

Digest

NEWS AND PERSPECTIVE FOR GROWING
AND PRESERVING YOUR WEALTH

BAIRD

Spring 2026

How Can I Help My Kids and Grandkids Build Wealth?



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LETTER FROM LEADERSHIP

Planning for Every Stage of Your Family

Putting planning decisions in context as your family life evolves

AT BAIRD, we know that thoughtful planning is rarely about a single moment. It's about supporting the people and priorities that matter to you across every stage of your family's life. And as families grow and circumstances change, planning conversations expand, often revealing trade-offs, unintended consequences and opportunities to better align financial decisions with long-term family goals.

This Spring issue of *Digest* reflects those real-world considerations. On page 4, we explore planning considerations when a family vacation home becomes a shared, multigenerational asset. On page 6 we discuss practical ways to approach giving to children and grandchildren while supporting healthy family dynamics. On page 9 we discuss the future of Social Security and claiming strategies, which can change based on how you coordinate with your spouse. And on page 10 we discuss how extracurricular activities can influence financial priorities and expectations over time. Taken together, these pieces make a simple point: Good planning is less about perfect answers and more about asking the right questions early.

Your Baird Financial Advisor team is here to help put these decisions in context, offering guidance that adapts as your family grows and changes. Thank you for trusting Baird to support you through every chapter.

Katie Costigan
Executive
Market Director



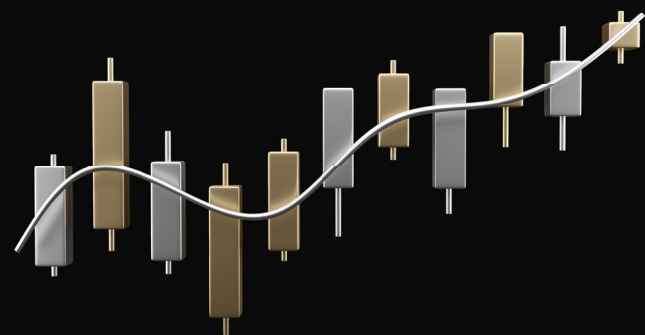
“Good planning isn't about getting every decision perfect. It's about understanding the trade-offs and making the right choices that fit your family.”



Erik Dahlberg
President
Private Wealth Management

Gold, Silver and the Fear of Missing Out

When prices for precious metals spiked, many investors wondered if they were being left behind. The answer matters more than the headlines.



GOLD AND SILVER surged this year, prompting a wave of questions from investors. In this conversation, Investment Strategist Ross Mayfield and PWM Market Analyst Mike Antonelli unpack what drove the surge and how long term investors should think about precious metals when market noise gets loud.

Ross: Mike, you were early in writing about this move to help make sense of it for our clients – what was really behind it?

Mike: When prices started rising quickly, the first question we heard from clients was simple: Why now? I boil it down to four main drivers:

DEBT AND CURRENCY CONCERNS When governments manage their debt by printing more money, they can weaken the value of their

paper currency. Because gold and silver can't be printed, they attract more interest when people worry about their currency losing value.

QUESTIONS AROUND THE SHIFTING GLOBAL ECONOMY Some international investors are questioning the U.S. outlook and have been moving money out of U.S. assets and into gold and silver.

The bigger changes were the last two:



Ross Mayfield, CFA®
Investment Strategist



Mike Antonelli
PWM Market Analyst

THE AMOUNT OF FINANCIAL ACTIVITY BUILT AROUND METALS ETFs, leveraged ETFs, futures contracts and even crypto projects backed by physical metals all compete for the same underlying supply. When investors start worrying about shortages, prices can move quickly.

THE CROWD EFFECT We've seen this GameStop- and AMC-style momentum before, where rapid retail trading accelerates ▶

movements in price. One clear signal this time was options activity, with an unusual volume of call options on silver bought in a single week. That's short-term trading, not long-term investing.

These forces caused gold and silver to move sharply higher – and then reverse just as quickly. It's important to remember: Fast moves work in both directions.

Ross: That context matters, especially on the first two drivers – it's not like rising government debt and geopolitical tension suddenly appeared this year. What changed was leverage, retail speculation and fear of missing out. So the real question is what, if anything, should investors do with all of this?

Mike: I tried to think through every reason a wealth management client might want to own gold or silver. I keep coming back to these four:

TO BENEFIT FROM A PRICE INCREASE That's the most common reason – and usually the worst one. Chasing performance is how investors end up buying at the top.

TO ACT ON A BELIEF THAT THE WORLD IS SHIFTING AWAY FROM U.S. DOMINANCE If that's part of your long-term view, it might support a small allocation. But that's a decades-long strategy, not a short-term trade.

TO HEDGE AGAINST EXTREME RISKS For some, owning precious metals provides comfort if they fear a collapse of the U.S. dollar or some

other severe financial breakdown. Even in that scenario, though, gold bars are unlikely to help you with rent or groceries.

TO DIVERSIFY This is the strongest reason. Wanting an asset that behaves differently than stocks and bonds is a reasonable conversation to have with your advisor.

The key is being intentional. Any allocation should be well understood and aligned with a long-term plan, not driven by headlines or anxiety.

Ross: It's also worth noting that for all the investor interest in gold and silver, those assets don't generate income or fuel economic growth. They are stores of value that investors hope will help during inflation, geopolitical stress or uncertainty. It reminds me of a quote from behavioral finance author Morgan Housel about the fear of missing out: "Being immune to the siren song of other people's success – especially when it's sudden and extreme – is practically required to do well over time." If you can look at gold and silver and say, "This might have a small role, but I don't need to chase it," that's a win.

Mike: That's exactly right. Be clear about why you own what you own and how it fits into your plan. Recent losses in gold and silver were real, and those lessons can be costly. If recent market moves raised questions, that's a good reason to talk with your advisor.

Tim's Tax Tip

Gains on the sale of precious metals are taxed as a collectible, which has its own set of tax rules. For example, if held for more than one year, profits from the sale of gold are taxed at a higher rate than other long-term investments. Your Financial Advisor can guide you on the role gold and silver can have in your investment mix and long-term tax strategy.



Tim Steffen, CPA-PFS,
CFP®, CPWA®
Director of Advanced
Planning
Baird Private Wealth
Management

For more from Ross and Mike, be sure to check out our All That Matters monthly video series, where they tackle real questions from clients.



Keeping Your Vacation Home in the Family

Succession planning strategies for a smooth transition

WHETHER IT'S YOUR country cabin or summer beach house, your vacation home is likely more than a piece of real estate – it's where traditions are made and memories live on. Passing that legacy to the next generation can be a meaningful gift, yet doing so thoughtfully often requires more than leaving the home to your family in a will.

With the right succession strategies in place, you can pass your vacation home down in a way that supports family harmony and coordinates with your broader estate plan. Here are key strategies to structure the transition – and the discussions to have along the way.

HAVING THE RIGHT CONVERSATIONS EARLY As you ponder the future of your family's vacation home, getting everyone on the same page is vital. Parents or grandparents may have a clear vision for how the home should be passed down, but younger family members may not share the same ideas or capacity to take on responsibility. That's why succession planning should account

for both the financial realities of ownership and the family dynamics.

Consider starting with open, family-wide discussions. Discuss factors like how time at the home will be divided, who will handle maintenance, how that maintenance should be paid for, whether the property should ever be sold and even how future generations should inherit it. This may also include understanding the home's ongoing costs – like taxes, insurance and upkeep – and deciding whether to set aside funds so the next generation has time to enjoy the property before taking on those expenses. These answers will help determine the right structure for managing day-to-day ownership and eventually passing the property onto the next generation.

PUTTING THE RIGHT FRAMEWORK IN PLACE There are many strategies for your family to consider when passing your vacation home down, but below are two of the most common. Each method can play a role, but your unique planning goals determine which structure – or combination – will work best. ▶

Laura Ames, JD
Wealth Strategist
Baird Private Wealth
Management



“My parents’ vacation home has grown into a gathering place for our whole family – including my siblings, our spouses and our children – where we come together to create lasting memories.”

Ella Neely, JD
Senior Trust Strategist
Baird Trust



“A thoughtful transition starts with communication. When families talk through expectations early, they can approach the future with confidence and shared understanding.”

▶ **METHOD ONE: TRUSTS**

Trusts offer a long-term, defined structure for holding your family's home and specifying how it can be used and transferred. They can be used to transfer assets both during life and after death – and placing the home in a trust during your lifetime allows you to continue enjoying it while setting the rules for the future. There are three key advantages of using a trust to pass on your home:

1. Built-in guidance for future decisions.

A trust lets you decide who inherits the home and when, while also addressing a wide range of “what-if” scenarios. For example, what if a beneficiary decides to sell their interest? How should that interest be valued? What if scheduling conflicts arise? This direction allows you to anticipate future family dynamics, rather than react to them.

2. A single point of reference. Rather than revisiting decisions each time ownership passes to the next generation, trusts provide one consistent plan that can guide the property indefinitely – helping keep your legacy in place.

3. An appointed trustee. A trustee is the person or organization you appoint to manage and maintain the home according to the trust before it's officially passed on. You can choose for this to be yourself or a trusted family member. In some cases, families choose to involve a corporate trustee – like Baird Trust – as a co-trustee or directed trustee. That way, the corporate trustee can handle day-to-day responsibilities like paying expenses, coordinating maintenance and enforcing the terms of the trust while a family member retains decision-making authority for weightier decisions like whether to buy or sell a property or undergo large cosmetic renovations.

▶ **METHOD TWO: FAMILY LIMITED LIABILITY COMPANIES (LLCs)**

An LLC offers a more hands-on, business-like approach to jointly owning and managing a vacation home. It creates a formal structure that establishes clear rules for management, ownership and future transitions. Three notable benefits of LLCs include:

1. A clear management structure. An LLC allows your family to choose a manager to oversee day-to-day decisions, with the ability to easily change that person over time. This makes it simpler for responsibilities to shift as the original owners step back.

2. Defined ownership interests. Ownership in an LLC is divided into percentages, making it easy to clearly define each family member's financial interest (much like shares). This can help separate ownership from usage.

3. Smooth lifetime transfers. Over time, the original owners can gift their ownership interests while remaining involved in management. This can become especially helpful as responsibilities begin to shift.

While trusts and LLCs differ in framework, they share a core consideration: risk management. When structured properly, they can help protect your home from personal financial issues like lawsuits or divorces – and some families layer both for added protection. That additional security, though, can bring more legal complexity, costs and tax implications. No structure eliminates risk completely, so work with your Baird Financial Advisor as well as your insurance agent to add necessary protections like additional liability coverage.

Tim's Tax Tip

Just as trusts and LLCs vary in structure and purpose, they also vary in how they're taxed. Depending on your approach, taxes can come into play when the home is transferred during your lifetime, when it is later sold, or when it is inherited by the next generation – and this timing can often affect how much of the home's value is ultimately subject to tax. That's why transfer decisions should be viewed as part of your broader tax planning strategy. Your Baird Financial Advisor can help you assess the potential impact and coordinate timing to align with your long-term plans.



Tim Steffen, CPA-PFS, CFP®, CPWA®
Director of Advanced
Planning
Baird Private Wealth
Management

Thoughtful planning, open conversations and the right ownership structure can help your family confidently pass your vacation home to the next generation. Your Baird Financial Advisor team can connect you with estate planning tools and specialists to help decide the right structure for you.

How To Help Your Kids and Grandkids Build Lasting Wealth

Gift strategies to support long-term growth

COMPOUNDING has always favored those who begin saving and investing early. But today, the financial hurdles facing younger generations – from education costs to home prices – make getting an early start even more vital. That reality has made one question top of mind for many families: How can I help build a financial foundation for my loved one that will compound for decades? ▶



Below are five ways you can help your child or grandchild get a head start on their financial future:

1 529 COLLEGE SAVINGS PLANS

For many, one of the first steps in planning for a child's financial future is setting aside funds for education. A 529 account offers a tax-advantaged way to do this: contributions grow free of federal income tax and can be withdrawn tax-free when used on qualified education expenses like tuition, room and board and books. This structure can help stretch every dollar further when education bills come due – likely at the moment the student needs support most.

Because the IRS treats contributions as gifts to the beneficiary, you can contribute up to the annual gift tax exclusion every year – \$19,000 for individual filers or \$38,000 for joint filers in 2026 – with the option to front-load up to five years' worth, or as much as \$95,000 or \$190,000, at once. If plans change and the child doesn't go to college, the money doesn't have to go to waste. There are other options for what to do with the account – from transferring it to a family member to rolling the funds into the beneficiary's Roth IRA.

2 COVERDELL EDUCATION SAVINGS ACCOUNTS (ESAs)

ESAs are another education savings vehicle that provide tax-free growth and withdrawals for qualified expenses. Annual contributions are limited to \$2,000 per beneficiary and subject to income limits (\$110,000 for individuals and \$220,000 for married couples). Because of these limits, ESAs are often best used as a complement to 529s.

3 UNIFORM TRANSFERS TO MINORS ACT (UTMAs)

UTMAs are custodial investment accounts that provide a more flexible way to invest assets for a child, without limiting the funds to education expenses. They are managed by an adult until the child reaches the age of termination (this varies by state, but is typically between ages 18 and 25). At this age, the custodianship ends and the funds transfer to the control of the beneficiary. UTMAs are irrevocable accounts, meaning once the funds are contributed, they can't be taken out unless being used to benefit the beneficiary.

Similarly to 529s, you can contribute up to the annual gift tax exclusion each year to UTMAs. Uniquely, though, you can give assets like tangible goods and real estate alongside cash and securities.

While contributions aren't taxable, the account's income is generally taxable as it's received, and gains are taxable as they're realized. Income from a UTMA account is subject to the Kiddie Tax Rules, which means income over a threshold is taxed at the parents' marginal tax rate.

4 CUSTODIAL ROTH IRAS

A child's first paycheck can do more than fund weekend plans – it can jump start a lifetime of saving. Because once they start earning their own income, they become eligible for a custodial Roth IRA: another form of investment account that is owned by the child but controlled by a parent until they reach adulthood. These accounts are designed primarily for long-term retirement savings.

Roth IRAs can be especially powerful for young people, as contributions are made with after-tax dollars and grow tax-free. They can also be withdrawn at any time without tax or penalty – but it's important to note that any earnings withdrawn may be taxable if they're taken before age 59 ½.

Family members can contribute up to the child's annual earned income to the account, capped at \$7,500 in 2026 – allowing you to "match" what a child earns and help convert their wages into long-term growth. ▶

HOW TO HELP YOUR KIDS AND GRANDKIDS BUILD LASTING WEALTH

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5 NEW: TRUMP ACCOUNTS

Created under last summer's budget reconciliation bill, Trump Accounts are a new saving and investment tool for minors. They are owned by the child, but must be opened and managed by an adult.

Annual contributions to a Trump Account are capped at \$5,000 per child – and can be made by nearly any adult using after-tax dollars. Employers can also contribute up to \$2,500 on behalf of a minor employee or an employee's child, although these contributions still count toward the \$5,000 annual limit. In addition to private contributions, those born between 2025 and 2028 can receive a one-time \$1,000 government contribution, which does not count towards the annual cap. When the child turns 18, the account acts like a traditional IRA, and withdrawals follow standard IRA tax rules.

Come this July, you can begin contributing to a Trump Account. Because this tool is so new, many details are still in development – so check in with your Baird Financial Advisor team for updates.


There's no one-size-fits-all approach to saving for a child's financial future. The right strategy depends on your goals, family dynamics, flexibility and more. In some cases, that may involve coordinating multiple accounts. In others, it could be as simple as opening a high-yield savings account.

Your Baird Financial Advisor team can not only help you evaluate your options, but also provide educational resources designed to instill confidence in your child or grandchild – equipping them to make thoughtful, confident financial decisions for years to come. Reach out to your Baird Financial Advisor team for more information.



Planning Calendar

After April 15

 After filing, share your return with your Baird Financial Advisor to identify new tax planning opportunities for the year ahead.

May 29

Celebrate 529 College Savings Day by reviewing your education savings plans. For additional strategies to support long-term financial goals for children, check out our gifting article on page 6.



June 15

Second-quarter federal estimated income tax payments for 2026 are due.

June 30

The deadline to file the Free Application for Federal Student Aid (FAFSA) for the 2025–2026 academic year.

SOCIAL SECURITY FILING STRATEGIES

When Is Social Security Going To Run Out?

THE BETTER QUESTION IS what this actually means for your benefits. The trust fund is an account built from past payroll taxes that supplement Social Security's payouts, and current projections show it could be depleted by 2034. At that point, Social Security would be funded only by incoming payroll taxes, which today would cover about 80% of scheduled benefits – unless Congress steps in.

In his video, *Planning for the Future of Social Security*, Director of Advanced Planning Tim Steffen explains what these projections really mean, what solutions are on the table and how people who are in or nearing retirement should think about their benefits. He also covers when to claim Social Security and why the "right" timing depends on your overall financial plan.



Scan the QR code to watch Tim's video and read the full article. Then reach out to your Baird Financial Advisor team to review your claiming options and request a personalized Social Security analysis.



75%

Delaying Social Security until age 70 can boost your monthly benefit by roughly 75% compared with claiming at 62. But that's just one consideration – other factors include your health, retirement date and how you coordinate with your spouse. Your Baird Financial Advisor team can conduct a personalized analysis to determine what's right for you.

The Rise of Organized Sports

An investment opportunity and a budgeting reality



Organized sports now represent two sides of the same coin: an expanding investment industry and a growing line item in family budgets. As youth athletics continue to commercialize, they present new opportunities for investors while increasing the financial commitment for families. Understanding both dynamics can help make sure these commitments support your long-term goals – on and off the field.



Sports in Your Portfolio

How Consumer Demand Is Reshaping Organized Sports

Over the last five years, family spending on youth sports has risen roughly 46%¹ – reflecting just how significantly the landscape has evolved. What was once a community-based pastime has become a more specialized, year-round landscape centered on elite competition, intense

training and events that allow exposure to college recruiting. This shift has increased families' spending and fueled the need for professional coaching, advanced facilities and destination tournaments, creating strong revenue streams for businesses in the market. ▶

The COVID-19 pandemic accelerated this trend, rebranding sports into a solution for low physical activity and social connection. At the same time, social media and Name, Image and Likeness (NIL) rights have increased young athletes' exposure, creating pressure that many local programs simply aren't built to handle.

How the Industry Is Evolving To Meet the Demand

Generally, industries become investable when they move from informal models to professionally managed platforms – and that's exactly what's happening to organized sports. As families look for year-round training and higher-quality facilities, operating costs and complexities have risen. In response, larger organizations are stepping in with standardized operations and more advanced technology.

Interestingly, the industry is still made up of many local and regional

programs – so there is room for stronger organizations to grow by bringing them together and improving operations. In turn, this is shifting organized sports into a more consistent, year-round business.

What It Means for Investors

Organized sports now touch a wide range of businesses – from equipment companies to youth training academies and adult leagues. As participation and spending rise, these businesses generate recurring revenue through things like memberships, rentals and sponsorships. For long-term investors, this growth may present an opportunity among apparel providers, facility operators, league organizations and even the technology systems that support operations. Your Baird Financial Advisor can help determine if and how these opportunities may play a role in your portfolio. ▶

To dive deeper into the evolving landscape of organized sports, read the full report from Baird's Global Investment Banking team.



¹The Aspen Institute. 2025. "Project Play survey: Family spending on youth sports rises 46% over five years." <https://projectplay.org/news/2025/2/24/project-play-survey-family-spending-on-youth-sports-rises-46-over-five-years>

THE RISE OF ORGANIZED SPORTS

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Sports in Your Budget

Organized sports is not only an investment opportunity – it's a growing household expense that shows up through club fees, travel and equipment expenses. This makes planning essential for families participating in youth sports today. Here are a few steps to help your wealth plan support your child's sporting endeavors:

Define the Purpose of Your Child's Participation

The organized sports industry is undeniably shifting towards a more structured, competitive landscape – but that doesn't mean every child's goal is to "go pro." For some, a chance to play outside with friends is all they're looking for. Ultimately, clarifying your child's purpose can guide spending decisions. Is it...

- ▶ **For social or exercise benefits?** Local leagues may suffice – and renting equipment can reduce costs as well.
- ▶ **For skill development?** Travel teams and specialized camps may offer stronger competition, but at a higher expense.
- ▶ **To achieve scholarships?** You may need to budget for things like specialized instruction, travel and campus visits – and weigh the investment with other strategies, such as contributing to a 529.

As you weigh these possibilities, also be mindful of the time commitment. Intense sports can require tradeoffs with vacations, pull parents away from work and limit the number of other activities the child can fit into their schedule.

Determine the True Cost of Participation

At first, you may see a given sport's registration fee and call it a day. In reality, though, there are many kinds of expenses you're likely to incur. Generally, activity expenses can be broken into three categories:

- ▶ **Upfront costs:** Entry fees, gear, uniforms and other expenses you need to pay just to participate.
- ▶ **Recurring costs:** Weekly lessons, camps, tournament fees and any other ongoing expenses throughout the length of the activity.
- ▶ **Indirect costs:** Gas to take your child to and from practice, meals you're eating at restaurants after an away game and hotels you're staying at for the weekend tournament that's out of state.

Of course, your child's participation purpose will help determine the extent of these costs – but be sure to add up all of these expenses when determining how much an

activity will truly cost. If the number is significant, your Baird Financial Advisor can help incorporate it into your budget so you don't have to absorb the costs as they come.

As you explore organized sports as both an investment opportunity and part of your family's comprehensive wealth plan, your Baird Financial Advisor can provide guidance on both sides of the discussion.

DOING WELL BY DOING GOOD



Supporting Critical Infrastructure When It Counts

WHEN SCHOOLS, HOSPITALS AND OTHER ESSENTIAL FACILITIES lose heat or hot water, the impact can escalate quickly and with dire outcomes. Baird Capital's latest investment in Rapid Energy supports emergency temperature control solutions that restore safe conditions during outages. In one recent case, Rapid Energy delivered emergency hot water to a healthcare facility on New Year's Eve, supporting care for a vulnerable population when dependable infrastructure mattered most.

With this investment, Baird Capital is helping support safe, reliable infrastructure in the communities it serves.

Discover the *Baird Difference*

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