

MAY  
JUN  
2025

HW

HOBART WEALTH

# the wealthologist WISDOM

## NEWS YOU CAN USE

### Summer Tax Tune-Up: 5 Tips to Help You Save

Summer isn't just for vacations and barbecues — it's also the perfect time to revisit your tax strategy and set yourself up for a smoother, more stable year ahead. Here are five essential mid-year tax tips to keep your finances in top shape.

#### 1. Adjust Tax Withholding and Payments

Changes in income — like starting Social Security or withdrawing from retirement accounts — can affect your tax liability. Reassess your withholding or estimated payments now to avoid penalties or overpayments. If you need assistance, we can help you adjust and keep things on track.

#### 2. Max Out Retirement Contributions

Take advantage of the extra \$7,500 catch-up allowance for workplace plans if you're 50 or older. Consider topping off a Roth or Traditional IRA if you have earned income. These moves can either lower your taxable income or grow your savings tax-free, depending on the account type.

#### 3. Donate Smarter

If you're 70½ or older, use qualified charitable distributions (QCDs) to donate directly from

your IRA without adding to taxable income. Younger retirees can explore options like donating appreciated stock or grouping gifts to exceed the standard deduction.

#### 4. Plan Your RMDs

If you're 73 or older, make sure you've factored in required minimum distributions (RMDs). Missing them can trigger penalties, and consolidating accounts could simplify calculations. Redirect unneeded RMDs to reinvestments or even save for grandkids' education.

#### 5. Claim Energy Tax Credits

Upgrading to energy-efficient home improvements like solar panels or heat pumps can lower your utility bills and provide tax savings. Federal credits for 2025 offer up to 30% of the cost.

#### Beat the (Tax) Heat

Mid-year tax planning doesn't have to be overwhelming, especially with the right guidance. We're here if you'd like to discuss these strategies and ensure you're on the best path for a financially stress-free 2025.



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## Smart Strategies for Company Stock

If you're in your 50s or beyond and have watched your employer's stock surge in an ESOP or 401(k), you may feel both relief and anxiety. On one hand, a single security delivering steady growth can be gratifying. On the other, relying so heavily on one company carries serious risk. Even solid corporations can stumble, and if a downturn strikes just before you retire, you might not regain lost ground.

Concentration risk occurs when a large segment of your retirement savings is tied to one stock. You needn't be an executive to face this: long-term employees often build substantial holdings of employer shares through consistent contributions. Any sudden market shift, industry change, or regulatory challenge could send a once-thriving stock plummeting. Diversification is the shield against such scenarios. By distributing funds across various companies and asset types, you protect yourself from one security's collapse. If your employer's stock continues soaring, you can still benefit—just not at the expense of your entire portfolio.

Emotional factors can complicate diversification. Selling shares in a company you've supported for years might feel disloyal. Yet diversification isn't about doubting your firm's potential; it's about safeguarding decades of savings. Near-retirees often can't wait out a long slump in a single stock, so it's prudent to balance loyalty with risk management.

Taxes add an extra layer of complexity. If you've watched your employer's stock climb in a retirement plan, you might qualify for Net Unrealized Appreciation (NUA). NUA refers to the difference between the stock's original cost basis and its higher market value. If you meet certain conditions, you can move shares to a taxable account, paying ordinary income tax only on the cost basis. The accumulated gains then face long-term capital gains rates once sold, which are often lower than income tax rates. This approach can save significant sums if you've built a large position over many years.

Still, NUA isn't guaranteed for everyone. You generally must take a lump-sum distribution from your plan in one tax year, often after leaving your job or reaching age 59½. A small mistake, like tapping

your account early, can nullify eligibility. Every 401(k) or ESOP has unique rules, so many people consult a tax professional to confirm whether NUA is worthwhile.

Even if you leverage NUA, you're not immune to market volatility. Moving shares into a taxable account won't fix concentration risk if you keep holding them. Some retirees sell immediately to capture gains and diversify, while others wait, hoping the stock will rise further. Each choice carries pros and cons: selling early might forfeit future upside, but holding longer could mean a devastating drop if the market turns. A financial advisor can help map out a plan aligned with your goals, timeline, and comfort level.

Approaches to diversification vary. One method is gradually selling employer stock over time, distributing any capital gains tax impact. Another is a swift sell-off, eliminating the risk of a single-stock concentration right away. Either way, the goal is a balanced mix of assets—potentially including equities, bonds, or alternatives like real estate. What's best depends on factors such as risk tolerance, anticipated retirement age, and how optimistic you are about your firm's outlook.

Plan details matter too. ESOPs and 401(k)s often impose specific guidelines on withdrawals, vesting, or penalties. A single misstep could trigger extra taxes. Talking to a CPA or financial advisor can illuminate hidden pitfalls and highlight how different scenarios might affect your bottom line. Ultimately, the choice between NUA or staying with a large position in employer stock hinges on weighing tax advantages against the danger of a price crash. For older workers, a substantial loss is harder to recover from, so diligence is key.

No universal formula exists. Some find that NUA plus a phased sale works best, merging tax efficiency with reduced concentration risk. Others prefer rolling everything into an IRA and diversifying steadily. Regardless, diversification remains a cornerstone of prudent investing, shielding your nest egg from the volatile forces that can strike even top-performing stocks. By assessing NUA eligibility, planning how and when to sell, and staying alert to plan-specific rules, you can build a safer path toward retirement.



## Savor the Season at Your Local Farmers' Market

Nothing says summer quite like a stroll through your local farmers' market. Whether you're a lifelong marketgoer or a curious first-timer, master the art of shopping for fresh, seasonal produce while enjoying everything your local market has to offer.

### SELECTING FRESH PRODUCE

- **Ask Questions:** Don't hesitate to chat with vendors. Ask how the produce was grown, when it was harvested or even how to cook it. Farmers are often eager to share their knowledge.
- **Bring the Right Tools:** Come prepared with reusable bags, a sturdy basket or a collapsible cart to carry your bounty. Bring small bills for hassle-free transactions.
- **Taste Before You Buy:** Many farmers offer samples of their produce — take advantage of this to ensure sweetness, ripeness and overall quality.



### INTERACTING WITH VENDORS

- **Build Relationships:** Vendors recognize repeat customers and are often happy to offer tips, recipes or even a heads-up on upcoming seasonal items.
- **Timing is Everything:** Arrive early for the best selection or visit later in the day when vendors might offer discounts to clear their inventory.
- **Polite Negotiations:** While some vendors may entertain price flexibility, remember that this is their livelihood. Keep any bargaining respectful and fair.

Shopping at your local farmers' market is all about celebrating the season, supporting local growers and finding joy in life's simple pleasures. So, grab your basket, head to the market and savor every moment — and bite — this summer!

## HOW TO ... ID Invisibility

Identity thieves want your money, and they've got many ways to access it. Use these tips to keep your info hidden.

### Old School – Guard Your Paper

We still have physical documents to protect. Avoid carrying your Social Security card everywhere you go. Also, continue to shred sensitive documents you no longer need.<sup>1</sup>

### Modern – Password Protection

Birthdays and pet names just won't cut it. Use strong, unique passwords for each account and enable two-factor authentication to verify your identity after entering your password.<sup>2</sup>

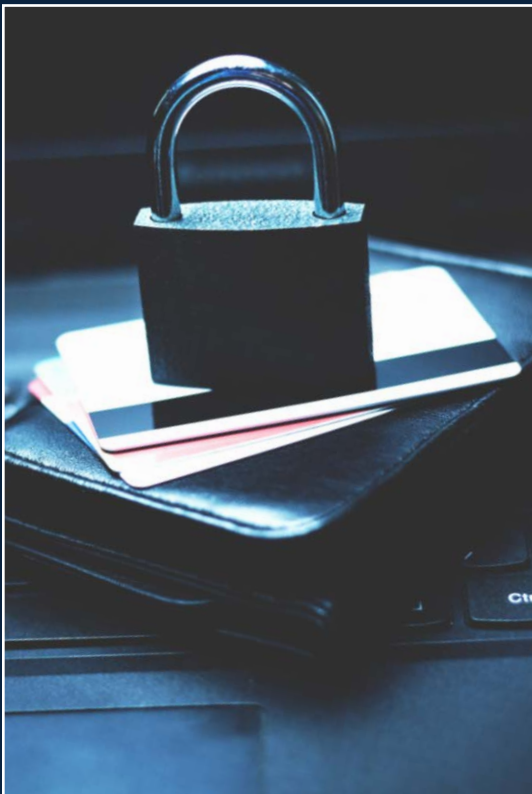
### New – Verify the Voices

Artificial intelligence can now cleanly clone voices to impersonate friends, family or bank reps. Fake voice or not, if it's asking for sensitive information, be skeptical.<sup>2</sup>

**Want more?** Every state has a consumer protection division, typically through the attorney general's office. Financial advisors will also include financial security in their workshop topics.

<sup>1</sup> State of California Dept. of Justice. <https://oag.ca.gov/idtheft/facts/top-ten>. Accessed Jan. 7, 2025.

<sup>2</sup> U.S. News & World Report. <https://www.usnews.com/banking/articles/how-banks-are-working-to-protect-you-from-fraud>. Accessed Jan. 7, 2025.





## DOLLARS & SENSE

### Countdown to Retirement: Timing Is Everything

Whether you're decades away or counting down the years, hitting specific financial checkpoints at different stages will help ensure a smoother transition into retirement. Here's a quick, decade-by-decade guide to help you stay on track.

#### YOUR 50s

Now is the decade to assess where you stand financially and determine what adjustments are necessary to meet your goals.

- **Help Maximize Your Retirement Contributions:** Take full advantage of catch-up provisions for 401(k)s and IRAs once you're 50 or older. These allow you to contribute more than the standard limits, giving you extra space to boost your savings.
- **Evaluate Health Insurance:** Start thinking about how you'll handle health care costs in retirement and identify any potential gaps before you become eligible for Medicare at 65. Research long-term care insurance while it's more affordable.
- **Check Your Social Security Projections:** Use the Social Security Administration's tools to review your future benefits. This helps you plan and decide whether delaying claims would benefit you financially.
- **Draft a Preliminary Retirement Budget:** Estimate your future living expenses, accounting for inflation, health care and leisure activities like travel or hobbies.

#### YOUR 60s

Decide when you'd like to retire and create a clear plan for switching from saving to spending.

- **Make Social Security Decisions:** You can start collecting benefits as early as 62, but waiting until your full retirement age (or even 70) results in higher monthly payouts. Consider the long-term trade-offs before claiming early.
- **Enroll in Medicare:** At 65, you're eligible for Medicare. Missing your enrollment window can lead to permanent

penalties, so mark your calendar and investigate supplemental plans like Medigap or Medicare Advantage.

- **Create a Retirement Withdrawal Strategy:** Shift your focus from accumulating savings to managing withdrawals. Consider strategies like the bucket approach (dividing assets into short- mid- and long-term categories).
- **Reassess Your Investment Portfolio:** Adjust your portfolio to minimize risk while maintaining enough growth to offset inflation and fund your retirement for decades.
- **Plan for Unpredictability:** Include contingency plans for medical emergencies, market downturns or living beyond your projected lifespan.

#### BEYOND THE 60s

Retirement isn't static — it evolves. Stay flexible and be prepared to adapt as your expenses or needs change.

- **Start Required Minimum Distributions (RMDs):** The IRS requires retirees to take RMDs from most retirement accounts by age 73. Plan ahead to ensure these withdrawals fit into your tax strategy.
- **Focus on Longevity Planning:** Retirees are living longer than ever. Stretch your savings with conservative withdrawal rates, guaranteed income options like annuities or low-risk investments.
- **Optimize Legacy Planning:** Consider tax-efficient strategies like gifting assets to loved ones during your lifetime or using qualified charitable distributions (QCDs) from your IRA to fulfill philanthropic goals.

#### ACROSS ALL DECADES

No matter your stage of life, there are some constant rules to follow when planning for retirement. Stay engaged through continued financial literacy. Laws, tax rules and retirement account regulations can change, so staying informed is essential. Remember, you can always reach out with any questions.

# Cutting Energy Bills During Hot Months – What Works?

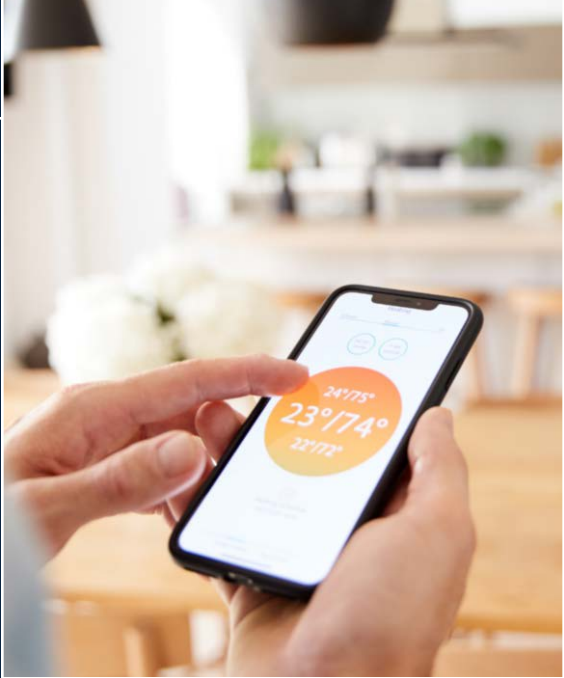
Are you expecting some heat on your summer energy bills? Don't sweat it — there are plenty of ways to keep your energy costs in check! Here's a mix of quick tips and long-term options.

## QUICK TIPS

- **(Do) Touch the Thermostat:** Raise the temperature a few degrees when you're not home or while sleeping and consider a smart thermostat to automate these changes.
- **Non-Edison:** Replace old incandescent lightbulbs with energy-efficient LEDs. According to the U.S. Department of Energy, they can use up to 90% less energy and last up to 25 times longer.
- **Make Laundry a Cool Chore:** Washing clothes in cold water is just as effective for cleaning, and it saves the energy otherwise used to heat water.

## LONG-TERM OPTIONS

- **Keep It on the Level:** Many utilities offer level-pay plans, which average your energy bill over the year, so you're not hit with high costs during peak usage. This helps with budgeting on a fixed income.
- **State Your Case:** Many states offer programs to help retirees reduce energy costs. From utility rebates to energy-efficiency upgrades, it pays to explore local assistance programs.
- **Celebrate Arbor Day:** Plant fast-growing trees or shrubs around your home to block sunlight naturally. The shade can potentially lower cooling costs in the future.



## BOTTOM LINE

By combining small tweaks with bigger projects, you can change your energy usage. Every step counts! Find dozens more tips through your local utility company and the U.S. Department of Energy at [www.energy.gov/energysaver](http://www.energy.gov/energysaver).

**AND,** if managing energy costs is just one piece of your financial puzzle, consider reaching out to your financial advisor for personalized guidance. We can help provide insights not only on income budgeting but also on optimizing your overall financial well-being.

10	2	10	2	12	8	4	4	5
3	10	2	3	3	3	1	6	3
13	2	3	4	6	8	3	7	8
12	3	8	7	5	6	1	4	4
3	11	3	8	5	2	11	1	2
1	7	8	4	8	3	4	8	4
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4	7	2	12	3	6	3	1	2
6	3	12	3	6	2	12	1	13

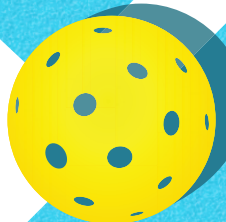
## BRAIN GAMES

### 15 Up

#### Game Rules

Use a pen or pencil to draw the boundaries around groups of cells to make the region add up to fifteen exactly. The regions can be any shape as long as all the cells touch each other (but not diagonally). There is only one way to achieve this.





# A PERFECT TIME TO TRY PICKLEBALL

Chances are you've heard about pickleball by now, or at least heard the unique "thwack" at the park or gym that's not quite racquetball and not quite ping pong. Enter pickleball, a fast-growing sport of many speeds that's gaining popularity across generations, including the 50-plus crowd. If you're new to the game, here's a quick breakdown of this physical and social activity!

## A BRIEF HISTORY

According to USA Pickleball, the nonprofit national governing body of the sport, pickleball was created in the summer of 1965 on Bainbridge Island, Washington. Joan Pritchard came up with the name "pickleball" as a reference to the thrown-together non-starters in the "pickle boat" of crew races. Years later, a controversy ensued when neighbors said they heard Joan had named the game after the family dog, Pickles. Joan and the Pritchard family have held fast for decades, saying the dog was named after the game and not vice versa.

## WHAT IS PICKLEBALL?

Pickleball, a blend of tennis, ping-pong and badminton, is played on a smaller court using a paddle and a lightweight ball. Its easy-to-learn rules and reduced physical strain make it appealing for players of all ages. Skill levels range from casual open-play sessions and beginner clinics to senior and professional leagues.

## POTENTIAL BENEFITS

Why is pickleball popular for those over 50? Here are a few reasons:

- **Fitness Boost:** It can help with cardiovascular health, balance and coordination without the wear and tear of high-impact sports.
- **Mental Perks:** Strategizing during gameplay keeps your mind sharp, while the joy of learning something new gives a sense of accomplishment.
- **Social Connection:** Pickleball isn't just a sport — it's a community. Many players find friends on the court, making it a great way to stay socially engaged.

## EXPANSION

The sport has skyrocketed in popularity, with courts popping up in parks, community centers and even high-end pickleball entertainment clubs like golf simulators, breweries and rooftop bars. For those who travel, pickleball is expanding globally with tournaments and clubs now opening across Canada and Asia.

## PLAY SMART, STAY SAFE

While pickleball is easy on your body compared to other activities, it's still important to play with care. Injuries, such as falls, have risen with the sport's popularity — especially among older players. Warm up, stretch and pace yourself for this new exertion! With proper precautions, pickleball can be a safe and rewarding way to maintain fitness at any age.

Learn more at the home of USA Pickleball, [www.usapickleball.org](http://www.usapickleball.org).

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# Portfolio Perspectives

## A Personalized Approach to Portfolio Management—With Taxes in Mind

Most investors think of taxes once a year—usually in April. But what if your portfolio could consider taxes every day? That’s exactly what our HW - Dynamic Tax Efficient Select portfolio aims to do: put the power of tax-aware investing to work all year long, helping you keep more of what you earn.

### Why HW - Dynamic Tax Efficient Select?

In today’s environment of elevated market volatility and economic uncertainty, staying invested matters. But so does how you’re invested.

Unlike mutual funds or ETFs, HW - Dynamic Tax Efficient Select allows you to: **Own individual stocks** within an index **Harvest tax losses** throughout the year—even in up markets **Align your portfolio** with personal values or restrictions **Reduce capital gains taxes** without sacrificing exposure

Rather than owning a fund, our HW - Dynamic Tax Efficient Select portfolio “unwraps” an index into a personalized portfolio of individual stocks. This opens the door for strategic tax-loss harvesting—selling losing positions to offset gains elsewhere—without changing your overall market exposure.

### Why Now?

Even in years when markets rise, many individual stocks fall—creating opportunities that pooled investment vehicles often miss. In a market like today’s, where headlines focus on macro risks like tariffs and recession odds, having a portfolio that quietly works behind the scenes to reduce your tax burden can be a meaningful advantage.

### Let’s Talk Strategy

HW - Dynamic Tax Efficient Select portfolio offers a modern, personalized investment experience with a clear eye on after-tax returns. If you’re interested in learning how this strategy could fit within your broader portfolio, we’d love to have that conversation



## BRAIN GAMES

### ANSWER KEY:

10	2	10	2	12	8	4	4	5
3	10	2	3	3	3	1	6	3
13	2	3	4	6	8	3	7	8
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5	8	4	9	5	7	8	1	2
4	7	2	12	3	6	3	1	2
6	3	12	3	6	2	12	1	13

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## CLIENT HIGHLIGHT AMY STURKEY

From a fulfilling career in pediatric physical therapy to globe-trotting adventures in retirement, Amy's story is a testament to purposeful planning and living life to the fullest.

### PURPOSE & PLANNING

- Born and raised in Charlotte, Amy became a top pediatric physical therapist.
- She interned and later spent her career at Child and Family Development.
- Launched a YouTube channel after a trip to Africa to support families worldwide.
- Prioritized saving early—maxed her 401k and shared housing to cut costs.
- Inspired by her parents’ example, she set her sights on early retirement.

### RETIREMENT IN FULL BLOOM: AMY’S NEXT CHAPTER

1. Amy retired at 59½ and has embraced the freedom of retirement with her partner, Guy, embarking on adventures near and far.
2. So far, they’ve scuba dived in Florida, hiked to Havasu Falls, in the Grand Canyon, and climbed 14,000 foot mountains, and explored Borneo—searching for orangutans and climbing mountains.
3. Upcoming adventures include spotting puffins in Iceland, diving in the Cayman Islands, and snorkeling with humpback whales in Tonga.
4. She’s discovered the joy of traveling without time limits—no more countdowns to return to work, just open-ended exploration.
5. Amy credits Hobart Wealth for giving her the peace of mind to focus on what matters: living boldly and enjoying every moment





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## UPCOMING DATES

### MAY

7 - Educational Event - Tariffs, Trade Wars & Taxes: What Every Retiree Needs to Know - Ballantyne

11 - Mother's Day

21 - Educational Event - Tariffs, Trade Wars & Taxes: What Every Retiree Needs to Know - South Park

26 - Memorial Day (Office Closed)

27 & 29 - Retirement University  
- Winthrop College

### JUNE

12 - Educational Event - Tariffs, Trade Wars & Taxes: What Every Retiree Needs to Know - Tega Cay

15 - Father's Day

17 - Educational Event - Tariffs, Trade Wars & Taxes: What Every Retiree Needs to Know - Matthews Comm Ctr

19 - Juneteenth (Office Closed)

## Weather Life's Uncertainties with Help from **the wealthologist**

Join **Chris Hobart, The Wealthologist**, on YouTube for his insights on wealth, economics and personal finance. Chris has been featured in **CNBC, CBS and The Wall Street Journal**. Now, he's sharing his knowledge for free to help you achieve a financially secure future.

**Here is just some of what you'll learn:**

- Proven strategies to make your savings last
- Wealth-protection tips against taxes and rising costs
- Practical advice for building and preserving generational wealth



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