

ST. GERMAIN WEALTH MANAGEMENT GROUP



End-of-the-Year Money Moves

Here Are Some Things You Might Consider Before Saying Goodbye to 2025

What has changed for you in 2025? For some, this year has been as complicated as learning a new dance. Did you start a new job or leave a job behind? That's one step. Some bigger changes, especially those in the family, are practically a pirouette. If notable changes occurred in your personal or professional life, you may want to review your finances before this year ends and 2026 begins. Proving that you have all the right moves in 2025 might put you in a better position to tango with 2026.

Even if your 2025 has been relatively uneventful, the end of the year is still a good time to get cracking and see what changes may need to be made.

Do you engage in tax-loss harvesting? That's the practice of taking capital losses (selling securities worth less than what you first paid for them) to manage capital gains. If you are thinking about this move, consider seeking some guidance from a professional who can provide insights.

In fact, you could even take it a step further. Consider that up to \$3,000 of capital losses in excess of capital gains can be deducted from ordinary income, and any remaining capital losses above that amount can be carried forward to offset capital gains in upcoming years.¹

Keep in mind this article is for informational purposes only and is not a replacement for real-life advice. Please consult your tax professional before modifying your tax strategy.

Deductions

Do you want to itemize deductions? You may just want to take the standard deduction for the 2025 tax year, which has risen to \$15,750 for single filers and \$31,500 for joint. If you think it might be better to itemize, now would be a good time to get the receipts and assorted paperwork together.²

Gifting

Are you thinking of gifting? How about donating to a qualified charity or non-profit organization before 2025 ends? Your gift may qualify as a tax deduction. For some gifts, you may be required to itemize deductions.³

Estate Strategy

While we're on the topic of year-end moves, why not take a moment to review a portion of your estate strategy? Specifically, take a look at your beneficiary designations. If you haven't reviewed them for some time, double-check that these assets are structured to go where you want them to, should you pass away. Lastly, look at your will to see that it remains valid and up-to-date.

Withholding

Check on the amount you have withheld. If you discover that you have withheld too little on your W-4 form so far, you may need to adjust your withholding before the year ends.

What can you do before ringing in the New Year? New Year's Eve may put you in a dancing mood, eager to say goodbye to the old year and welcome 2026. Please do it now rather than in February or March. Little year-end moves might help you improve your short-term and long-term financial situation.

Sources:

1. IRS.gov, 2025
2. IRS.gov, 2025
3. IRS.gov, 2025