target. AI just increases the chance that if we're not cautious and act too fast, we'll believe a fake message or website is safe." ▲

YOUR WEALTH ADVISOR

1

Can provide you with our latest thinking about fraud

2

Can connect you with our team of fraud specialists

Planning for the Seasons of Life

AN INVESTMENT STRATEGY CAN HELP

Women start businesses and work hard to grow them. We may move from our hometowns and establish ourselves in new cities and towns. We may build families with our partners or on our own. We deal with the inevitable and unexpected bumps along the way—career changes, family issues and illnesses. On the horizon through it all is retirement. While the specifics of life's journey are unique to everyone, the need to be financially prepared for each step along the way is universal, especially for women. Women are more likely to live longer than men, and on average, we earn less over our lifetimes.

"Starting early is important for retirement planning, but there are steps to take at each stage of life that can help women move toward reaching their long-term goals," says Leslie Carter-Prall, Head of Regions Private Wealth Management. "Life moves incredibly fast, but by having the right support from a Wealth Advisor along the way, women can reach retirement with a strong wealth plan in place. We are deeply committed to delivering the tailored insights today's women need."

Keep these strategies in mind.

LEARN MORE

Scan with your phone for more insights about Women + Wealth.

Building confidence

Women in their 20s and 30s have the longest time horizon with investments, so setting aside money early is important.

- **CREATE A BUDGET**
  A budget is an important part of the financial journey at every stage of life. Consider the 50-30-20 rule to create a budget using after-tax income. Spend 50% of income on needs and 30% on wants and put 20% in savings and investments.
- **CHECK MATCHING OPTIONS**
  Terms of a 401(k) plan vary by employer, but many plans offer matching, often ranging from 4.5% to 7% of salary.
  "This is free money that provides an immediate return

ILLUSTRATION BY NATHALIE LEES

on investment," says Jennifer Wilson, Trust Advisor at Regions Bank. "The sooner you start accumulating the match, the faster your money will grow."

- **THINK APPRECIATION**
  Owning a home may seem out of reach for some. When you weigh the cost of renting, which provides no return, purchasing a home that will likely appreciate is a smart option.
  "Owning a home is a great way to build net worth. It's one of those subtle ways wealth accumulates in the different corners of life, which can build momentum," says Olivia Wiggins, Trust Advisor for Regions Bank.

Managing mid-career

The peak earning years likely come during the 40s and 50s where women are managing increased job responsibilities, supporting their household and thinking ahead to retirement.

- **WORK WITH AN ADVISOR**
  While it may seem easier to self-manage investments in the early years, as women age and their income increases, a Wealth Advisor is a key resource to evaluate risk tolerance and keep retirement goals on track.
  "This is the age where women must look at how much they contribute outside of their 401(k). Review taxable investment accounts and make sure enough is being set aside for later," says Wilson.
- **CALCULATE NET WORTH**
  Compile your assets and subtract your liabilities. The result is your net worth, a key indicator of financial health.
  "This is a good time to calculate net worth because it is likely women have paid off debts, like college loans and credit card debt, and have more assets to consider," says Wilson.
- **CONSIDER CATCH-UPS**
  At age 50, the IRS allows catch-up provisions to make additional contributions to 401(k) plans and some IRAs. The catch-up contribution limit is $7,500 for 2025 in addition to the annual contribution limit.

OLIVIA WIGGINS
Trust Advisor at Regions

JENNIFER WILSON
Trust Advisor at Regions

Fine-tuning

As women reach retirement, likely within a five-year window of a targeted retirement date, the relationship with an advisor becomes even more important.

- **CHECK IN ON YOUR PLAN**
  Assess debts, review retirement goals and consider family contributions that will be continued in retirement.
- **THINK ABOUT YOUR ESTATE**
  Have a will, update health care declarations and ensure someone trustworthy knows where important information can be found, including passwords, account numbers and insurance documents.
  "One of the most difficult estate planning decisions is determining when and how to involve family," says Wiggins. "Starting a dialogue reduces the potential for future discord when a plan is implemented, and it leaves women with a sense of relief that their wishes are known." ▲

ILLUSTRATION BY NATHALIE LEES, PORTRAIT ILLUSTRATIONS BY KAGAN MCLEOD

Finding the Good and Helping It Grow

Maximize your impact across generations with impassioned family and institutional giving

For many people, donating to charity provides far more than tax advantages. Giving to a worthy cause can be rewarding and inspire a special brand of meaning that is often difficult to find elsewhere. One way to deepen that sense of meaning is to go beyond writing a check to your favorite organization and finding a way to personalize and scale your giving. You have many options for doing so, including establishing a private foundation, creating a charitable trust or setting up a donor-advised fund.

Whether you're already pursuing one of these paths or are considering one, your philanthropic vision will be unique to you. "Philanthropy is very, very personal," says Anna Priestley, Trust Advisor at Regions Bank. Priestley works with clients who are looking to make a difference as part of Regions' Philanthropic Solutions group, a team of advisors in the bank's Wealth Management division that provides support for clients' asset management, mission and charitable giving priorities.

"Having an impact focus allows you to hone your giving to the exact causes you want to help and can build a stronger legacy."

—ANNA PRIESTLEY
TRUST ADVISOR AT REGIONS

ILLUSTRATION BY PETE RYAN

To create a strategy for giving in an efficient, sustainable way, Priestley says it's essential to do two things: Identify and define charitable missions that are important to you and ensure your generosity has as much impact as possible. In other words, it's essential to find the good and help it grow.

Making decisions about philanthropy can be complex and have generation-spanning significance, but planning and professional guidance make navigating them easier. Here's how you can use your generosity to fuel a legacy.

Define your desired impact

When setting your philanthropic vision, writing a mission statement may seem like the most logical first step. After all, the missions of your favorite charitable organizations likely sparked your interest in supporting them. Defining your impact—what you'd like to see accomplished with your money—can increase the benefits of your giving, especially for the long term.

"Think about whom you want to help," says Priestley. "What does that help look like? Why is that important to you?"

Consider, for example, the broad potential mission of improving the lives of children. You could focus on alleviating hunger, enhancing education, supporting children with learning differences, providing kids with more outdoor opportunities or any number of other important causes.

Thinking through these possible impacts and then assessing why they're important sets your philanthropy up for success. "Having an impact focus allows you to hone your giving to the exact causes you want to help and can build a stronger legacy," Priestley says.

Once you have an idea of your desired impact, consider surveying the existing landscape in that space.

ANNA PRIESTLEY
Trust Advisor at Regions

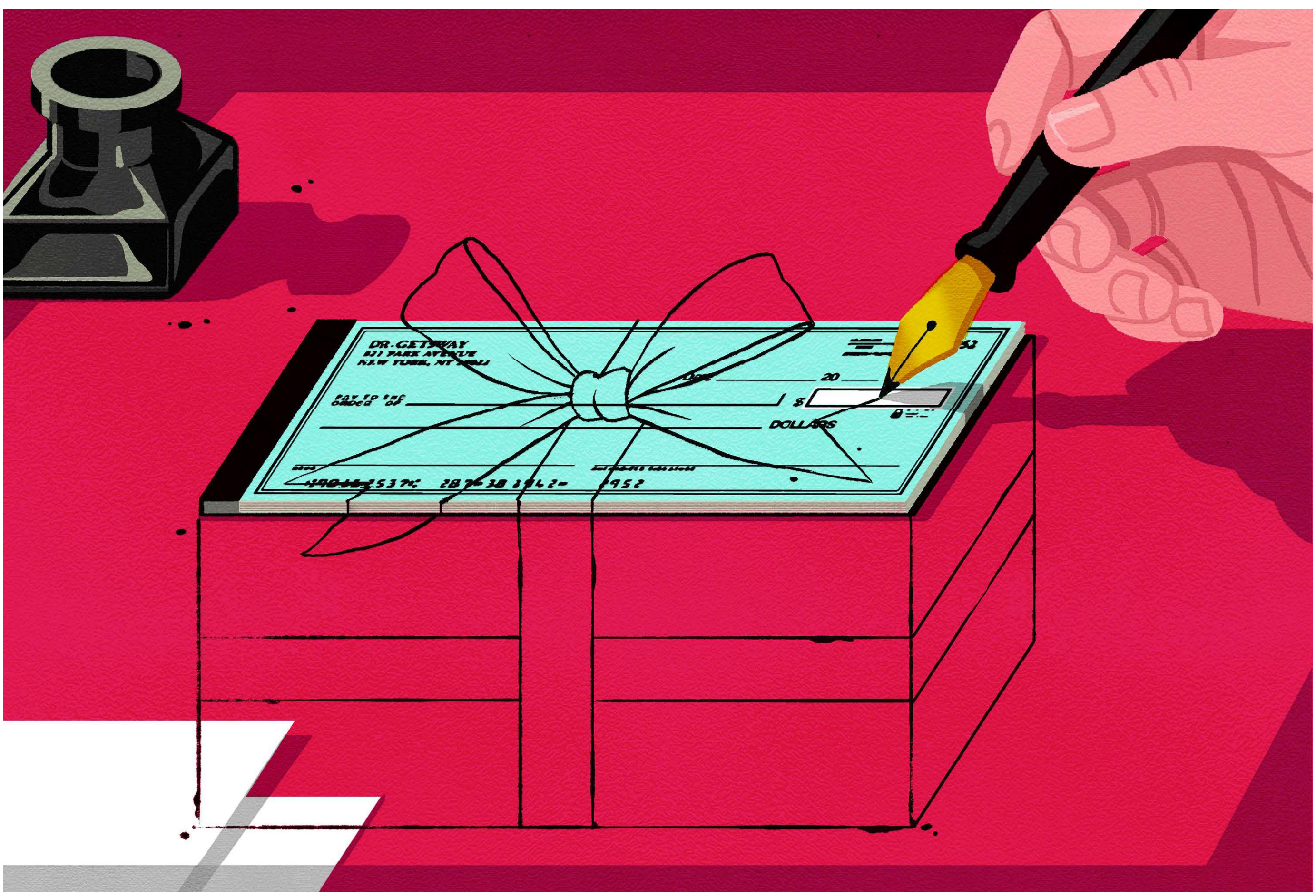


ILLUSTRATION BY PETE RYAN, PORTRAIT ILLUSTRATION BY KAGAN MCLEOD

There are more than 1.5 million charitable organizations in the United States, according to the Internal Revenue Service. It's inevitable their services might overlap either with each other or with the cause you'd like to support.

While it can feel overwhelming, Priestley acknowledges, you don't have to do it alone. The Regions Philanthropic Solutions team is here to help. The team conducts research and attends events to stay current on the charitable landscape and can help you analyze possible impacts of causes that are distinctive and resonate with you. "Understanding your desired impact then helps us provide guidance on the best way to achieve your charitable mission," Priestley says.

Carefully consider the vehicle

After defining your desired impact and mission, it's time to select the right vehicle for your giving.

"There are many ways to give, and each option comes with its own benefits and can help lower your taxable income and optimize your giving strategy," says Marcie Braswell, Philanthropic Solutions Executive. Here are some common ones:

- **PRIVATE FOUNDATIONS** are independent entities that do not qualify as a public charity. This is because private foundations receive funds from limited sources—typically a single individual, family or corporation—as opposed to the public. Because of this, they are subject to greater oversight and stricter operational constraints than public charities or donor-advised funds. Despite these limitations, private foundations provide several significant benefits, including greater operational control, the ability to bring family members together to achieve charitable objectives, the establishment of a family legacy that can be passed to generations of family members, and tax benefits.
- **CHARITABLE REMAINDER TRUSTS** (CRTs) are a popular planning strategy that can offer significant income tax benefits while providing a current income stream to a noncharitable beneficiary, such as the charitable donor and their spouse. A CRT will provide a philanthropic benefit to one or more qualified not-for-profit organizations at the end of the trust's term. Proper structuring of a CRT will potentially allow for the dedication of future funds to a charitable donor's favorite charity without immediately relinquishing financial resources needed to fund current cash flow needs.

> *"Think about whom you want to help. What does that help look like? Why is that important to you?"*
>
> —**ANNA PRIESTLEY** | TRUST ADVISOR AT REGIONS

MARCIE BRASWELL
Regions Philanthropic Solutions Executive

- **CHARITABLE LEAD TRUSTS** (CLTs) offer a unique planning opportunity that can combine both philanthropic and personal goals in an effective manner. If implemented correctly, a CLT will provide an immediate benefit to one or more qualified charitable organizations. In conjunction with its philanthropic benefits, a CLT may offer tax-efficient options to transfer assets to loved ones. Although CLTs are sometimes underutilized, charitably inclined individuals should consider exploring the inclusion of one as part of their wealth plan due to the strategy's potential to provide multiple solutions.
- **DONOR-ADVISED FUNDS** allow donors to receive immediate tax deductions for charitable contributions, and these funds can be a good option for families who might want to create their own foundation but don't want the administrative work and expenses.

Each individual or family will have unique circumstances and goals that will need to be considered as they select the right vehicle. Tax planning and compliance, state and federal reporting, asset selection and other important topics can all play a role in the decision. Because of the complexities, Braswell recommends working with experienced professionals in the field.

YOUR WEALTH PLAN

JENNIFER WILSON
Trust Advisor

"If you are interested in furthering your giving or refining your focus on helping others, your Wealth Advisor can connect you with our new Philanthropic Solutions group."

PORTRAIT ILLUSTRATIONS BY KAGAN MCLEOD

Establishing a **Family-Wide** Philanthropic Plan

Bringing your children or grandchildren into conversations about philanthropy is a key step in their financial education. But finding common ground on causes your family may support isn't always easy. Here are some best practices to follow as your family works together.

HONOR ALL PERSPECTIVES

Family members may have different values and goals, but chances are everyone believes in the importance of giving. Build on that common ground by holding regular family meetings to share different viewpoints and work to reach a consensus on how to spend charitable dollars.

DEFINE AND EXEMPLIFY CORE VALUES

Prioritizing charitable giving becomes easier when families are clear on their core values. Whether you want to improve the environment or support a religious group, articulating these values can help generations connect on where they align rather than focusing on where they may diverge.

FIND LEADERSHIP OPPORTUNITIES

The younger generation can better understand the philanthropic landscape simply by being part of it. Offer the next generation an active role to foster their engagement. That could mean site visits to nonprofits where young adults can see the impact of giving firsthand or smaller projects they oversee themselves.

CLEARLY DEFINE SUCCESS

Teach the younger generation what success looks like by defining both tangible and intangible outcomes. A tangible impact might be the number of people who benefit from an educational grant. An intangible impact might be that grant recipients are actualizing their potential.

"The Regions Philanthropic Solutions team can walk through each of the options and say, 'If you choose this vehicle, you'll see this in practice,'" says Braswell. "We can help you weigh the pros and cons of each vehicle to decide how best to give and achieve your mission."

Include your family from the beginning

Whether you want to give as an individual or as a family, including your loved ones in your journey can build unity that deepens your philanthropic impact.

These conversations can take many forms. "You may want to offer children or grandchildren a role in contributing to the charitable mission of the family and work together on causes you all care about. This sets the tone of a family legacy focused on giving," says Braswell.

These conversations help you communicate that all-important intended impact and can assist you in conveying the long-term vision for your philanthropy that continues beyond your lifetime.

"It's never too early to start these conversations," says Braswell. It's easy to assume you know what someone else in the family wants. In-depth conversations can reveal inaccurate assumptions and provide a venue for resolving them—before they create problems. And written documents, while essential, are not a substitute for an in-person exchange.

"No matter how well a document is written, it can't capture the essence of the person," says Braswell. Understanding that essence is often key to ensuring that the giving lives up to the donor's original intent, even generations later.

Any conversation about a legacy can evoke strong and potentially uncomfortable emotions, Braswell adds. Having an outside fiduciary advisor join the conversation can make it more comfortable and more productive. The advisor can ensure your family understands the desired outcome of the giving. Later, that advisor can make sure that the ultimate idea behind the giving continues to come to fruition, Braswell says.

Prepare for change

Avoiding potential misunderstandings within a family isn't the only advantage of clear communication about desired impact and intent.

Societal changes often occur rapidly. As a result, perspectives on what causes matter most change, too. For example, smartphones became widely used in the United States less than two decades ago. Today, there are multiple nonprofits working to educate people about the potential dangers of too much smartphone usage,

especially among children. Someone who established a foundation to help children—even as recently as 2010—might not have anticipated this need but could have a desire to address it now.

Change isn't restricted to technology either. It can happen in health care, education and almost any other social realm that matters to a donor. The causes or communities you care about may also change. Clearly communicating your intent to an advisor and to your family helps future generations stay true to that intent even as the world evolves.

Change also happens at nonprofit organizations. Whether your philanthropic vision includes supporting established nonprofits or starting your own foundation, it's important to prepare. Turnover in staff members, board members and executive directors is natural, but in her work with nonprofits, Priestley has noticed that the effects of that turnover can become significant.

A new executive director might have a different interpretation of the organization's mission statement than the previous one had and change the organization's work accordingly. An outside advisor who has a responsibility to you can help ensure the causes you're supporting continue to do work that aligns with your intent.

> *"Work with a team of professionals who can help navigate the applicable rules and regulations."*
>
> —**MARCIE BRASWELL**
> REGIONS PHILANTHROPIC SOLUTIONS EXECUTIVE

Get support for the details

Clear communication is one key step toward maximizing the positive impact of your giving. Carefully managing the details is another.

"Work with a team of professionals who can help navigate the applicable rules and regulations that govern your chosen charitable vehicle," says Braswell. "Having professionals in your corner who can provide advice and guidance helps build confidence that your giving is making the greatest impact and avoiding unnecessary risk."

Professional advisors can also share best practices from the philanthropic sector and help you incorporate them into your giving. That helps ensure the details are looked after and, in turn, further maximizes the impact of your generosity.

A partner on the road to finding the good

We all have different experiences and passions that influence which causes we want to support.

Whether you're hoping to make an immediate impact or looking for ways to ensure your wishes are carried out by future generations, the Philanthropic Solutions group can guide you through each subsequent stage of your philanthropic journey. Its members have a depth of knowledge and experience in advising clients on all aspects of philanthropy. Braswell previously led the Endowments and Foundations team within Regions' Institutional Services for nearly a decade.

Regions' experience can help to amplify your generosity so it has a longstanding effect.

"By forming Philanthropic Solutions," says Braswell, "we can now provide the same specialized support we were providing to our nonprofit organizations to individuals and families looking to leave a legacy and make an impact." ▲

ILLUSTRATION BY PETE RYAN

WESTEND61/GETTY IMAGES

Are You Thinking About Succession?

HOW TO PLAN FOR YOUR BUSINESS'S FUTURE AFTER YOU

What does a family-owned business look like? Your first thought may be of a small local operation—a coffee shop, specialty retail store or manufacturer—but the scope of family businesses is expansive, especially in an age of digital and tech startups. In fact, more than 32 million family-owned businesses in the United States employ nearly 60% of the private sector workforce and generate almost 54% of the GDP, according to Family Enterprise USA, a Washington, D.C.-based advocacy firm.

While they may be plentiful, many family-owned businesses don't last. Some estimates suggest that fewer than a third of family businesses make it to a second generation, and the numbers continue to trend downward from there.

"For companies to remain successful through an ownership transition, planning conversations need to happen early and often," says Bryan Koepp, Wealth Planning Executive at Regions. "If everyone involved in a future succession isn't on board, that can spell disaster."

Keep the end in mind

The subject of business transitions can be very personal for business owners and their families, says Mary Beth Coke, Market Executive and Commercial Banking Leader at Regions in Atlanta. Understanding the long-term goals of the business can help set up a successful transition plan.

"Decisions around whether you intend to sell the business, transfer ownership to the next generation or bring in new management may influence capital structures or how the business is organized from very early on," says Coke. Having contingencies in place, locking in on valuation and preparing for the event are part of the ongoing discussions she and her team have with business owners even if they are decades away from succession.

"Our team has seen family businesses fall apart when an older generation owner either is ready to retire or passes away because, while it may have been assumed that the next generation was going to take over, it turns out that individual has other plans," says Koepp. "There are times when spousal owners aren't in agreement over plans for the next generation to take the reins."

The latter scenario can occur when one spouse feels too much risk is involved in business ownership or that the younger generation is not capable of successfully running the business. This is why strategic planning is imperative when looking at a future for a family-owned business. There may be alternative routes that would better suit the goals of each family member.

Get on the same page

In some cases, the owners had a plan for the next generation to take over but didn't inform the younger family member because they assumed it was understood, says Koepp. "However, once the adult child was brought into the conversation, they had decided they would prefer that the parent sell the business so they can go in a different direction."

It is important to have ongoing conversations to understand the long-term objectives of the business owners as well as those in line for succession. "In a family-owned structure, it is important to know the objectives to appropriately structure the debt ahead of a transition," says April Grajales, Commercial Banking Leader for Regions in West Florida. "This is a key consideration to helping a company prepare financially."

How to prepare

Whether you plan to pass down the business to a family member or sell it to someone else, advance preparation and open communication can help you set the stage for success. Keep these additional considerations in mind as you detail your plans:

- **Maximize value.** Clearly differentiate business costs from personal expenses, so you are in a better position to negotiate and show the monetary value of the business. Doing this could also help you understand what value is needed to support your or your family's lifestyle after the transition.
- **Assess potential successors.** You may want to consider the strengths and passions of family members and/or key leaders within the business, which can be helpful when creating a transition plan. Getting an outside specialist's opinion on this can help, too.
- **Evaluate capital structure.** Look for impediments to a future buyer and address them. For example, think about what assets are underlying to support the current debt structure. Should you consider paying down debt to make the business more appealing for potential mergers or sales?
- **Manage transition.** Change management is key for family members and employees to feel heard during a transition process. Communicating with key employees and involving them in the discussions and planning process are imperative for a smooth transition.

FOR MORE on succession planning, scan this code with your phone.

Keep an eye on policy

Consider the potential expiration of some provisions of the Tax Cuts and Jobs Act of 2017, which are currently set to sunset at the end of 2025.

"Possibly the largest impact of the expiration of these provisions is the reduction in the gift and estate tax exemption, the amount that taxpayers may gift or use at death to transfer assets without transfer tax assessed," says Koepp.

Business owners may leverage their federal gift and estate tax exemption to transfer business interests to the next generation without out-of-pocket tax ramifications. Before use, Koepp highly recommends that a business owner has an accredited valuation and discussion with their legal and tax counsel—in conjunction with their wealth management advisory team—to implement the best strategy possible.

With proper planning and guidance, business owners have a better chance of leaving a lasting legacy.

YOUR WEALTH PLAN

BRYAN KOEPP
Wealth Planning Executive

"If you are planning to exit your business now or in the near future, make sure you create a blueprint for how your ownership stake—and your personal wealth—may change."

PORTRAIT ILLUSTRATION BY KAGAN MCLEOD

Exploring Investment Opportunities in AI Tech

WHAT DOES THE ADVENT OF GENERATIVE AI MEAN FOR TECH INVESTMENTS AND OTHER SECTORS?

Artificial intelligence, or AI, has become part of everyday life, making possible everything from the smart speaker that knows your favorite songs to the map app that shows you the fastest route to the beach. As remarkable as these innovations may seem, the real revolution in AI is just beginning, says Anjali Tagare, Equity Analyst for Regions Investment Management.

The recent emergence of a form of this technology known as generative AI could be as disruptive as the rise of the internet in the 1990s and the arrival of the iPhone in 2007. "Generative AI has the potential to touch all industries," says Tagare.

ILLUSTRATION BY CARL WIENS

Predictive vs. generative AI

Until recently, much of what the world knew as AI took the form of so-called predictive AI, says Tagare. This type of AI performs statistical analysis of historical data to predict future outcomes. A familiar example is the autocomplete feature on a smartphone's messaging app, which uses context and your past input to guess which word you are tapping out, then it flashes several choices allowing you to complete it with a tap.

What's causing the current buzz has been the recent emergence of generative AI, which has been in development for years but made a splash in November 2022 when it became available to the general public. The AI-powered chatbots that have since gone online accept queries (or prompts) in plain language, scan unfathomable troves of data for answers and deliver humanlike responses.

"As its name suggests, generative AI can create content," says Tagare. The type of content these chatbots generate appears to be limited only by the imaginations of users, which range from high school students using the tools to write book reports to scientists applying the technology to develop computer code or analyze the structure and behavior of proteins.

ANJALI TAGARE

Equity Analyst for Regions Investment Management

Investment opportunities

Analysts suggest the market for generative AI was about $14 billion in 2023, a figure that is expected to grow rapidly, with a compound annual growth rate of 31%, to roughly $152 billion by 2032. Generative AI can potentially spur growth in global gross domestic product by nearly $7 trillion (or 7%) over the next decade while boosting productivity by 1.5%.

Who will be the beneficiaries of this boom? And where do investment opportunities lie? Most pure-play companies developing generative AI-based platforms are privately held and supported by venture capital companies, which increased their investment in these firms from about $1.5 billion in 2020 to $4.5 billion in 2022, says Tagare. However, she adds, "there are other ways investors can have exposure to generative AI."

For example, publicly held companies that make complex, highly specialized electronic chips called graphics processing units (GPUs) are playing a critical role in the flourishing of this technology. "These chips are the heart and the brain of generative AI," says Tagare. "You can't have it without GPUs." Despite their name, GPUs do far more than deliver graphics. These chips are capable of processing vast amounts of data—rapidly—and have other benefits that are helping to drive the generative AI revolution. Most production of GPUs comes from just a few companies.

Another likely beneficiary of the generative AI boom will be software companies that are incorporating these powerful algorithms into their products. The largest software makers and sellers of software are best poised to leverage generative AI since these systems must be trained on massive amounts of data to produce accurate content. "You need a lot of data to train generative AI for it to have high accuracy," says Tagare. "And large companies have access to large installed databases, so they will likely be among the initial beneficiaries of generative AI."

What other sectors benefit?

What's more, the growth of generative AI and related technologies will be a boon to a variety of other sectors. In health care, for example, hospitals are already implementing generative AI to automate tasks such as patient scheduling. However, generative AI could also promote efficiency and innovation at pharmaceutical and biotech companies, allowing them to rapidly analyze potential drug candidates, shrinking the time and cost of developing new medicines. Tagare says that generative AI is also being implemented in supply chain management systems to improve planning and procurement. ▲

3 CONSIDERATIONS FOR AI INVESTING

Is investing in a company in the generative AI market right for you?

1 GROWTH Has the company maintained or improved its growth rate? Compare the past year with earnings statements from three to five years ago.

2 VALUATION What's the company's current trading price? You may want to invest in a company that's undervalued, so that the valuation can grow.

3 COMPETITION Will the company you are considering be able to maintain its market share? Look at other companies that are working on similar technologies.

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ILLUSTRATION BY CARL WIENS, PORTRAIT ILLUSTRATION BY KAGAN MCLEOD

LOCAL SPOTLIGHT

Texas Markets

A PERSONAL LOOK AT OUR TEXAS PRIVATE WEALTH MANAGEMENT TEAM

Connie Rogers outside of her Dallas office

PHOTOGRAPH BY BUFF STRICKLAND

Connie Rogers wasn't born a Texan, but when talking about the place she calls home, she paraphrases a common view among those who have chosen to move there: "I got here as quickly as I could."

Rogers, Regions Bank's Private Wealth Management Regional Executive for Texas, leads a team of wealth professionals including wealth advisors, trust advisors, planning strategists and asset managers for both financial and nonfinancial assets who provide a comprehensive range of services.

Texas being Texas, Rogers covers a lot of ground. Though her office is in Dallas, her team's clients live and work across a vast stretch of the Lone Star State. One day she might be in Houston or headed to San Antonio or Austin. Other days she might be in Dallas-Fort Worth or the eastern part of the state.

Rogers loves to meet with clients. "My team knows I'll get into the weeds with them, and we are confident in our ability to provide great service and solutions to meet our clients' needs. I have a very high standard, and I hold myself and the team to that standard."

Diverse assets and expertise

That geographical breadth is mirrored by the diverse range of services and professional experience her team provides to clients whose assets may encompass investment and banking accounts, personal residences and a wide swath of real estate. "They might own a commercial warehouse or strip center, perhaps a family ranch in West Texas, timber holdings in East Texas, plus maybe cotton farms or mineral assets underground," she says.

Serving such a variety of clients, Rogers' team draws on a great breadth of professionals. Beyond a portfolio manager, wealth advisor, trust advisor and wealth planning strategist, her team might include experts on timber, oil and gas, residential or commercial real estate, or agribusiness.

LOOKING FOR A WEALTH ADVISOR NEAR YOU? Visit **regions.com/locator**.

Business-friendly environment

Rogers, like many Texans, has a deep source of pride for Texas as a place where companies can grow.

"This is a very business-friendly environment," Rogers says. "There's no income tax. There's an attitude of entrepreneurship. It attracts a type of independent individual with a 'get it done' attitude."

Texas's economic diversity and resiliency

There's a lot more to the state than oil and gas, although they're important drivers of the economy, especially in Houston. Consider the prominence of aerospace and manufacturing along with health care in the Dallas-Fort Worth area, the thriving technology hub that Austin now offers and the mix of forestry, agriculture and biomedical research that makes up part of the East Texas economy.

Texas is diverse and always changing, but there are some universal truths, says Rogers. "We don't all own cowboy boots or a cowboy hat. But we do deserve our reputation for amazing barbecue." ▲

TEXAS INDUSTRIES

1 There is a high concentration of meat processing in the Panhandle and South Plains.

2 Beverage manufacturing is most concentrated in West Central Texas.

3 The aerospace industry has a high concentration in North Texas and Dallas-Fort Worth.

4 Petroleum products are heavily produced across Southeast Texas, the Gulf Region and the Coastal Bend.

5 Freight and transportation are concentrated along the U.S. border in the Upper Rio Grande and South Texas. And in the Gulf Region.

ILLUSTRATION BY ALY MILLER

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PHILANTHROPIC SOLUTIONS

Make an impact for generations to come.

The legacy you leave for tomorrow starts with developing a plan today. At Regions, our experienced Wealth Advisors collaborate with you to design a tailored charitable giving approach that amplifies your social impact while meeting your overall financial goals. Every step of the way, we're here to support you with insight and guidance that align with your values – and help you make a lasting impact.

regions.com/wealth-management/ philanthropic-solutions

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