



By Ben Offit, CFP®  
Offit Advisors



## Possible Positive Financial Planning Advantage!

Hello Loyal Readership!

I hope this message finds you well today. I know that no one enjoys the volatile periods of market, but if looked at through a different perspective, one can actually use this to your possible positive financial planning advantage!

Here are some of the top tips to consider in a down financial market, AKA – right now!

**1. Roth IRA conversion** – if you have the opportunity to convert some of your pre-tax accounts into post-tax accounts and pay the tax now, but never pay the tax again, this could be an opportune time to do it. If you, do it today, and convert now with lower values in your portfolio, you would pay tax on a lesser dollar amount today in exchange for future earnings on your portfolio to never be taxed again.

**2. Tax loss harvesting** – if you have a non-qualified (non-retirement account) you can sell out some of your holdings that may have taxable losses and buy something similar but not the same and put a loss on your tax return. This can help you offset any positive gains in your portfolio that you would otherwise have to pay tax on.

**3. Rebalance your portfolio** – sell what may be high in your portfolio and buy back into what is low i.e. If the designed allocation on your portfolio featured 80% stocks and now stocks represent only 62% of your portfolio, you can rebalance now instead of waiting

**4. Contribute and invest more now!** – with market values being lower today than they were just weeks ago, this is a buying opportunity to buy securities at a discount and “on sale”. Who doesn’t like to buy things on sale?

**5. Appreciate the value of being diversified** – over recent years with the S&P 500 and tech stocks being the top performing asset classes, people would say there are no need to own other asset classes. The value of having a broadly diversified portfolio with other aspects to diversification is being demonstrated now. For example, energy was one of the worst performing asset classes of the last decade, but this year it is the biggest winner. If you have a diversified portfolio there can be segments that do better than others in different market cycles.

**6. Non-market correlated assets** – there is value to having some parts of your overall wealth strategy in buckets that are non- market correlated – meaning that they don’t go down when the market goes down. This is especially true of those who are very near to approaching retirement.

**7. Front-load, if you can** – if you have the opportunity to put more into your 401k at your job or your IRAs or Roth IRAs, now is a great time do it. Why not put more in now when share prices are more on sale!

**8. Speculative investment fads are showing they were just fads!** – Crypto, NFTs, SPACs – we have said it here and will say it again most of these will go to zero. If you got caught up in the hype over the past couple of years, now may be a time to re-think and re-position your strategy now and moving forward.

If you found any of this helpful, or have questions about any of the above strategies, please let us know and we will be glad to help you. 🗨️

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