

# Beyond the Basics

## Customized Wealth Strategies



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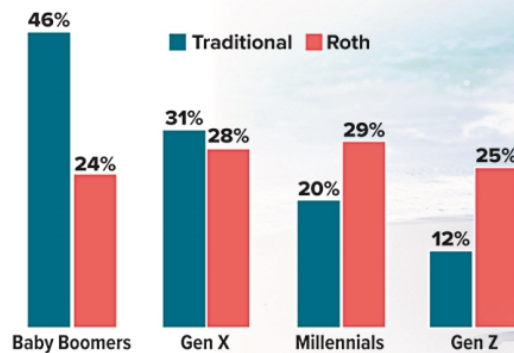
Percentage of U.S. households who owned individual retirement accounts, or IRAs, in 2024. This was up from 34% a decade earlier.

Source: Investment Company Institute, 2025

## Traditional vs. Roth: IRA Preference Differs by Generation

With traditional IRAs, contributions are tax deductible for those with incomes below certain levels, but withdrawals in retirement will be taxed as ordinary income. Roth contributions are made with after-tax money, but qualified distributions are tax-free.\* For investors who expect to be in a higher tax bracket in retirement, a Roth may be more beneficial in the long run — which is why they tend to appeal to younger generations. Overall, about 33% of U.S. households own traditional IRAs, compared with 26% who own Roth IRAs.

Percentage of U.S. households who owned traditional or Roth IRAs in 2024, by generation



\*A Roth distribution is considered qualified if the account is held for five years and the account owner reaches age 59½, dies, or becomes disabled. (Other exceptions may apply.)

Source: Investment Company Institute, 2025



# Balancing Life in the Sandwich Generation

Are you a middle-aged adult juggling raising children and providing care for an aging parent? If so, you're not alone. Welcome to the "sandwich generation," a growing group of people supporting both their children and elderly parents at the same time.

While caring for others can be rewarding, the day-to-day demands of supporting multiple generations can take a financial, emotional, and physical toll on sandwiched caregivers. But with some planning and support, you might be able to achieve a workable balance.

## Communicate and set boundaries

Start by opening the lines of communication with both your kids and your parents in order to set expectations and limitations. If you have younger children, you may need to explain to them why you need to divide your time and attention between them and your parents. To help them feel included, look for ways to involve them in less difficult caregiving activities, such as visiting with their grandparents or helping out with household chores. You'll also want to try to build time into your schedule to do some of the activities that they enjoy.

When talking to your parents, having an upfront and honest discussion about their day-to-day support needs and your ability to meet them can prevent misunderstandings down the road. When the time comes, you may need to discuss more sensitive topics such as the possibility of them having to move to an assisted-living facility, a nursing home, or dedicated space in your home.

If you have siblings or other family members willing to help, set up regular family meetings to discuss how you can all share in the financial, emotional, and time commitments of caregiving.

## Leverage community resources

It's important to realize that you don't have to carry the burden of caregiving alone. Contact your local senior center, which can provide information on meal delivery services, transportation assistance, adult day programs, and even respite care.

If your parents' needs are great enough, you might consider hiring a geriatric care manager who can develop a personalized care plan for them. They can also make recommendations for and help coordinate services, housing, and support.

If you need child care, explore your local child care resources and referral agencies to help you find licensed child care providers. Contact your children's school and/or local parks and recreation departments to see if they offer sports leagues, before and after school programs, and/or summer camps.

## Prioritize self-care

Putting your own needs first will allow you to be in a better frame of mind to care for those around you. Try to set aside time to rest and recharge your batteries. Even small daily rituals — a walk, exercise class, or meditation — can provide much-needed relief.

Your physical and mental health should also be a priority. Stay on top of your own medical appointments and don't hesitate to seek out counseling if the demands of caregiving become too great.

## Explore flexible or remote work arrangements

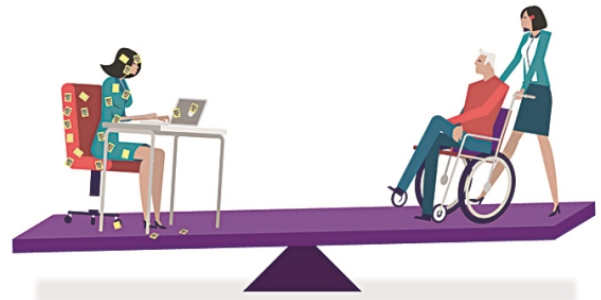
Nearly 48 million Americans provide care to an adult family member or friend and 61% also have jobs.<sup>1</sup> Talk to your employer about the possibility of flexible or remote work arrangements. Being transparent with your employer about your caregiving responsibilities can help build understanding and possibly lead to creative work solutions that can help alleviate some of the pressures of working while caregiving.

In addition, research the family medical leave options available to you. While the Family and Medical Leave Act (FMLA) provides some protections, your state or company may offer additional benefits.

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## The Struggle of Working While Caregiving

*About two-thirds of caregivers say they have at least some difficulties balancing work and caregiving responsibilities.*



Source: AARP and S&P Global, May 2024

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## Stay on track with your finances

When you are busy taking care of others, it is easy to fall behind financially. In addition to being responsible for your children's financial needs, you may also find yourself shouldering some of your parents' financial responsibilities. You may even have to take a step back from work or turn down a job or promotion due to caregiving demands. Nevertheless, it's important to stay on track with your own finances. This includes sticking to your budget, paying off debt, maintaining an emergency fund, and continuing to invest towards your retirement.

1) AARP and S&P Global, May 2024

# Finish the Year Strong by Considering These Tax Moves

As 2025 comes to a close, now may be the ideal time to review your tax strategy and find potential opportunities. The steps you take before the end of the year might help you reduce your tax bill. Here are some ideas to consider.

**Save now, have more later:** If you're participating in an employer-sponsored 401(k) or 403(b) plan, think about contributing the full pre-tax amount allowed to your retirement accounts by the end of the year. For 2025, the annual limit is \$23,500 (\$31,000 if you're age 50 to 59 or 64 and older; \$34,750 if you turn age 60, 61, 62, or 63 during the year). If you have a traditional or Roth IRA, you can contribute up to \$7,000 for 2025, \$8,000 if you're age 50 or older.<sup>1</sup> Traditional IRA contributions may be deductible, but Roth contributions are not.

## New Deductions

This chart compares some major deductions from the 2017 Tax Cuts and Jobs Act (TCJA) with updates in the One Big Beautiful Bill Act (OBBBA), signed into law on July 4, 2025, and effective for the 2025 tax year.

Deduction	TCJA (2017)	OBBBA (2025)
Standard deduction	\$12,000 single, \$24,000 joint, \$18,000 head of household (HoH), no personal exemptions	Makes higher deductions and no personal exemptions permanent; deductions for 2025: \$15,750 single, \$31,500 joint, \$23,625 HoH
Additional standard deduction for seniors	Additional standard deduction of \$2,000 for single filer age 65+ or \$1,600 each for joint filers	Additional "bonus" deduction of \$6,000 for each individual age 65+ on top of standard deduction
State and local taxes (SALT) deduction	Capped at \$10,000	Raised to \$40,000 subject to AGI phaseouts; reverts to \$10,000 in 2030*
Tips/overtime deductions	Not available	Deduction for tips up to \$25,000/overtime pay up to \$12,500, through 2028**
Car loan interest deduction	Not available	Deduction of up to \$10,000 in qualified passenger vehicle loan interest**

\*Requires itemization  
\*\*Above-the-line deduction (i.e., does not require itemization); subject to AGI thresholds and phaseouts

**Time it right, defer or accelerate income:** If you expect a significant change in your income from one year to the next — for example, due to a bonus or investment gains — consider deferring or accelerating income. If you expect to be in a lower tax bracket next year, you may benefit from deferring some income into 2026 when it may be taxed at a lower rate. But, if you expect to be in a higher tax bracket next year, accelerating income in 2025 may help reduce your tax liability by taking advantage of your current rate. Timing matters when you're close to a threshold that impacts tax rates, credits, or deductions.

**Hold on for better rates:** Holding your investments longer may help reduce your tax bill. If you have stocks or other assets that have appreciated in value, keeping the asset for more than a year means you are typically subject to long-term rates of 0%, 15%, or 20% on any capital gains from a sale (based on your income tax bracket). If you sell the asset earlier than this, your gains are generally taxed at ordinary income tax rates, which may be higher.

**Harvest your losses:** If you experience capital losses on securities and no longer want to hold the securities in your portfolio, consider selling these underperformers to offset gains from other investments. Losses above the amount of your gains can offset up to \$3,000 of ordinary income (\$1,500 if your filing status is married filing separately). Unused losses can be carried forward to future years. Watch out for the wash-sale rule, which precludes taking a capital loss deduction if you repurchase the same investment within 30 days before or after selling it.

**Save today for your future health costs:** Whether you have a health savings account (HSA) through your employer or one you've opened individually, contributing more now can help reduce your tax bill. You can boost your HSA savings by increasing payroll deductions or by making direct contributions to your account. For 2025, the contribution limits are \$4,300 for individual coverage and \$8,550 for family coverage (contributions made by you and your employer count toward this limit). Contributions made through payroll deductions help reduce your taxable income, and contributions made outside of payroll deductions are tax deductible.<sup>2</sup>

**Give more, pay less:** If you itemize deductions on your federal income tax return, you can generally deduct charitable contributions, but the deduction is limited to 50% (60% for cash contributions to public charities), 30%, or 20% of your adjusted gross income, depending on the type of property you give and the type of organization to which you contribute. (Excess amounts can be carried over for up to five years.)

1–2) 2025 IRA and HSA contributions can be made up to April 15, 2026.

# Beneficiary Designations: Who Gets the Money?

The end of the year is a time when families often gather together. Although these gatherings may keep you busy, this could be a good time to think about the future and make sure that you have correctly designated family members and any others you wish as beneficiaries in your will, insurance policies, and financial accounts.

This is especially important if there have been changes in your life, such as the birth of a child or grandchild, a death in the family, a divorce, or a remarriage. But even if your family situation remains the same, it's a good idea to review your beneficiary designations to be sure they are complete and reflect your current wishes.

## Beneficiary forms may override your will

A will is an essential legal document for designating your heirs and facilitating distribution of your assets if your estate goes through the probate process. However, the assets in most investment accounts, retirement accounts, and life insurance policies convey directly to the people named on the beneficiary forms — even if they are different from the people named in your will — and do not go through probate.

Fortunately, it's fairly easy to designate or change your account beneficiaries. A will may incur costs to update, but a new beneficiary designation form can typically be filed with the financial institution or insurance company at no cost.



***Confirming and updating the beneficiaries on your accounts can help prevent unintended outcomes for your estate.***

Here are some issues to consider:

- Your current spouse must be the beneficiary of an employer-sponsored retirement plan unless he or she waives that right in writing. Without a waiver, any children from a previous marriage might not receive account proceeds.
- Designate secondary (contingent) beneficiaries in the event that the primary beneficiaries predecease you. Otherwise, proceeds would be distributed according to the default method specified in the account documents and/or state law.
- Some insurance policies, pension plans, and retirement accounts may not pay death benefits to minors. If you want to leave money to young children, you should designate a guardian or a trust as beneficiary.

*The use of trusts involves complex tax rules and regulations. You should consider the counsel of experienced estate planning, legal, and tax professionals before implementing trust strategies.*

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