

L-H LEADS

Boxes to Check

Best practices for wrapping up the year

By **Damon S. Winter**

As direct collaboration with clients tends to slow down during the holiday season, the end of the year is a convenient opportunity for reflection.

December provides ample time for advisers to set up review meetings with staff and engage in self-evaluation. By taking advantage of this opening in your calendar, advisers can set themselves up for a successful 2024.

The end of the year should not be all that financially different for clients. While celebrations like Christmas or Hannukah often bring extra spending on gifts, this ideally would be planned for in advance. Also, contributions to savings accounts, retirement funds or permanent life insurance policies do not need to change for the holidays.

However, there are a couple of boxes to check for clients who may not have evenly spread their financial needs and goals over the year. First, ensure retired clients take required minimum distributions (RMDs) from individual retirement accounts (IRAs) or other retirement accounts. Any clients who were 72 years old or older on Jan. 1, 2023, must take their year-end RMDs from any retirement accounts except Roth IRAs by Dec. 31, 2023.

Younger clients should focus on spending down any flexible savings accounts (FSAs) they have for health care or transit. Many of these accounts have annual “use it or lose it” policies. They may also want to increase their year-end retirement contributions. Further, clients of all ages may wish to take advantage of tax-loss harvesting opportunities to offset investment gains.

Other matters, like life insurance, should be left until the new year. Most clients do not want to talk to their financial advisers between Thanksgiving and January, so reserve any holiday season calls for time-sensitive matters or friendly client connections. Advisers often stress the importance of good communication for good client

relationships—and that means knowing when not to talk to clients.

If they haven’t already, advisers should take some time in December to map out plans and goals for the upcoming year. These plans should include how to monitor progress. I have a monthly meeting called “Focus Friday” with my staff, where we get together to discuss our accomplishments, disappointments and ongoing or future projects. These meetings help all of us stay organized and help us avoid fixating on the negatives, which many people are predisposed to do.

December can also be a good time to plan out and stagger future client meetings, as I learned from a fellow MDRT Top of

the Table member. Many people like the idea of making big plans in January, but advisers will save themselves some heartache if they properly space out annual client reviews over the year instead.

The end of the year gives financial advisers some rare time to think about the next steps. Applied properly, advisers can give themselves and their clients a head start for the year ahead before enjoying the holidays.

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