Morgan Stanley

Fall Planning for Your Finances

Learn the money moves you can make this fall to set yourself up for success in 2026 and beyond. Find tips on investing, taxes, charitable giving and more.

Key Takeaways

- Fall can be a good time to revisit your financial plans and set yourself up for success in the coming year.
- Revisiting your asset allocation can help ensure your portfolio is on track to meet your financial goals.
- Now may also be a good time to start preparing for the 2026 tax season as well as review your estate plan and plan your charitable and holiday giving.

As fall arrives, the changing of the season can be an ideal time to revisit your financial plans with fresh perspective. Ask yourself: What goals do you still need to tackle this year? And which ones do you want to pursue in 2026?

For your finances, here are five moves you can make in the final months of 2025 to help set yourself up for success in 2026 and beyond.

1. **Revisit Your Asset Allocation**

The end of the year is a good time to revisit your investment strategy and asset allocation to help ensure your portfolio is still apportioned among stocks, fixed income, cash and other asset classes to align with your goals and risk tolerance. If volatility in financial markets has caused your investments to drift away from your target allocations, it may be time to consider rebalancing them. Your Morgan Stanley Financial Advisor, can help you make the necessary adjustments to bring your portfolio back in line with your overall investing strategy and prepare for any changes in economic and market conditions ahead.

2. **Plan for Your Tax Return**

Whether or not you live in a state with high taxes, consider how mitigating the impact of taxation on your portfolio can help you build and sustain your wealth over time. For example, a tax-aware asset location strategy, which accounts for differences in the tax treatment of various accounts, may help increase after-tax returns. For taxable accounts, a strategy known as tax-loss harvesting can help mitigate taxes on capital gains while also maintaining your diversification goals.

If you're working, make sure you're fully funding your employer-sponsored retirement plan, such as a 401(k), since your contributions can be made on a pretax basis. In 2025, you can save up to $23,500 through your 401(k) plan, with up to $7,500 in additional contributions for those age 50 or older. Those age 60 to 63 can contribute a total of $34,750.

Separately, for the 2025 tax year, you can save up to $7,000 in an individual retirement account (IRA), plus an additional $1,000 if you are age 50 or older.[1] You have until April 15, 2026, to make IRA contributions for the 2025 tax year.

3. **Update Your Estate Plan**

You may want to consider periodically updating your wills and other estate planning documents. Year-end can be a good time to review the changes the past year brought to your family, as well as your overall estate plan, to ensure it still reflects your situation and goals.

Those planning to give financial gifts to family members should keep in mind the annual gift tax exclusion limit of $19,000 for 2025 ($38,000 for couples) and look to make those gifts before year-end. The federal estate tax exclusion amount for 2025 is $13.99 million per person or $27.98 million per couple. Note, however, that states with an estate tax may have a lower estate tax exclusion amount. Given that, you may want to make gifts to family members today to help them with their own finances. Strategies for such gifting may include gifting assets to establish one or more irrevocable trusts or establishing or contributing to 529 accounts that can be used to pay for education expenses for family members or directly paying an educational institution the tuition for family members.

4. **Plan Your Charitable Giving**

During the holidays, many feel the call to give back through charity. When making your gifting plans, you need to also decide whether you want to give cash, appreciated securities or through a gift of your volunteer time.

Another option for giving back is a donor-advised fund, which provides potential tax advantages while helping you support your favorite causes. If you're serious about creating a more substantial structure and commitment, you might consider establishing a family foundation, which would allow your entire family to engage in philanthropy.

5. **Rethink your holiday budget**

Holiday shopping and travel often come with increased expenses, making it important to plan ahead financially. Before buying gifts for everyone on your list during this spending season, consider first setting a budget, keeping in mind any service providers and special people in your life to whom you'd like to give holiday bonuses.

Talk with your Morgan Stanley Financial Advisor to discuss your year-end plans.

Footnotes:

[1] Source: *IRS.gov – Retirement Topics – IRA Contribution Limits*

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CRC#4730362 (08/2025)
