

MOLDENHAUER & ASSOCIATES

NOVEMBER NEWSLETTER

Editor: Richard C. Moldenhauer, CLU, CEP, RFC Chartered Financial Consultant

WISE DECISIONS WITH RETIREMENT IN MIND

P. 2

ARE CAPITAL GAINS TAXES CHANGING?

P. 2

END-OF-THE-YEAR MONEY MOVES

P. 3

The year is flying by. It has been a good year for our firm despite the challenges of COVID, a disorganized political environment, and significant inflation that hurts everyone. We are getting ready to do the 2nd floor remodeling to improve work conditions for the staff and advisors.

I am writing this in the last week of October while Kathy and I are in WNY for our new grandson's baptism. It was nice to get together with family and friends. Let me report that the airports are busy, and many systems are not operating efficiently.

On the other hand, the good news is that people can travel again. I hope that we can all get back to some degree of normalcy with travel and our lives, in general.

This could be an appropriate time to review personal and business financial planning. As most people are aware, the inflation we are experiencing is not short term as the politicians in charge have been boasting. In my professional opinion, next year's inflation will possibly exceed what we are presently dealing with. Big things like costs related to driving, food, clothing, and taxation will increase in 2022.

This inflation will have a serious negative effect on the working and retired middle class. As a concerned American, you should be willing to analyze what is coming and speak out against the massive expansion of the government takeover of our lives. There has never been a free lunch and there will never be such a thing.

If you want to protect your liberty and what you have worked to achieve, become as informed as possible. Once you have an understanding of what is occurring, back whatever you choose, but be informed.

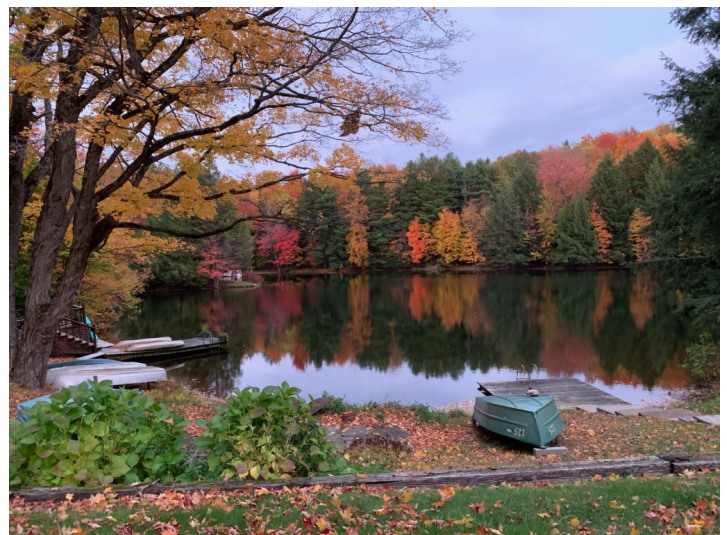
There has been talk recently that the proposed "billionaires tax" would cover the cost of the new handouts, cover healthcare and housing for 2 million illegals. The numbers don't come close to working. You can start developing both a strategy for the future and a clearer value statement once you know the facts.

I apologize for talking about serious, and perhaps, scary things that are happening around each of us.

Before I close below is a nice picture of a fall day in WNY.

Richard Moldenhauer

Richard Moldenhauer



WISE DECISIONS WITH RETIREMENT IN MIND

Certain financial & lifestyle choices may lead you toward a better future.

Some retirees succeed at realizing the life they want; others don't.

Fate aside, it isn't merely a matter of investment decisions that makes the difference. There are certain dos and don'ts – some less apparent than others – that tend to encourage retirement happiness and comfort.

Retire financially literate.

Some retirees don't know how much they don't know. They end their careers with inadequate financial knowledge, and yet, feel they can prepare for retirement on their own. They mistake creating a retirement income strategy with the whole of preparing for retirement, and gloss over longevity risk, risks to their estate, and potential health care expenses. The more you know, the more your retirement readiness improves.

A goal to retire debt free – or close to debt free?

Even if your retirement savings are substantial, you may want to consider reviewing your overall debt situation.¹

Retire with purpose.

There's a difference between retiring and quitting. Some people can't wait to quit their job at 62 or 65. If only they could escape and just relax and do nothing for a few years – wouldn't that be a nice reward? Relaxation can lead to inertia, however – and inertia can lead to restlessness, even depression. You want to retire to a dream, not away from a problem.

The bottom line? Retirees who know what they want to do – and go out and do it – are positively contributing to their mental health and possibly their physical health as well. If they do something that is not only vital to them, but important to others, their community can benefit as well.

Retire healthy.

Smoking, drinking, overeating, a dearth of physical activity – all these can take a toll on your capacity to live life fully and enjoy retirement. It is never too late to change habits that may lead to poor health.

Retire where you feel at home.

It could be where you live now; it could be a nearby place where the scenery and people are uplifting. If you find yourself lonely in retirement, then look for ways to connect with people who share your experiences, interests, and passions; those who encourage you and welcome you. This social interaction is one of the great, intangible retirement benefits.

Richard Moldenhauer may be reached at 716-662-4361.

Provided by Richard C. Moldenhauer, CLU, CEP, RFC, ChFC

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

Securities and advisory services offered through Commonwealth Financial Network, Member FINRA/SIPC, a Registered Investment Advisor, Fixed Insurance products and services offered through Moldenhauer and Associates.

Citations

1. CNBC.com, December 2, 2020

ARE CAPITAL GAINS TAXES CHANGING?

Reach out if you have any concerns about capital gains taxes.

There are a lot of questions about President Biden's Build Back Better plan and potential tax law changes, including an adjustment to capital gains taxes.

One of the proposals Congress is considering sets the top rate for taxing capital gains at 25%, up from 20% under current law. Another would raise the capital gains tax rate to 39.6% for taxpayers earning \$1 million or more. Still another would make the change to capital gains tax retroactive, with a start date of April 2021.^{1,2}

At this point, many ideas are being considered as legislators look for ways to raise revenue to help pay for the Build Back Better plan. Corporate tax rates, individual tax rates, estate tax rules also are on the negotiating table.

As difficult as it may be, the best approach is to wait and see. It would be hasty to make any portfolio changes based on current discussions. An ambitious investor would have to guess what policies will be in the final bill, estimate the financial impact, and determine any needed portfolio changes. That's a tall order.

So please, reach out if you have any concerns about capital gains taxes.

It can be challenging to wait for Congress to act, and you may feel a bit helpless with so many pending proposals. We work with professionals who are watching every move in Washington, and we may be able to offer some insight that addresses your most pressing questions.

Richard Moldenhauer may be reached at 716-662-4361.

Provided by Richard C. Moldenhauer, CLU, CEP, RFC, ChFC

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

This article is for informational purposes only and is not a replacement for real-life advice, so make sure to consult your tax, legal, and financial professionals before modifying your capital gains tax strategy.

Securities and advisory services offered through Commonwealth Financial Network, Member FINRA/SIPC, a Registered Investment Advisor, Fixed Insurance products and services offered through Moldenhauer and Associates.

Citations

1. Bloomberg.com, September 13, 2021

2. Bloomberg.com, June 16, 2021

END-OF-THE-YEAR MONEY MOVES

Here are some things you might consider before saying goodbye to 2021.

What has changed for you in 2021?

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. Did you retire? There's another step. If notable changes occurred in your personal or professional life, then you may want to review your finances before this year ends and 2022 begins. Proving that you have all the right moves in 2021 might put you in a better position to tango with 2022.

Even if your 2021 has been relatively uneventful, the end of the year is still a good time to get cracking and see where you can manage your overall personal finances.

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

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. You might want to consider this move, but it should be made with the guidance of a financial professional you trust.¹

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

Do you want to itemize deductions?

You may just want to take the standard deduction for the 2021 tax year, which has risen to \$12,550 for single filers and \$25,100 for joint. If you do think it might be better for you to itemize, now would be a good time to get the receipts and assorted paperwork together.^{2,3}

Are you thinking of gifting?

How about donating to a qualified charity or non-profit organization before 2021 ends? Your gift may qualify as a tax deduction. For some gifts, you may be required to itemize deductions using Schedule A.⁴

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 to see that these assets are structured to go where you want them to go, should you pass away. Lastly, look at your will to see that it remains valid and up-to-date.

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 move, eager to say goodbye to the old year and welcome 2022. Before you put on your dancing shoes, consider speaking with a financial or tax professional. 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.

Richard Moldenhauer may be reached at 716-662-4361.
Provided by Richard C. Moldenhauer, CLU, CEP, RFC, ChFC

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

Securities and advisory services offered through Commonwealth Financial Network, Member FINRA/SIPC, a Registered Investment Advisor, Fixed Insurance products and services offered through Moldenhauer and Associates.

Citations

1. Investopedia.com, January 8, 2021
2. NerdWallet.com, April 12, 2021
3. Investopedia.com, August 23, 2021
4. Investopedia.com, December 28, 2020

TOYS FOR TOTS CAMPAIGN

Once again, Moldenhauer & Associates is going to do our part to give the many disadvantaged children in WNY a very Merry Christmas. Please consider donating to this worthwhile cause. When you enter our waiting area, **from November 1st through December 14th**, you will see a Toys For Tots display that is sponsored by the Marine Corps Reserve of WNY.

If you're coming in for a scheduled appointment with one of our financial advisors, or if you just happen to be in the neighborhood, please make it a point to stop by and add a new, unwrapped toy to the barrel. The Christmas season is one of good will and cheer. Help us do our part to send the spirit of Christmas to as many children as we can. Let us all make a difference that counts.



UPCOMING EVENTS:

Our upcoming seminars are at:

SEMINARS ARE TEMPORARILY ON HOLD.

Please visit our website at www.moldenhauerassociates.com for updates.

We encourage clients who live in the area to consider attending with a friend or two. We find that the best way to introduce new potential clients to our firm is when an existing client brings a friend to one of our seminars. As you know, these are informational/educational events. We are not there to convince people that we are the only firm to consider working with. Rather, we do believe that our firm offers a quality opportunity for those people looking for a new advisor relationship. Please consider attending an upcoming seminar in your neighborhood with a friend. You may register for a seminar by calling 716-662-4361 or through our website at www.moldenhauerassociates.com.

Securities and advisory services offered through Commonwealth Financial Network, Member FINRA/SIPC, a Registered Investment Advisor, Fixed Insurance products and services offered through Moldenhauer and Associates.

Privacy & Security

Trust is at the heart of every successful, ongoing relationship. At Moldenhauer & Associates, earning and keeping your trust is the standard for everything we do. Because of this commitment, we never sell, rent or trade e-mail addresses with any other company. We use e-mail addresses furnished by our clients and potential clients strictly for sending newsletters and client communication.

Before investing, carefully consider the investment objectives, limitations, risks, fees and expenses of the products and any underlying investment options. This information can be found in the product prospectuses. Copies are available from our office. Please read carefully before investing.