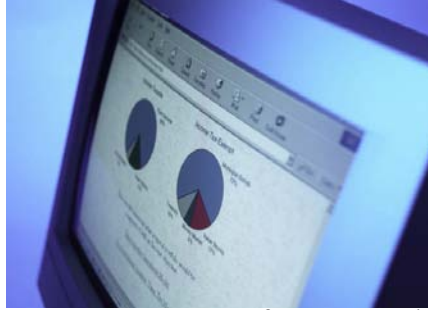


# Financial Planning Strategies for Year-End

As the year comes to a close, most people are busy planning vacations, shopping for holiday gifts, and attending holiday parties. Few realize this is the best time to stop and check their financial progress. Ask yourself "have I reached my goals?" If you are struggling with lost investments, now may be the time to make some adjustments. It's not too late to make financial changes that may save you money on your 2010 tax return and/or position you for a better start in 2011. Some advance strategic planning could make all the difference for 2011.



## 1) Identify a trusted advisor.

Each piece of your financial puzzle needs to fit together. Unless your current advisor is able to see your entire financial picture, he/she might not be able to best help you manage and implement strategies to help achieve your goals. All your financial plans and products should be connected and work in harmony to maximize your return. An advisor who is able to help you coordinate and integrate all of your financial instruments and financial strategies will enable you to have a more secure future.

## 2) Review your financial goals and objectives.

Evaluate your progress in the past year. How close were you to your budget? Recalculate your net worth, and compare it to the value at the beginning of the year. Based on where you are now, will you be able to get to where you want to be? It may be necessary to tweak your financial plan, as well as your spending and saving behaviors, to get back on track. Identify what adjustments need to be made to help you maintain and grow your assets so you reach your goals and objectives.

## 3) Align your portfolio with your goals and objectives.

In today's economic uncertainty, it's important to take steps to ensure that your overall planning strategy adequately meets your changing needs and objectives. Make sure that your investments are based on solid, long-term informed decisions, and not short-term fears and uncertainty. If you are concerned about any aspect of your portfolio holdings, or its tax implications, now is the time to ask for help.

## 4) Review your insurance coverage.

Remember that insurance offers protection for you and your family. Review your insurance records and check the adequacy of your policies. Evaluate all existing coverage, including life insurance, disability income insurance, homeowners insurance, auto insurance, liability insurance, renters insurance, and long-term-care insurance to determine if there is a need for adjustments, replacements, cancellations, or additions.

## 5) Harvest losses to offset capital gains.

Loss harvesting may be the single most beneficial method in reducing taxes now and in the future. If handled appropriately, it can reduce your taxes and help you diversify your portfolio in ways you may not have considered. No one likes a losing investment. But when it comes to your income taxes, capital losses can be blessings in disguise since you can use them to offset taxable capital gains, plus up to \$3,000 in ordinary income (\$1,500 for married couples filing separately). Look in your taxable accounts for investments with relatively large losses where you don't expect a comeback. Any losses you can't use to offset gains this year can

be carried over into future tax years. Remember to avoid wash sales.

## 6) Review and update your estate plan.

Be sure to review your estate plan in light of changing estate tax laws or changes in your personal financial position. If you have an existing estate plan, now is the time to sit down with your advisor to review your plan and make any necessary revisions. Ordinary changes in life can make a previously well-prepared estate plan inappropriate for the

future. Examples of triggering events may include the birth or death of a family member, marriage or divorce, a move from one state to another, a change in career, a shift in the composition or amount of your assets or business arrangements, and tax law changes. It may be necessary to update your beneficiaries as well as make other adjustments if any of these events have occurred.

Be sure to consider income protection strategies as part of your overall estate plan. Consider a financial protection plan that includes Life and Disability Income Insurance. You should determine how much capital or income is necessary to help protect your children or other beneficiaries. Money may be needed to help maintain a home for children, pay for college or cover other expenses in the event of the breadwinner's death or disability. Whatever financial protection plan is the most appropriate for your circumstances should be coordinated with a will or trust and should take estate taxes, income taxes and other financial issues into consideration.

## 7) Plan for retirement.

If you are eligible for a tax-advantaged retirement account, plan to fund it before year-end if you can afford it. Depending on the plan type, you may have until the end of the year or the tax filing deadline to implement a new plan, if you don't already have one. This is also a good time of year to consider a Roth conversion. If eligible, this may be a great opportunity for someone under the right circumstances.

## 8) Schedule an appointment with your accountant.

A quick review of your portfolio, estate plan, and other financial strategies may uncover opportunities to reduce your tax bill in April if you act now. Make sure to review investments, insurance policies, retirement plans, and other financial products as well as your legacy plan. Coordinate each of these strategies so that they work in tandem and not against each other. Take a few minutes to plan with your accountant before December 31.

Daszkal Bolton specializes in advising individuals and businesses on ways to minimize their taxes and maximize their financial well-being. We can help you take advantage of these and other accounting and financial planning opportunities. Call us today, or visit our website: [www.daszkalbolton.com](http://www.daszkalbolton.com).



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