

# Year-End Financial Review

Optimize Your Financial Health in 2024

As we begin another year, many of us are in a mood of reflection and anticipation, often accompanied by a desire to optimize our financial lives. In fact, this is a great time to take a deep dive into your finances. By blending introspection with strategic planning, this process can improve your financial health in 2024, and beyond.

So, seizing on the heightened focus that accompanies new starts, we encourage you to find a cozy chair, curl up with your favorite warm beverage, and review the elements of an effective year-end financial review.

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## Assemble a Team of Experts

Your financial review team should include a financial and investment advisor, a tax accountant, an estate planning attorney, and an insurance professional. Understand how they get paid — and make sure they're fiduciaries, who are bound by the standards of their professions to put your interests first. Typically, your financial advisor can help you assemble and coordinate this team.

2

## Start With the Big Picture

Kick things off with a few questions. Are you meeting your financial goals? Have unforeseen events altered your trajectory? Consult with your financial advisor to ensure you have a robust, up-to-date, all-weather financial plan. This review should include revisiting your estate plan to ensure it still reflects your vision.

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## Consider Proactive Tax Planning

As the year winds down, engage in proactive tax planning. Anticipate life changes (like retiring or starting a new business) that might impact your tax status. Work with your advisor to explore tax-loss harvesting to reduce your liabilities. For maximum tax efficiency, weigh the timing of tax triggers like bonuses, property sales, or charitable donations.

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## Scrutinize Your Investments

Update your asset allocations, financial objectives, and risk tolerance — things that tend to change over time. Work with your advisor to gauge the impact of capital gains (and losses) on your 2023 tax profile, and make necessary adjustments.

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## Optimize Your Benefits

Assuming you're employed, review your workplace benefits. Think about increasing contributions to retirement accounts for tax advantages. Explore tax-deferred health and college savings plans, and consider maximizing employer-stock options. For the self-employed, consult a tax professional about extending IRA contributions to reduce your tax burden. All of this goes for spouses as well.

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## Employ Smart Gifting Strategies

Consider gifting depressed assets — especially equities — to heirs. This approach can shift wealth out of your estate while minimizing the impact on federal gift-tax exemption limits.

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## Maximize Your Donations' Impacts

Use donor-advised funds and, for those over age 70 and a half, consider qualified charitable distributions. These vehicles provide tax advantages while supporting charitable causes. "Bunching" such contributions can result in significant tax deductions.

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## Review Your Balance Sheet

Focus on ways to make the most of your credit and debt. Prioritize the repayment of high-interest debt, and optimize credit-card rewards that align with your spending habits and interests.

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## Understand Your Insurance Policies

Year-end reviews should always include a re-evaluation of your insurance policies. Ensure the coverage matches your needs, and that beneficiaries are updated on your estate plans. Explore how insurance products can further your legacy goals.

A New Year's financial review goes beyond number crunching to align your financial strategies with your obligations and aspirations. By being proactive early in 2024, you can achieve clarity about your personal goals and confidence in your financial well-being.

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