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Perspective

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Year-end checklist for your financial strategy

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Year-end checklist for your financial strategy

The markets
were unpredictable
in 2024

It's important to
focus on what you
can control

These actions
can help

Year-end checklist for your financial strategy (cont.)

1. Year-end review

- Self-assessment
- Assess and estimate
your tax situation



Year-end checklist for your financial strategy (cont.)

2. Year-end tax considerations

- Required minimum distributions (RMDs)
- Use your flexible spending account (FSA)
- Tax-loss harvesting

Year-end checklist for your financial strategy (cont.)

3. Continue to make progress toward your goals

- Health savings account (HSA) contributions
- Retirement plan contributions
- Roth conversions
- 529 plan contributions





Year-end checklist for your financial strategy (cont.)

4. Maximize your impact

- Qualified charitable distributions (QCDs)
- Charitable donations
- Annual gifts



Year-end checklist for your financial strategy (cont.)

5. Monitor your long-term strategy

- Your journey toward financial stability
- Portfolio balance and diversification
- Expecting the unexpected
- Review your estate and incapacity plan

A group of people are sitting around a wooden table, enjoying breakfast. In the foreground, there are several mugs in green, orange, and white, along with plates of food. A woman with curly hair, wearing a grey cable-knit sweater, is gesturing with her hands while talking to a man in a blue checkered shirt. Another woman is visible on the left, smiling. The background is bright and slightly out of focus, suggesting a window or a well-lit indoor space.

4 tips for financial discussions over the holidays

Estate and legacy topics can become awkward, but it's important to share topics that are vital to your financial life.

4 tips for financial discussions over the holidays (cont.)

Topic 1: Your values

What to share

- The key values in your life
- Family members' values and what drives their decisions

What to avoid

- Sensitive topics that may trigger discomfort

4 tips for financial discussions over the holidays (cont.)

Topic 2: Your estate

What to share

- Your estate decisions, including documents, roles and responsibilities
- Members of your financial team

What to postpone

- Financial specifics (account balances, net worth, asset distribution, inheritance details)

4 tips for financial discussions over the holidays (cont.)

Topic 3: Your financial outlook

What to share

- Spending vs. saving (retirement savings, enjoying the now)
- Priorities on large purchases
- How much debt you're comfortable holding

What to avoid

- Judgment of others about these topics

4 tips for financial discussions over the holidays (cont.)

Topic 4: Lessons you've learned

What to share

- What strategies have served you well?
What would you change?
- Goals you've prioritized; importance of planning

What to avoid

- Assuming everyone shares your values
- Framing the discussion with, "Don't make the same mistakes I did"

4 tips for financial discussions over the holidays (cont.)



Family meetings work best when everyone contributes



You can revisit what you've learned or confirm your own financial strategy



I would be happy to discuss the topics that mean the most to you



529 plans: Holiday gifts with lasting benefits

Ways a 529 education savings plan can help the beneficiary:

- Ease self-funding burdens and lessen potential future debt
- Have access to educational opportunities that might not be pursued otherwise
- Add value to their life for years to come

Source: "Americans are saving for education but lack awareness of 529 plans, Edward Jones survey finds," May 2024, <https://www.edwardjones.com/us-en/why-edward-jones/news-media/press-releases/low-529-plan-awareness>

529 plans: Holiday gifts with lasting benefits (cont.)

What is a 529 plan?

- A tax-advantaged investment account for education expenses
- Earnings accumulate tax free
- Withdrawals are free of federal income tax and penalties when used for **qualified** education expenses



529 plans: Holiday gifts with lasting benefits (cont.)

Qualified expenses include:

Tuition and fees



Books



Required school supplies



Room and board (conditions apply)



Computers and related accessories



A photograph of three young women sitting on the grass in an apple orchard. They are all smiling and appear to be enjoying the moment. The woman on the left is wearing a white fuzzy sweater and a scarf. The woman in the middle has curly blonde hair and is wearing a dark patterned sweater. The woman on the right is wearing a yellow sweater. They are surrounded by apple trees with red apples. A large yellow circle is overlaid on the left side of the image, containing text.

529 plans: Holiday gifts with lasting benefits (cont.)

- 529 plans offer federal tax benefits but are sponsored by states
- State tax treatments and investment options can vary
- You don't have to use your home state's plan

Benefits of a 529 plan



Anyone can contribute



Tax benefits without
income phaseouts



The account owner
maintains control over
the funds



The beneficiary
has dedicated funds
for education

Benefits of a 529 plan (cont.)



The beneficiary can be updated to any eligible family member



Investment options offer potential fund growth



High contribution limits

**Let's talk about
529 gifting
strategies**



Benefits of a Roth IRA

What is a Roth IRA?

- A tax-advantaged account funded with after-tax contributions
- Has the potential for tax-free income in retirement
- You can invest in stocks, bonds, CDs, mutual funds and exchange-traded funds (ETFs)

Benefits of a Roth IRA (cont.)

Tax-free
income



Tax savings



Account
flexibility



No required
minimum
distributions
(RMDs)



Tax-free money
to heirs



Benefits of a Roth IRA (cont.)

Roth IRA contributions

- Up to \$7,000 (or \$8,000 if 50 or older) for 2024
- Contribute anytime during the year up to the tax-filing deadline (not including extensions)





Benefits of a Roth IRA (cont.)

Eligibility for a Roth IRA

- Modified adjusted gross income (MAGI) must be below a certain threshold
- MAGI limits vary depending on your tax-filing status
- Ask your tax advisor about a backdoor Roth strategy

We can work together to review your retirement options and design a personalized strategy.

More information available

- This month's issue of *Edward Jones Perspective* contains more in-depth coverage of the topics discussed today.
- Please be sure to complete your seminar evaluation form.
- Please contact me with any further questions or to schedule an appointment.

Thank you for your time!

