



Fall Planning for Your Finances

Sep 6, 2024

Learn the money moves you can make this fall to set yourself up for success in 2025 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 2025 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 2025?

For your finances, here are four moves you can make in the final months of 2024 to help set yourself up for success in 2025 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 in a way that fits your goals and risk tolerance. If the recent 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.

If you're not doing so already, consider fully funding your employer-sponsored retirement plan, such as a 401(k), since your contributions can be made on a pretax basis. In 2024, you can save up to \$ 23,000 through your 401(k) plan, with up to \$7,500 in additional contributions for those age 50 or older. Separately, for the 2024 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

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 \$18,000 for 2024 (\$36,000 for couples) and look to make those gifts before year-end. Though the federal estate tax deduction rose to \$13.61million per person in 2024, individual states often have lower exemptions. Given that, you may want to share some of your estate with your family today to help them with their own finances. Strategies for this may include setting up [trusts](#) gifting to reduce your overall estate tax liability and providing for education expenses for family members through a [529 plan](#) or directly paying their tuition to an institution.

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

Especially given recent inflation, holiday shopping and travel may cost more this year. Before buying gifts for everyone on your list, consider first setting a budget for planned year-end spending, also 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*

Disclosures:

When Morgan Stanley Smith Barney LLC, its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors (collectively, “Morgan Stanley”) provide “investment advice” regarding a retirement or welfare benefit plan account, an individual retirement account or a Coverdell education savings account (“Retirement Account”), Morgan Stanley is a “fiduciary” as those terms are defined under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and/or the Internal Revenue Code of 1986 (the “Code”), as applicable. When Morgan Stanley provides investment education, takes orders on an unsolicited basis or otherwise does not provide “investment advice”, Morgan Stanley will not be considered a “fiduciary” under ERISA and/or the Code. For more information regarding Morgan Stanley’s role with respect to a Retirement Account, please visit www.morganstanley.com/disclosures/dol. Tax laws are complex and subject to change. Morgan Stanley does not provide tax or legal advice. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a Retirement Account, and (b) regarding any potential tax, ERISA and related consequences of any investments or other transactions made with respect to a Retirement Account.

Asset Allocation and rebalancing do not assure a profit or protect against loss in declining financial markets.

The Morgan Stanley Global Impact Funding Trust, Inc. (“MS GIFT, Inc.”) is an organization described in Section 501(c) (3) of the Internal Revenue Code of 1986, as amended. MS Global Impact Funding Trust (“MS GIFT”) is a donor-advised fund. Morgan Stanley Smith Barney LLC provides investment management and administrative services to MS GIFT.

Morgan Stanley offers a wide array of brokerage and advisory services to its clients, each of which may create a different type of relationship with different obligations to you. Please consult with your Financial Advisor to understand these differences, or review our “Understanding Your Brokerage and Investment Advisory Relationships” brochure available at <https://www.morganstanley.com/wealth-relationshipwithms/pdfs/understandingyourrelationship.pdf>.

Morgan Stanley Smith Barney LLC does not accept appointments nor will it act as a trustee but it will provide access to trust services through an appropriate third-party corporate trustee.

Morgan Stanley Smith Barney LLC (“Morgan Stanley”), its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors do not provide tax or legal advice. Clients should consult their tax advisor for matters involving taxation and tax planning and their attorney for matters involving trust and estate planning, charitable giving, philanthropic planning and other legal matters.

Investors should carefully read the Program Disclosure statement, which contains more information on investment options, risk factors, fees and expenses, and possible tax consequences before purchasing a 529 plan. You can obtain a copy of the Program Disclosure Statement from the 529 plan sponsor or your Financial Advisor.

Investments are subject to market risk and may fluctuate in value. Before investing, investors should consider whether tax or other benefits are only available for investments in the investor's home-state 529 college savings plan.

Morgan Stanley Smith Barney LLC is not implying an affiliation, sponsorship, endorsement with/of the third party website or that any monitoring is being done by Morgan Stanley Smith Barney LLC ("Morgan Stanley") of any information contained within the website. Morgan Stanley is not responsible for the information contained on the third party website or the use of or inability to use such site. Nor do we guarantee their accuracy or completeness.

©2023 Morgan Stanley Smith Barney LLC. Member SIPC.

CRC# 3792418 (08/2024)