

8 Year-End Financial Planning Action Items

We would encourage our clients to think about these key 8 actionable items before year-end, with the help of their financial advisors .

Some of these actionable items are evergreen and good habits to be in, while others should be viewed more opportunistically given the volatile year for the markets:



1. Tax Loss Harvesting

During this volatile year for the equity markets, we believe clients with taxable accounts who have the ability to tax-loss harvest should consider doing so. This can be coordinated with your financial advisor and CPA. For those not familiar with

this practice, you are able to book losses on individual stock positions or ETFs, which can be used to offset existing or future capital gains in your taxable accounts. Given the market volatility in 2023, there may be positions in your portfolio which are currently sitting at a loss.



2. Maximize Your Ability to Fund Retirement Accounts

For investors looking to maximize the impact of investing money into the market, we think they should consider maximizing the contribution limits of their retirement plans. Check your ability to max out contributions to relevant plans and ensure this fits with your lifestyle / cash flow plan.

What is the current status of your financial plan? Where do you want to be in the future? How will you get there?

Develop a plan for a more secure financial future.



3. Evaluate Roth IRA Conversions

Consider turning a tax-deferred asset like an IRA into a tax-free asset, which would be ideal for future heirs to inherit. Ensure that you have the ability to pay the tax on the conversion and pay this out of available taxable assets if possible vs. from within the IRA account. You should evaluate the merits and risks of Roth conversions with your financial advisor and CPA.



4. Review Your Asset Allocation

In our experience, every investor should monitor their overall portfolio mix and risk, especially during periods of market volatility. Many investors who simply “set it and forget it” will find that their relative risk in their portfolio will drift over time away from their intended target, due to market gyrations.



5. Take your Required Minimum Distributions (RMDs) RMDs As Required by Law

If you are of RMD age (72+) and have retirement plan assets, you are required to take required minimum distributions from your IRA account during the calendar year. If you don't take the minimum RMD, you will be assessed a penalty. Reach out to your financial advisor and CPA to discuss your RMDs.



6. Review Your Estate Planning & Gifting Strategy

How will I leave money to my heirs? Or do I want to incorporate charitable gifting? How will I leave my legacy? Am I taking advantage of annual gift limits? These are important questions which we strive to help address with our clients. If you do not have an existing estate plan or have not updated it in some time, now may be a time to explore that. From our perspective, it's best to do this every 5-10 years.



7. Double Check Your Beneficiaries

Who will my wealth be left to when I pass? This is the function of naming beneficiaries on certain accounts like IRA's. You should re-evaluate these named beneficiaries every few years and double check them.



8. Keep Peace of Mind and Revisit Your Plan

Finally, it is always important to limit your emotions and their potential negative impact on your investment plan. At KAR we work with each client to develop a fully customized investment and holistic plan. This plan is designed for the long-term to help our clients achieve financial peace of mind. During volatile markets, it's important to ensure that you have a carefully crafted plan that can be followed through the inevitable ups and downs of the market.



Ready For a Financial Plan Check Up?

At Kayne Anderson Rudnick, our proactive wealth advising model means we are prepared to take advantage of new opportunities as they arise. And as circumstances in your life change, we're ready with a strategy that adjusts to your changing needs. [Contact us today](#) to find the expert personal service your financial picture deserves.

Kayne Anderson Rudnick is an investment firm specializing in high-quality investment and wealth management strategies. The firm has over a 30-year history serving a diverse client base that includes high-net-worth individuals, corporations, endowments, foundations, public entities, taft-hartley clients, and mutual funds. Kayne Anderson Rudnick is known for its commitment to high-quality investment strategies and business practices. For more information, please visit www.kayne.com.

*This information is being provided by Kayne Anderson Rudnick Investment Management, LLC ("KAR") for illustrative purposes only at the request of the recipient to illustrate our investment process and should only be used by the intended recipients for their own informational purposes only. This information should not be republished by recipient. Information in this document is not intended by KAR to be interpreted as investment advice, a recommendation or solicitation to purchase securities, or a recommendation of a particular course of action and has not been updated since the date listed on the report, and KAR does not undertake to update the information presented. KAR makes no warranty as to the accuracy or reliability of the information contained herein. The information provided here should not be considered legal or tax advice and all investors should consult their legal and/or tax professional about the specifics of their own legal and tax situation to determine any proper course of action for them. KAR does not provide legal or tax advice and nothing herein should be construed as legal or tax advice, and information presented here may not be true or applicable for all legal and income tax situations. Tax laws can and frequently do change, and KAR does not undertake to update this should any changes occur. **Past performance is no guarantee of future results.***