NOVEMBER2020

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# MOLDENHAUER & ASSOCIATES

# NOVEMBERNEWSLETTER

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While autumn has arrived in WNY, we still have almost 2 months before one of the most unusual years of my lifetime is beyond us. It has been a tough year for most Americans. It has been a tough year for most businesses. Experts say that an extremely high percentage of small businesses will go out of business. This is particularly true of small retailers and restaurants. Let me encourage you to support your local small businesses. I, personally, try to buy locally even if I can get an item less expensive through Amazon or another internet provider.

I received a picture from my summer neighbor. Look at the colors in the beautiful WNY picture. We are fortunate to live in such a beautiful area.

We are having a respectable year at Moldenhauer & Associates. We have taken advantage of the unavoidable slow-down by giving our offices a "face lift". Most updates on the 1st floor are done. Next year, Brett will focus on the 2nd floor. Overall, we are happy with the changes that have happened.

As most clients know, Moldenhauer & Associates provides regular education/introduction seminars for clients and invited members of the public. We have not held any of these functions since the beginning of the Corona Virus pandemic. We hope to start holding these functions again after the new year begins. We will address this in future newsletters.

Our entire staff is working and the attitude at the office is excellent. Also, our new associate, Ja, is making great progress in becoming part of the team.

With more and new information becoming available related to the Coronavirus, it is important that we all carefully reintegrate back into the real world. We have all been wearing PPE, using hand sanitizer, and being careful in public. The experts are changing the story. Now they are saying it is a mistake to "lock-down" and isolate. Please, be careful as you start getting back to your normal life.

I hope you and your family have a save and enjoyable Thanksgiving. Don't forget to support the "Toys for Tots" campaign. The drop off box is located in our lobby.

*Richard Moldenhauer*

Richard Moldenhauer

# CONQUERING RETIREMENT CHALLENGES FOR WOMEN

*Looking ahead can help you conquer these unique obstacles.*

When it comes to retirement, some women face obstacles that can make saving for retirement a challenge. Women typically earn less than their male counterparts and often take time out of the workforce to care for children or other family members. Added to the fact that women typically live longer than men, retirement money for women may need to stretch even further.[1]

Despite these challenges, there are a lot of reasons to be hopeful.[2]

## Review your existing situation.

Do you want to spend your years traveling together, or do you envision staying closer to home? Are you seeing yourself moving to a retirement community, or do you want to live as independently as you can? Sit down with your spouse, if you're married, to discuss your visions for retirement.

You can't see if you're on track for your goals if you haven't defined them. And if you find you're falling short of where you want to be, you can work together to strategize about how you can either get to where you want to go or to adjust your strategy so that it fits your existing situation.[1]

## Get creative.

These challenges don't have to stop you from saving for retirement if you're willing to get creative. If you plan to or have taken off time from the workforce, try and increase your contributions to your retirement accounts while you are working. If you're staying home while your spouse works, you may be able to contribute to an individual retirement account.[3]

Under the SECURE Act, once you reach age 72, you must begin taking required minimum distributions from a Traditional Individual Retirement Account and other retirement plans in most circumstances.  Withdrawals from Traditional IRAs are taxes as ordinary income and, if taken before age 59½, may be subject to a 10% federal income tax penalty. Under the CARES Act, the 10% penalty may be waived in 2020. Traditional IRA may be fully or partially deductible, depending on your adjusted gross income.

## If you're caregiving for an elderly relative, there are ways to be paid for your time.

According to AARP, the Veteran's Administration or Medicaid may be a potential source of income. Working with a professional who has expertise in this field can help you navigate the complicated medical structure while also helping you earn income for work that you're doing.[3]

## Get involved.

One of the best things you can do is to get involved in conversations about finances. Many women undervalue their knowledge in this area and having regular conversations with your spouse, family, and financial professional can help ensure that you always know where things stand.[3]

While women may face additional challenges, careful preparation with your financial professional may help you to live a fulfilling retirement.

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



Citations.

1. CNBC.com, March 6, 2020

2. Entrepreneur.com, August 13, 2020

3. MarketWatch.com, March 6, 2020

## HAVE A BLESSED THANKSGIVING!

**Thanksgiving is fast approaching. We really have a lot to be thankful for, this year and every year: the beauty, love and laughter available in the world; the level of prosperity and freedom we enjoy, and the men and women who serve our country and our communities so that it may continue; and the opportunities and gifts life offers us daily.**

**Moldenhauer & Associates wishes you and your loved ones the very best this Thanksgiving. Have a safe and special holiday and a great celebration.**

# END-OF-THE-YEAR MONEY MOVES

*Here are some things you might consider before saying goodbye to 2020.*

## What has changed for you in 2020?

For many, 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. Did you start a family? That's practically a pirouette. If notable changes occurred in your personal or professional life, then you may want to review your finances before this year ends and 2021 begins. Proving that you have all of the right moves in 2020 might put you in a better position to tango with 2021.

Even if your 2020 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 2020 tax year, which has risen to $12,400 for single filers and $24,800 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]

## Could you ramp up your retirement plan contributions?

Contribution to these retirement plans may lower your yearly gross income. If you lower your gross income enough, you might be able to qualify for other tax credits or breaks available to those under certain income limits.[4]

## Are you thinking of gifting?

How about donating to a qualified charity or non-profit organization before 2020 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 2021. 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.

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



Citations.

1. Investopedia.com, April 18, 2020
2. NerdWallet.com, July 17, 2020
3. Investopedia.com, May 22, 2020
4. Investopedia.com, July 14, 2020

## UPCOMING EVENTS:

Our upcoming seminars are at:

## UPCOMING SEMINAR SITES AND DATES TO BE DETERMINED SOON.

**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.