Foresight

Capital Management Advisors, Inc.

Newsletter 2Q 2024 & Market Summary

The market in 2024 has continued to surprise with the S&P 500 up +10.56% year to date through March. April earnings have 78.5% of companies beating estimates while only 55.7% are beating revenue estimates, according to Proprietary Research Earnings Aggregates. The Consumer seems to be doing fine given workers are receiving wage increases at a rate higher than inflation and seniors have received large cost of living increases for Social Security. Inflation is dropping and unemployment remains low. These factors are what is driving the market higher and the economy seems healthy overall. However, everyone is waiting for the Federal Reserve to lower interest rates. Read on for a further discussion on interest rates and the connection with inflation. The Foresight Models all have positive returns ytd as of March 31, 2024: Conservative +4.8%, Moderate +5.62%, Aggressive +6.43%, All Equity +9.88%, S&P 500 +10.30%, Money Market +1%, and All Fixed Income +1.21%.

Welcome our employee accomplishments and newest employees at Foresight!

Matthew Lawrence
Promoted to Manager of Portfolio and Investment Management

Evan Koorhan
Masters in Finance at EMU-our newest Financial Portfolio Investment Analyst

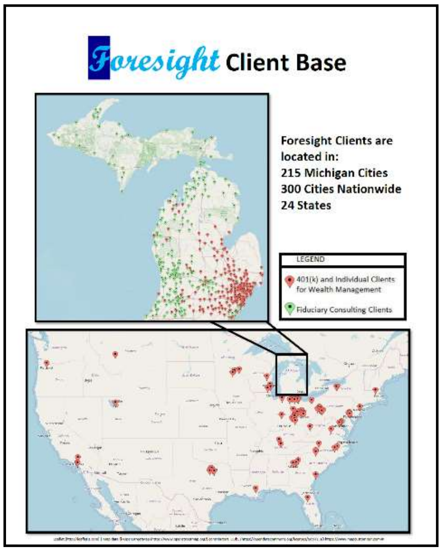
Patrick Carney
Has been chosen as a 5 Star Wealth Manager for 2024. This is his 2nd year for the honor.

Jacob Liparoto
Pursuing a BBA-Finance at UofM Dearborn-joined Foresight as a Financial Analyst Intern

I-Bonds Consider Redeeming them: Any I-Bonds that were purchased a year ago may be redeemed in the next couple of months. We recommend doing this as there are many other investment choices now that will pay higher interest than the I-bond, the November 2023 renewal rate is only 3.94%. Please contact Foresight if you need assistance on how to redeem your I-bonds from Treasurydirect.gov and ideas of how to reinvest these funds.

Five Star Wealth Manager Selected both Laurie and Patrick as Award winners for 2024!: Five Star Wealth Managers are chosen based on an in-depth research methodology that includes ten objective criteria, including an advisor's credentials, time in the financial services industry, favorable regulatory and complaint history, and client retention rate. This is Laurie's 8th award year and Patrick's 2nd year. Congratulations to both colleagues!

New 10 Year Rule Eased for Inherited IRA's: Recently a new ruling clarified how distributions for inherited IRA's can be implemented. It now states that beneficiaries have up until year 10 to take the balance out for taxation and it does not need to be ratably taken as 1/10th each year as previously was thought. This ruling will now allow for extra tax planning benefits especially for those retiring soon. Please let us know if you have any questions or would like to discuss this further.



FCMA Mutual Fund Model Returns
Mar 31, 2024

Money Mkt	+1.00%
100% Fixed Income	+1.21%
Conservative Model	+4.80%
Moderate Model	+5.62%
Aggressive Model	+6.43%
100% Equity Model	+9.88%
S&P 500 Model	+10.30%

<u>Indexes:</u>

S&P 500 Index	+10.56%
MSCI EAFE Foreign	+5.81%
10Yr T-Bond Index	- 0.78 %

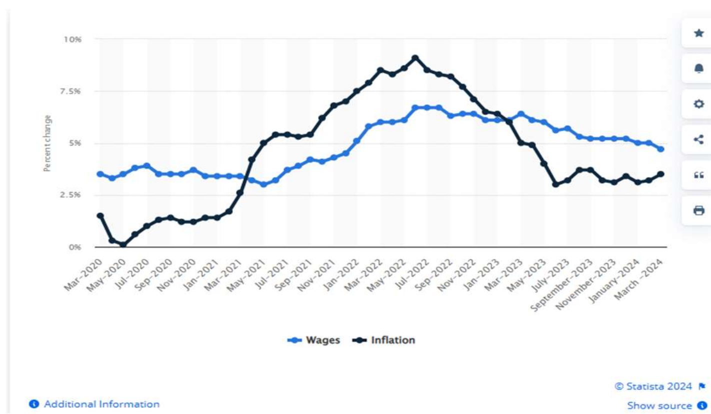
Future performance is not guaranteed; above returns are total return with reinvestment of dividends, interest, capital gains, and shown net of the highest FCMA management fee.

Not pictured Jessica Osburn

Foresight's Outlook and Portfolio Strategies

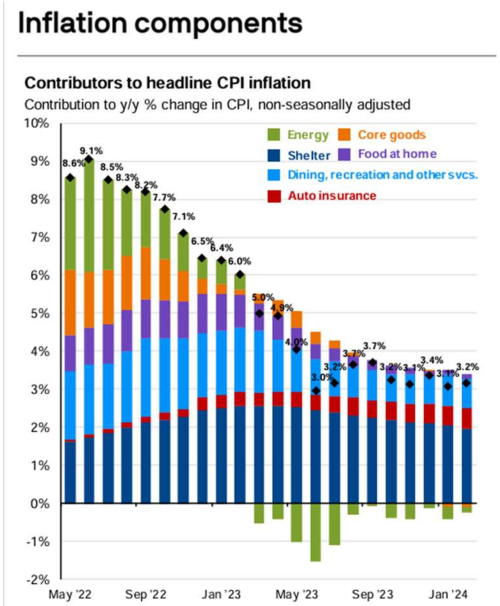
The market has gotten off to a strong start to 2024 with the S&P 500 up +10.56% on continued company earnings growth of approximately +2.9%, low unemployment of 3.8%, and the expectation that the Federal Reserve will begin to lower interest rates later in 2024. The market and economy have surprised to the upside over the past year and we expect continued normal growth throughout the election year of 2024.

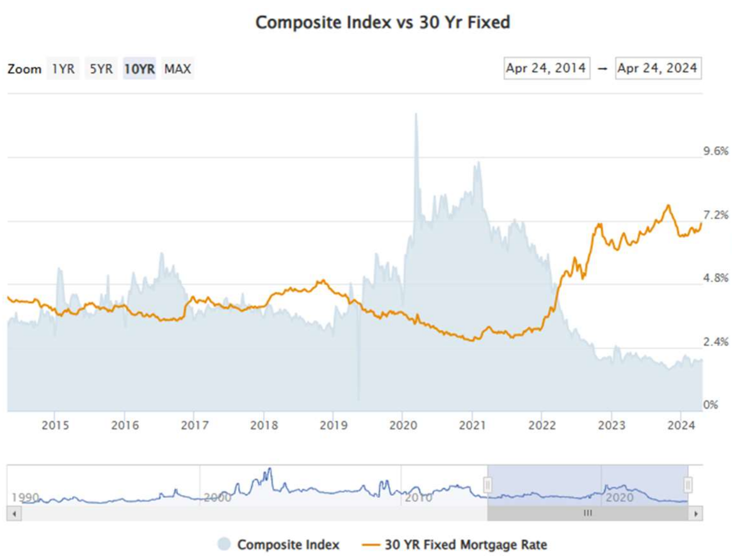
Although inflation has remained sticky recently, the positive news for the US economy and consumers is that wage growth has been outpacing inflation over the past 14 months, now at +4.7% as of March compared to CPI inflation at +3.5%. For retirees, strong Social Security cost of living increases, a strong stock market posting double digit gains in 2023 and into the first quarter of 2024, and fixed-income investments like corporate bonds and CDs offering over 5% interest (roughly +1.5% of a real yield) have also offered inflation hedges and have supported their retirement lifestyles. As of April, the University of Michigan Survey of Consumers estimated that consumer sentiment has increased +22.3% year over year, current economic conditions have improved +15.8% year over year, and consumer expectations have increased +27.1% year over year. These strong increases are a reflection of how the economy and markets have improved year over year, and at a better-than-expected pace.



However, a strong economy, underlying price pressures, and continued CPI inflation in the 3.5% range have tempered the market's expectations towards interest rate cuts in 2024. Coming into the year there was a consensus that the Federal Reserve would cut interest rates up to 4-5 times starting in the Spring or Summer months after inflation dropped faster than anticipated in 2023. After a rise in CPI inflation up to 3.5% in March compared to 3.2% in February, the market has since lowered interest rate cut expectations down to one to two -0.25% interest rate cuts reflecting a federal funds rate of approximately 5% by year-end. The main contributors to inflation as shown on the JP Morgan chart below continue to be housing and rents, food including groceries and dining out, and auto insurance. This sticky inflation has led to a stock market pullback of approximately -4% and bond market pullback of approximately -3% to start the second quarter, displaying the sensitivity of both the stock and bond markets to interest rates and the expectations for Federal Reserve rate cuts. Long-term inflation expectations have also ticked up to 3% as of March, compared to 2.8% in February. If inflation stays higher for longer, also expect interest rates to remain higher for longer and for market growth to temper in response.

A big change is coming to the real estate industry. As of March 15th, the 6% commission on buying or selling a home is gone. This comes after the National Association of Realtors agreed to implement a new set of rules, effectively ending the standard 6% commission on home purchases or sales which has been intact for decades. This change is expected to drastically reduce the cost of buying or selling a home, with real estate commissions set to drop by 25%-50%, as buyers and sellers will now have more negotiating power during the buying and selling process. This is a welcome change with a continued slowing real estate transaction market, as higher interest rates, increased prices, and low inventory have led to a significant drop in the new mortgage application composite index since peaking in 2020. Please see the chart below from Mortgage News Daily that shows the new mortgage composite index in the blue shaded area and the average 30-year fixed mortgage rate in the orange. The big point is that as interest rates have spikes over the last 2 years, new mortgage applications have inversely declined significantly.





Additional clarification has come for the SECURE Act 2.0 10-year Inherited IRA RMD rule. The IRS has once again clarified that beneficiaries of an Inherited IRA that are subject to the 10-year rule are not required to take a required minimum distribution (RMD) in 2024. The current law states that a beneficiary must completely distribute the inherited IRA account by the end of the 10th year following the year that the prior owner of the IRA account passed away. This presents continued planning opportunities for beneficiary IRA owners subject to the 10-year rule, especially for those who plan on retiring within the 10-year period and may see a substantial drop in taxable income upon retirement.

Foresight continues to see opportunities in staying broadly diversified at this time. Foresight currently has the portfolios positioned back in the normal weightings of a neutral market, as they were to end 2023. The allocation levels are as follows: 50:50 for Conservative, 60:40 for Moderate, and 80:20 for our Aggressive Retirement Plan participants and 70:30 for Aggressive investors with personal portfolios at Foresight. Opportunities continue in U.S. growth and value stocks, prime market bonds, and select foreign stocks. For Individuals who have personal portfolios with Foresight, we continue to monitor the stock portfolios weekly and use stop-losses to protect the gains produced from a strong 2023. In addition, we have utilized excess cash on the stock side of client portfolios to increase exposure to both growth and value stocks, which allows us to maintain the balance of both healthy dividend payers and strong growth companies in high margin industries such as semiconductors, artificial intelligence, and software. This balance has been key to a strong first quarter for our stock models, which have performed well versus the broad market indices. Foresight has also continued to purchase discount bonds in order to keep overall portfolio allocations in line with the current neutral weighting across our models. We have also been able to take advantage of market conditions in 2024 with covered calls, and we continue to analyze current market trends that allow us to utilize covered calls to add value through additional cash flow. The economy has held strong through Q1 2024 and the market has had positive gains thus far in 2024 in both domestic and international equities, with the S&P 500 up 10.56% through the first quarter. Bonds are slightly negative on the year thus far, but we expect bonds to perform well as interest rates start moving towards the long-term Federal Reserve target of 2.50%. We are still cautiously optimistic that the rest of 2024 will be a normal and positive gain year for investments. As always, we continue to monitor our portfolios on a daily basis and look for any opportunity to strengthen our positions depending on market trends and future outlook. Please call or email if you have any questions or would like to review your portfolios. Foresight was ranked in the 2023 Financial Advisors Magazine in the Top 500 advisors nationally and in the top 150 advisors in Michigan! Both Laurie and Patrick were chosen as Five Star Advisors for 2024. We wish everyone a very nice spring season.

Foresight Planning Ideas

Healthcare Costs for a Retired Couple in 2023 has been released: Each year Fidelity does a thorough analysis of typical healthcare costs that a couple can expect to pay over their retirement years and for 2023 it is expected to cost $315,000 per couple and $157,000 for a single. This cost is substantial enough that it needs to be planned for prior to retirement. Please contact Foresight if you wish to discuss ideas of how to cover this risk and cost over your retirement years.

New 10 Year Rule Eased for Inherited IRA's: Recently a new ruling clarified how distributions for inherited IRA's can be implemented. It now states that beneficiaries have up until year 10 to take the balance out for taxation and it does not need to be ratably taken as 1/10th each year as previously was thought. This ruling will now allow for extra tax planning benefits especially for those retiring soon. Please let us know if you have any questions or would like to discuss this further.

Foresight Ranked in the Top RIA firms nationally: as 471 for 2023 year's magazine participants out of a possible 23,408 firms nationally. We are extremely pleased with this standing and have risen up another 11 rankings since a year ago! Our hard work on your behalf continues to show our investment philosophy is working.

A New Idea for Long Term Care: There are now many low-priced annuities, that have been vetted by the NAPFA organization, where Foresight can help to create a replacement for traditional LTC insurance. If you do not have LTC insurance please contact us to discuss ideas for how best to cover this risk for you as you enter retirement. Especially if you have old life insurance policies that potentially could be converted to a use during your lifetime! Call 877-429-4690.

New Foresight Model Portfolios for 2024! Beginning in 2024 Foresight will roll out seven Model portfolios for retirement plans and individuals who are working and accumulating wealth. The seven portfolios will include the original three Foresight Models Conservative, Moderate, and Aggressive and then add four new portfolios as follows which will comprise mutual funds and ETFs (electronic traded funds):

Money Market Model
100% Fixed-Income Model
Conservative Model
Moderate Model
Aggressive Model
100% Equity Model
S&P 500 Model

Contribution Limits estimated for 2024:
The IRS has not officially released the new 401(k),403(b), and 457 savings limits for 2024 however there are many reputable sources that have released estimated savings amounts for 2024. Note there are many areas that are likely to increase for 2024. Foresight will update any amounts that change once the IRS releases the final limits please only use these estimates as likely ranges at this time.

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Contribution Limits

	2023	2024
401(k), 403(b), or 457 deferral limit	$22,500	$23,000
401(k), 403(b), or 457 catch-up deferral limit	$7,500	$7,500
401(k), 403(b), or 457 max. deferral if age 50+	$30,000	$30,500
Total Savings deferral, match, and profit sharing	$66,000	$68,000
IRA deferral limit	$6,500	$7,000
IRA maximum deferral if age 50+	$7,500	$8,000
Simple IRA deferral limit	$15,500	$16,000
Simple IRA maximum deferral if age 50+	$19,000	$19,500
SEP IRA deferral limit *(maximum not to exceed 25% of earnings)*	$66,000	$68,000
Annual Comp limit & SEP IRA wage limit cap	$330,000	$340,000
Highly Compensated Employee wage limit	$150,000	$155,000
Roth IRA phase-out range (married)	$218,000-$228,000	$230,000-$240,000
Roth IRA phase-out range (single)	$138,000-$153,000	$146,000-$161,000
Traditional IRA phase-out range (married)		
*with workplace retirement plan	$116,000-$136,000	$123,000-$143,000
*without workplace retirement plan	$218,000-$228,000	$230,000-$240,000
Traditional IRA phase-out range (single)	$73,000-$83,000	$77,000-$87,000
Annual Gift Exclusion	$17,000	$18,000

Health Savings Accounts (HSA) and High Deductible Health Plans (HDHP)

	2023	2024
Individual HSA limit	$3,850	$4,150
Family HSA limit	$7,750	$8,300
Individual HSA limit age 55+	$4,850	$5,150
Family HSA limit age 55+	$8,750	$9,300
Individual HDHP minimum deductible	$1,500	$1,600
Family HDHP minimum deductible	$3,000	$3,200
Individual HDHP maximum out-of-pocket	$7,500	$8,050
Family HDHP maximum out-of-pocket	$15,000	$16,100

Projected Limits for 2024 Sources Include: www.whitecoatinvestor.com, www.horizontrust.com, www.millman.com, www.tax.thomsonreuters.com, www.timesreporter.com

HSA-Health Savings Plans: Foresight now offers HSA investment plans with debit cards and investment growth for your health care savings accounts. Most employers are now offering HSA plans with your health benefit plans to keep costs reasonable, but the HSA plan attached to the benefit does not allow for you to invest your HSA account and the funds just set in a bank account. The Foresight HSA can be opened, in addition to your employer HSA, and allows you to invest your HSA in our Foresight Models just like we have for our 401(k) plans or mutual funds clients. Any unused HSA balance you have can be easily transferred to a Foresight HSA and made into an investment portfolio while keeping the minimum at your employer for use with your debit card! Then if you need funds put on your debit-card we can simply move funds to the debit card as needed. In the meantime, your HSA is growing and can be saved for healthcare in retirement too! Contact us for more information, 877-429-4690.

How to Apply for Medicare: Are you getting close to age 65? Medigap versus Medicare Advantage Plans, you need to know what the differences are and the benefits of each. If you have questions or are confused how to apply for Medicare insurance and its many options for supplemental coverages please contact us at 877-429-4690 and we would be happy to give you some guidance.

Patrick Carney's Article with NAPFA organization: Visit the site below to read Patrick's article! Learn what his journey has been as a young financial planner and the satisfaction he gets from helping clients reach their investment goals.

PRACTICE PROFILE

Print this Article

Focusing on what you can control

Patrick L. Carney of Foresight Capital Management Advisors

By Bridget McCrea

As a young fee-only professional, 28-year-old Patrick L. Carney knows that people are going to assess and interact with him differently than they would, say, an advisor with 10-plus years of experience in the profession. This reality doesn't bother the director of personal wealth management at Foresight Capital Management Advisors in Saline, MI, but it has pushed him to accelerate his education and learn as much as he can about financial planning.

"One thing that's very difficult for new advisors in general is getting started and gaining the respect of current and prospective clients. A lot of people come to us looking for an advisor who has a vast array of experience, education, and knowledge," says Carney. "When you're first starting out, you don't have that decade—or multiple decades—of experience that many clients are looking for."

Carney says he stopped worrying about things he couldn't control (e.g., his age, years of career experience, and similar measures) and instead has been working hard over the last six years to earn certifications that position him as a high-level fiduciary. So far, he's earned his CFP®, AIF®, and CIMA® credentials, the last of which he attained by completing the education requirements at the Yale School of Management.

Visit this site to read the whole article: https://www.naylornetwork.com/napf-nwl/articles/index.asp?aid=734769&issueID=94950

CEPA- Certified Exit Planning Analysis Services: Foresight is now certified to provide exiting planning valuations for businesses and owners. Our firm is also prepared to assist with implementing business improvements to assist with increasing the value of your business prior to an exit or retirement. If you are interested, or know of someone who is interested, in pursuing services in this area please reach out to Foresight at 877-429-4690.

Foresight New White Paper-Financial Planning for the Young Professional!

Focused on the many financial planning areas a young professional should strategically work into their overall lifestyle. When this is organized and addressed at a young age the young professional can successfully launch their career, start a family, pay off student debts and plan for their future! We walk through the Foresight holistic approach to financial planning in this new whitepaper that will be a must read for most career minded professionals. The sooner you read this whitepaper the more settled you will be as you begin the journey in your career.

On-line Access: Each year we encourage everyone to test your on-line access to your account(s) at the custodian or third-party administrator for your plan. Please visit Journeyrps.com, Definiti.com, or Sentinelgroup.com retirement participant. For individual clients at Schwab Institutional Clients access Schwaballiance.com. To access your web portal for individual accounts, go to https://fp.morningstar.com. If you have any difficulty accessing your account, please email or contact us.

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April 2024

Market Update
(all values as of 03.29.2024)

Stock Indices:

Dow Jones	39,807
S&P 500	5,254
Nasdaq	16,379

Bond Sector Yields:

2 Yr Treasury	4.59%
10 Yr Treasury	4.20%
10 Yr Municipal	2.52%
High Yield	7.44%

YTD Market Returns:

Dow Jones	5.62%
S&P 500	10.16%
Nasdaq	9.11%
MSCI-EAFE	5.06%
MSCI-Europe	4.60%
MSCI-Pacific	5.82%
MSCI-Emg Mkt	1.90%
US Agg Bond	-0.78%
US Corp Bond	-0.40%
US Gov't Bond	-0.72%

Commodity Prices:

Gold	2,254
Silver	25.10
Oil (WTI)	83.12

Currencies:

Dollar / Euro	1.08
Dollar / Pound	1.26
Yen / Dollar	151.35
Canadian /Dollar	0.73

Macro Overview

A stronger then anticipated jobs report reduced chances of a Fed rate cut in June as projected by analysts. Strong labor dynamics tend to foster underlying inflation for longer periods of time, thus influencing the Fed's decision on rate decreases. Yields on shorter term U.S. Treasury bonds rose in March as expectations for a spring or summer Fed rate cut dissipated.

The Federal Reserve signaled that it will likely be appropriate to lower rates at some point this year, with some Fed officials expecting at least three rate reductions in 2024. Markets were anticipating the first rate cut to have occurred in March, yet did not materialize due to the Fed's concern surrounding continued inflationary pressures.

Inflation angst affected markets in March as inflation remained a concern, hindering the Fed from executing a rate cut which had been expected earlier in the year. Over the past year, prices rose the most for transportation services, eating out, and housing. Stubbornly high prices on certain goods and services have stalled any immediate efforts by the Fed to commence its rate reduction strategy.

A number of central banks worldwide are expected to cut rates starting this summer, before the Fed embarks on its rate reduction plans. Slower economic growth and lessening inflationary pressures are prompting lower rates throughout Europe in order to sustain economic momentum. The European Central Bank, the central banks of England, Canada, Australia, New Zealand, and Switzerland are all anticipated to begin lowering rates this summer and through the end of the year.

The Baltimore bridge collapse highlights the fragility of the nation's infrastructure and the need for proactive contingency planning and maintaining diversified routing options. A critical component of the nation's shipping transit, the Baltimore Port is the largest U.S. port by volume in handling farm, construction machinery, and agricultural products. It is also the busiest U.S. port for automobile shipments, moving more than 750,000 vehicles in 2023, according to data from the Maryland Port Administration.

Florida passed a law this past month that prohibits minors under the age of 14 from having social-media accounts, regardless of parental consent. The legislation is aimed at curbing social-media access for minors and requires social-media platforms to cancel accounts and delete all content on the request of parents and minors. The law is set to become effective and enforceable on January 1, 2025. Should other states adopt similar restrictions, the impact on social-media platforms may pose a challenge.

Shrinkflation, a term being used more frequently in the press, is when companies sell a smaller or lesser amount of a product, but for the same price. The dynamic has become common from food products to cars, where consumers are getting less yet still spending the same. Higher production costs, including raw materials and labor, have forced companies to either raise prices or shrink product portions in order to maintain profitable margins.

Sources: Maryland Port Administration, ECB, Federal Reserve, Labor Dept., EuroStat, U.S. Treasury

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UP NEARLY 3.5% YEAR TO DATE, THE U.S. DOLLAR IS SURGING

Equities Continue Their Advance – Domestic Equity Markets

Many analysts believe that the current equity market is being driven by price momentum rather than earnings expansion. This is a scenario where rising prices fuel additional buying even though earnings may not substantiate it.

The energy and utility sectors were the advancers in March as fuel, natural gas, and electrical costs rose. Technology, real estate and consumer discretionary were sectors that underperformed in March, indicative of a reversal from prior performances this year.

Major international and domestic equity indices are positive for the year thorough the end of March, lifting the value of equities globally. A strong dollar has also contributed to market dynamics as U.S. exports have become more expensive for consumers in other countries.

Sources: Dow Jones, S&P, Bloomberg

Rates Remain Stubborn – Fixed Income Overview

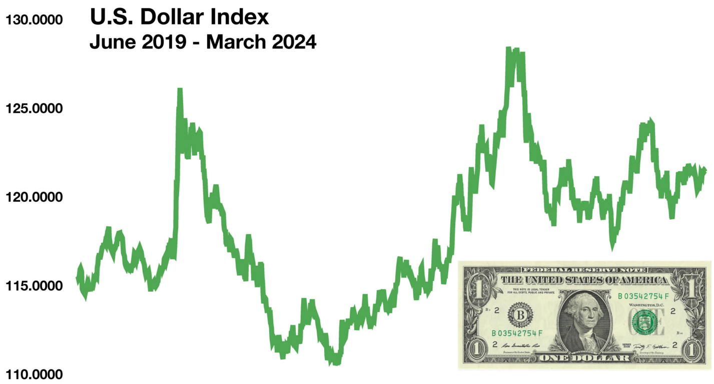
Inflationary pressures and better than expected employment data, pushed rates slightly higher in March, persuading the Fed to hold off on its rate reduction strategy. Short term rates rose as expectations for a spring or early summer rate reduction diminished. Estimates are that the Fed will eventually begin reducing rates towards the fall, contingent on forthcoming economic and labor data.

Rates on a 30 year average conforming mortgage ended March at 6.79%, while the average rate on a new auto loan settled at 8.57% for a four year term. Historically, consumer loan interest rates decline as the Fed initiates a rate reduction strategy.

Sources: Federal Reserve Bank of St. Louis, Treasury Dept., FreddieMac

Strong U.S Dollar Prompts Americans To Travel Overseas – Foreign Exchange Update

A strong U.S. dollar is becoming a decisive factor for U.S. travelers heading overseas. Up nearly 3.5% year to date, the surging U.S. dollar is expected to maintain its value as demand for the greenback remains enduring. When traveling to other countries, an elevated U.S. dollar versus other country currencies, can make a European trip that much less costly. As of the end of March, the Euro is down nearly 8% versus the U.S. dollar, making travel to any Euro denominated country cheaper than the summer of 2021.



Here at home, the strengthening dollar has also made imported goods into the United States more affordable, which become less expensive for American consumers as the dollar rises. These lower import prices help mitigate inflation in the U.S. allowing consumers to spend less on certain goods yet spend more on leisure and travel. (Sources: https://fred.stlouisfed.org/, Bloomberg, Commerce Department)

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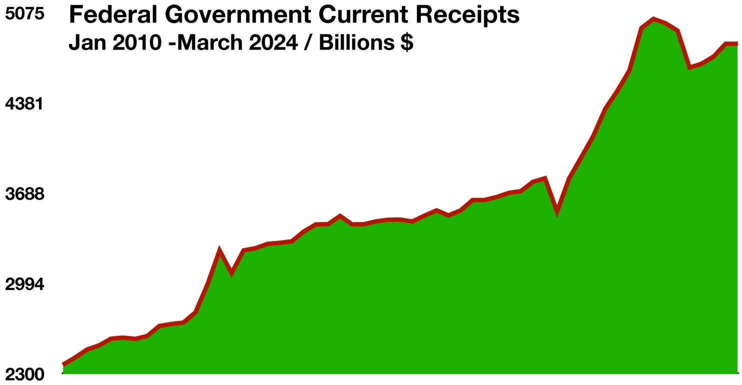
THE AVERAGE TAX REFUND SO FAR THIS TAX SEASON IS $3,050

Average Tax Refund For 2024 Tax Season Larger Than Last Year – Tax Policy Update

The 2023 tax season, which began January 23, 2024, has so far seen over 90 million federal tax returns filed as of the end of March. The IRS tracks and monitors the number and status of returns in order to estimate tax revenue and filing timeliness. Refunds are also tracked, projecting the amount of funds owed to taxpayers. Through the end of March, there had been over 60 million refunds issued to taxpayers, with an average refund in the amount of $3,050. IRS data also reveals that the average refund so far this year is roughly 5% larger than it was for tax year 2022.

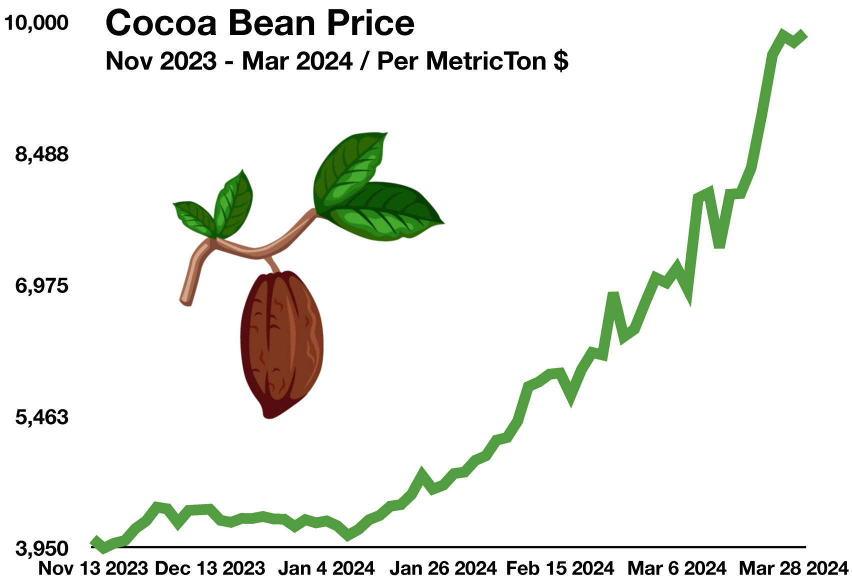


In tax year 2022, the Federal Government collected more than $4.9 trillion in total receipts, processed over 262 million returns and issued more than $641 billion in tax refunds. Budget estimates from the Federal Government, project an estimated $4.8 trillion in total receipts for tax year 2023.

Sources: IRS, CBO, Whitehouse.gov

Chocolate Is Getting Expensive – Commodity Overview

Weather and crop disease in geographic regions where cocoa beans grow, have hindered crops and stricken supply leading to elevated chocolate prices. Cocoa beans surpassed $9,000 per metric ton in March, the first time ever, with cocoa bean prices more than doubling from the beginning of the year.



West Africa, where most of the world's cocoa beans are grown, has been hit with poor weather and crop disease, dramatically curtailing cocoa bean production, which affects the production of chocolate globally. The limited production is expected to linger for some time, directly affecting the price of chocolate and its production. Higher sugar prices have also been a challenge for chocolate producers, who use the sweetener as an essential ingredient when making chocolate confections.

Sources: Federal Reserve Bank of St. Louis

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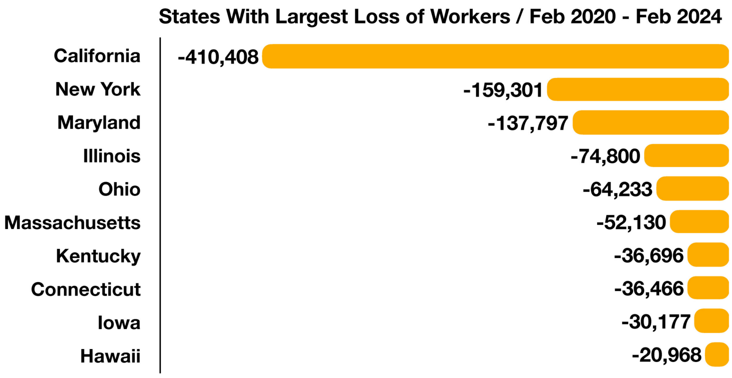
AVERAGE PRICE OF A GALLON OF REGULAR GASOLINE ROSE TO OVER $3.50 IN MARCH

Some States Continue To Lose Workers After Pandemic – Labor Market Dynamics

The pandemic brought on dramatic and instrumental changes to employment and the labor markets, some of which may be substantially lasting. Work at home positions have become widely accepted and commonplace now, as have transient workers migrating from city to city, and state to state. Many companies today allow their employees to essentially work from anywhere, any city, any state, establishing a true virtual work environment.



Nearly five years after the pandemic, migration from various states has been consistent. California and New York combined, lost over half a million workers to other states from 2020 to 2024, while Texas took in one million new workers during the same period. Florida also saw a dramatic increase with over 750,000 new workers flooding into the state. Cost of living, taxes, and housing are among some of the reasons for the migrations. As a result of the worker migrations, California has seen its unemployment rate rise to 5.3%, the highest in the nation, while New Jersey saw its unemployment rate hit 4.8%. (Sources: Department of Labor)

Why Gasoline Prices Are Rising Faster Than Usual – Energy Overview

Various factors are contributing to sustained high gas prices, which are expected to add to price pressures heading into the summer months. Traditionally, gasoline prices move higher as vacation travelers hit the road during the summer months. Transportation companies, railroads, and airlines also see enhanced activity during the summer season. This summer, however, may produce higher prices than usual, as continued supply constraints, shipping issues, and increased international demand for U.S. oil and gasoline driven by the Russian invasion of Ukraine the Middle East conflict. The EIA reported that the average price of a gallon of regular gasoline rose to over $3.50 per gallon in March nationally. Rising gasoline prices can become a burden for both consumers and companies. Not only are consumers spending more of their income on fuel, companies also pass along the higher costs of fuel to consumers. Higher fuel prices tend to filter down to the consumer since the cost of food, transportation, and travel are all affected by rising fuel expenses. There is also the prospect of lower fuel prices. Historically, rising fuel prices eventually hinder economic growth, thus slowing industrial and consumer activity and lessening demand for fuel. Many economists believe that a recession would also curtail demand for fuel, thus bringing fuel prices lower. (Sources: U.S. Energy Information Administration (EIA)