



Capital Management Advisors, Inc.



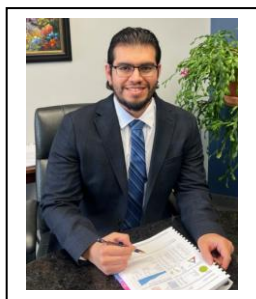
Accredited Investment
Fiduciary*



Newsletter 1Q 2025 & Market Summary

The Economy now has the strength entering into 2025 to continue to add gains! However, we believe the gains will be at an average rate of growth instead of the double digit gains we have seen the last two years. 2024 ended the year in stellar economic condition with 80% of all S&P 500 companies beating earnings and 62% of them beating revenue estimates, according to FactSet. The Consumer seems to be doing fine given workers are receiving wage increases averaging 4.6%, a rate higher than inflation which is at 2.1%. Seniors have received a 2.5% cost of living increase for 2025 for Social Security and unemployment remains low at 4.1%. The Federal Reserve began lowering interest rates in September and again in November 2024, but is now signaling to pause and continue to lower interest rates in the fall of 2025. The Foresight Models all have positive returns YTD as of Dec 31, 2024: Conservative +9.97%, Moderate +11.94%, Aggressive +14.04%, All Equity +19.43%, S&P 500 +23.96%, Money Market +3.96%, and All Fixed Income +3.84%.

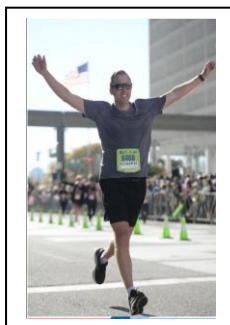
Welcome our employee accomplishments and newest employees at Foresight!



Miquel Campos
BBA from Arizona
University joined
Foresight as
Assistant Financial
Analyst-Para Planner



David Lamberjack
BBA- Finance
graduate EMU-our
newest Financial
Analyst Intern



Patrick Carney
Successfully completed
the Detroit Marathon
in October 2024!
Congrats to him for this
endeavor.



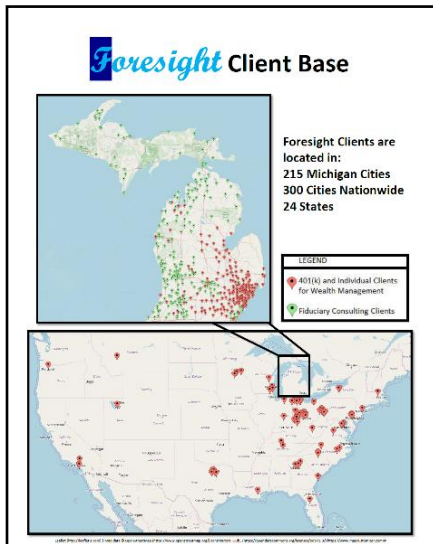
Liam Peoples
Pursuing a BBA-
Finance at EMU-
joined Foresight
as a Financial
Analyst Intern

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 Nov 2024 renewal rate is only 3.11%. 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.

Financial Advisor Magazine Rankings for 2024: Every year Financial Advisor Magazine ranks all the Registered Investment Advisory firms on growth, returns, and net new clients. Foresight was moved up 80 spots in 2024 to hold the 398th investment firm in the nation! For Michigan we are ranked 15th in the state. We are very honored to have accomplished this achievement and thank you for being a part of our firm.



Roll over Excess Funds in 529 Plans to Roth IRAs: The Secure Act 2.0 now allows up to \$35,000 of excess funds in 529 college savings plans to be rolled over to Roth IRAs for the child once they get a job and earn at least \$7,000 per year. This can also be used as a gifting strategy to purposely overfund 529 plans with \$35k. Contact Foresight with any questions.



FCMA Mutual Fund Model Returns Dec 31, 2024	
Money Mkt	+3.96%
100% Fixed Income	+3.84%
Conservative Model	+ 9.97%
Moderate Model	+11.94%
Aggressive Model	+14.04%
100% Equity Model	+19.43%
S&P 500 Model	+23.96%

Indexes:	
S&P 500 Index	+25.02%
MSCI EAFE Foreign	+ 4.35%
10Yr T-Bond Index	+1.25 %

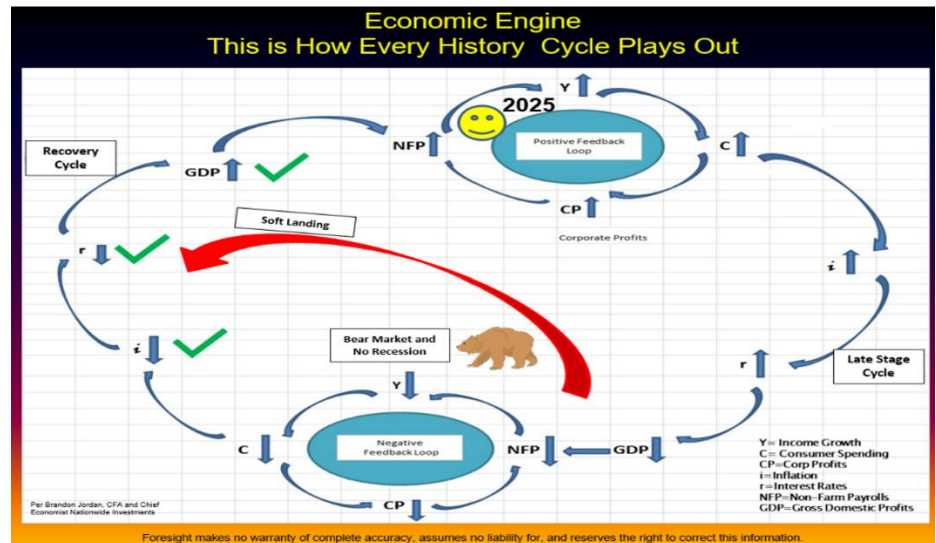
Future performance is not guaranteed;
above returns are total return with
reinvestment of dividends, interest, capital
gains, and shown net of the highest FCMA
management fee.



Foresight's Outlook and Portfolio Strategies

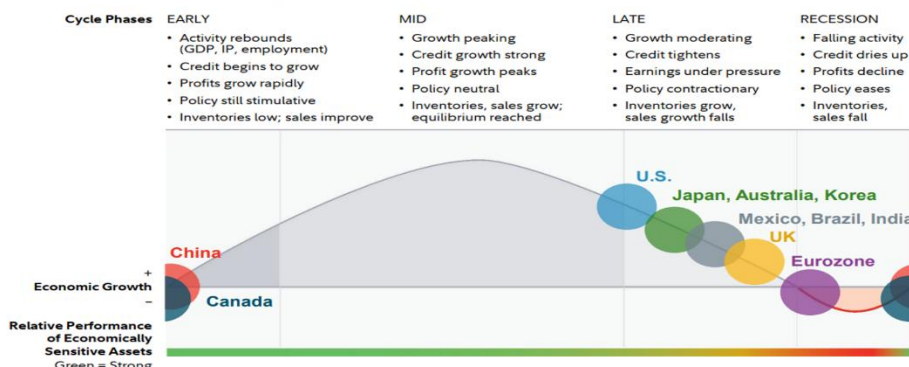
Market and Economic Outlook: from Patrick Carney, VP Director of Personal Wealth Management

2024 was a surprise to the upside as the S&P 500 gained +25% and the economy saw better than anticipated growth of roughly +3.1% GDP. Unemployment remains low at 4.1%, inflation remains low at 2.9%, and we are now in the positive feedback loop of the economic cycle in the US. Note the smiley face has moved into the Positive Feedback loop and is likely to rotate in this loop for the next couple of years. The economy is entering its peak efficiency years of this cycle known as the "Goldilocks Years". We expect normal or average market gains during this time.



Business Cycle Framework

The business cycle, which is the pattern of cyclical fluctuations in an economy over a few years, can influence asset returns over an intermediate-term horizon. Cyclical allocation tilts are only one investment tool, and any adjustments should be considered within the context of long-term portfolio construction principles and strategic asset allocation positioning.



The United States is also the best positioned country in the world right now in terms of the business cycle, currently between the mid to late stages of the cycle as we continue to expect positive economic and market growth in 2025. The US is the blue dot positioned near the top in between the Mid and Late area of the Business cycle.



With the new Trump administration in office, there are several key economic factors in focus such as the tax law, tariffs, interest rates, and de-globalization. Any sweeping legislation changes will likely take some time, even years, to truly trickle their way down to the bottom line of company earnings and their respective stock prices. However, we expect many policy changes in the first quarter of 2025.

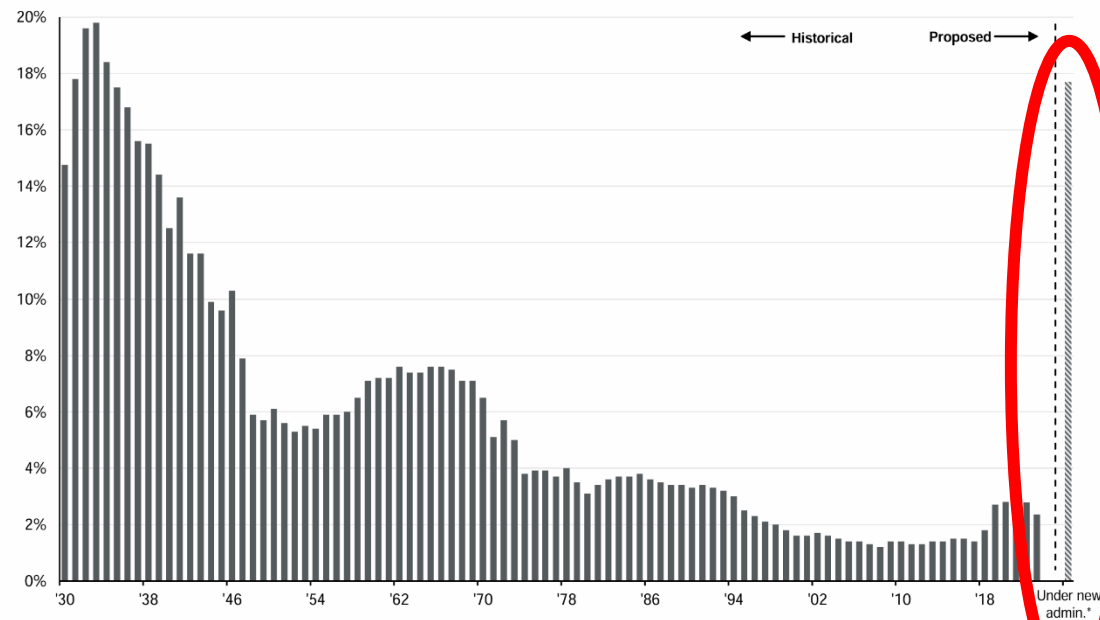


Tariffs on U.S. imports

GTM U.S. 31

Average tariff rate on U.S. goods imports for consumption

Duties collected / value of total goods imports for consumption



Source: Tax Foundation, United States International Trade Commission, U.S. Department of Commerce, J.P. Morgan Asset Management. Imports for consumption: goods brought into a country for direct use or sale in the domestic market. *Estimate is by the Tax Foundation as of October 2024 and assumes a 20% universal tariff as well as a 60% tariff on Chinese imports. May not be updated as of the latest announcements regarding tariffs and U.S. trade policy and is subject to change. Forecasts are based on current data and assumptions about future economic conditions. Actual results may differ materially due to changes in economic, market and other conditions.

J.P.Morgan
ASSET MANAGEMENT

One key area of focus is tariffs on U.S goods imports for consumption, which are proposed to reach their highest level in almost 85 years.

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Since the Fall of 2024, short-term interest rates have lowered a full 100 basis points or 1% down to 4.25%-4.50%. This is due to the fall in inflation from the peak at over 9% in 2022, down to the current 2.9%. Some areas of inflation remain sticky like shelter, auto insurance, dining, recreation, and other services, while sectors like energy and core goods have continued to come down in price as deflationary sectors of the economy. Inflation is now also below the long-term 50-year average of 3.7%. However, the current sticky areas of inflation, proposed tariffs, and proposed tax cuts will likely lead to an uptick in inflation by 2026-2027, meaning

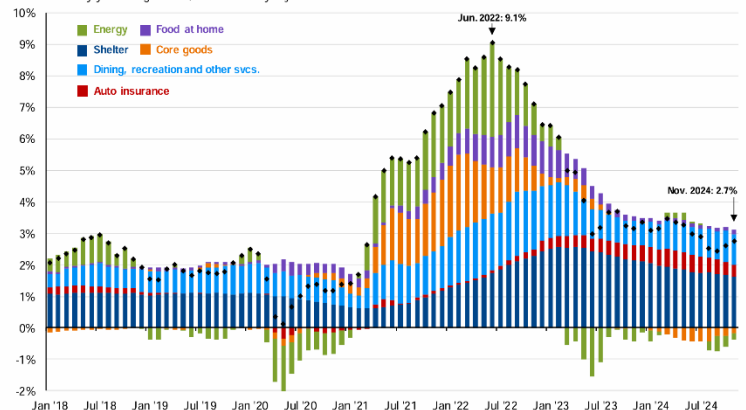


Inflation components

GTM U.S. 27

Contributors to headline CPI inflation

Contribution to y/y % change in CPI, non-seasonally adjusted



Source: BLS, FactSet, J.P. Morgan Asset Management. Contributions mirror the BLS methodology on Table 7 of the CPI report. Values may not sum to headline CPI figures due to rounding and underlying calculations. "Shelter" includes owners' equivalent rent, rent of primary residence and home insurance. "Food at home" includes alcoholic beverages. Guide to the Markets - U.S. Data are as of December 31, 2024.

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the Federal Reserve will likely keep interest rates higher than anticipated. The expectation is the Federal Reserve will hold interest rates steady for the first half of 2025, and may cut rates a few times in the second half of the year.

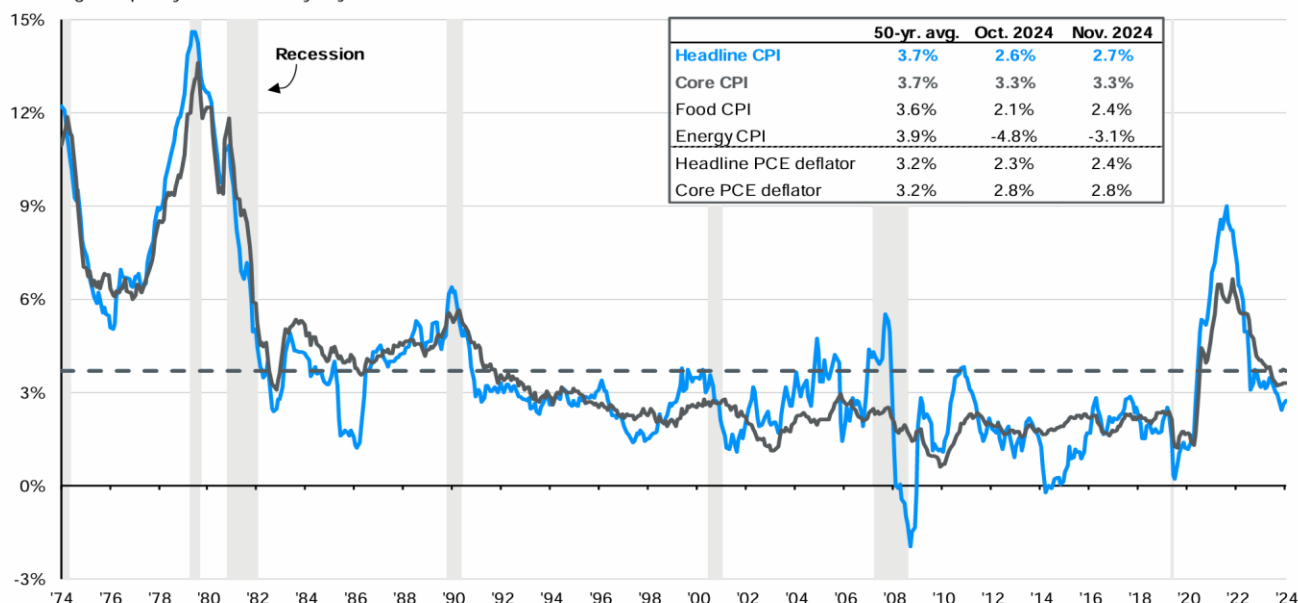


Inflation

GTM U.S. 26

CPI and core CPI

% change vs. prior year, seasonally adjusted



Source: BLS, FactSet, J.P. Morgan Asset Management.
CPI used is CPI-U and values shown are % change vs. one year ago. Core CPI is defined as CPI excluding food and energy prices. The Personal Consumption Expenditure (PCE) deflator employs an evolving chain-weighted basket of consumer expenditures instead of the fixed-weight basket used in CPI calculations.
Guide to the Markets – U.S. Data are as of December 31, 2024.

J.P.Morgan
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Investment Portfolio Update: from Matthew Lawrence, Manager of Portfolio and Investment Management

Foresight continues to see opportunities in staying broadly diversified while also taking opportunities in select sectors. Economic growth slowed in major economies like the U.S., EU, and China, leading to mixed sentiment in the markets. While the U.S. showed resilience in labor markets and consumer spending, concerns over high inflation persisted. The EU faced challenges from energy costs and geopolitical risks, particularly in light of the ongoing conflict in Ukraine. China's economic recovery was weaker than expected, further dampening global growth expectations. U.S. equities saw some recovery, with major indices like the S&P 500 and Nasdaq posting gains, driven by stronger-than-expected corporate earnings in certain sectors, such as technology and consumer discretionary. However, market volatility persisted due to economic uncertainties, geopolitical tensions, and ongoing concerns about inflation. The bond market continued to reflect the central banks' tight monetary policies. Yields on government bonds, particularly U.S. Treasuries, remained elevated, but some investors started positioning for a potential pivot in 2025 if inflation continued to ease. High-yield bonds performed better than investment-grade bonds, given their higher risk premium.

Now that the White House has been decided, we can utilize the incoming administration's policies to help position our portfolios. Trump is likely to push for more tax cuts, particularly for corporations and high-income earners. He has also consistently advocated for reducing government regulations. We expect him to push for further deregulation, which could benefit sectors like energy, banking, and manufacturing by lowering compliance costs and restrictions. Trump has also previously advocated for a large infrastructure plan to rebuild U.S. roads, bridges, and other public assets. While his previous efforts were stalled by Congress, a renewed focus on infrastructure is expected to be a crucial aspect of his policy with both branches of Congress under a Republican majority. In conclusion, the outlook for 2025 suggests a period of moderate economic growth, continued volatility, and sector-specific performance driven by interest rates, inflation, and global uncertainties. Technology and AI stocks are likely to remain strong, while more defensive sectors may outperform in a slowing economy. Central banks could shift towards a more dovish stance if inflation continues to ease, which could provide a boost to equities in the latter part of the year. However, geopolitical risks and trade tensions remain significant factors that Foresight will continue to navigate for our clients.

Foresight currently has the portfolios positioned at above neutral weightings as follows: 52:48 for Conservative, 62:38 for Moderate, and 80:20 for our Aggressive Retirement Plan participants while investors with personal portfolios at Foresight are at approximately 55:45 for Conservative, 65:35 for Moderate, and 80:20 for the Aggressive Models. 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 robust gains produced from a strong 2023 and 2024. Foresight has also continued to purchase discount bonds while yields are still attractive in order to keep overall portfolio allocations in line with the current weightings across our models and provide steady cash flow for our clients. Additionally, we have been able to take advantage of market conditions in 2024 with weekly covered calls, which have performed well in times of increased volatility and help provide added cash flow for our clients which has been successful this year.

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 2024 Financial Advisors Magazine in the Top 400 advisors nationally and in the top 15 advisors in Michigan! Both Laurie and Patrick were chosen as Five Star Advisors for 2024. We wish everyone a very nice winter and be sure to stay warm!

Foresight Planning Ideas

Secure Act 2.0 How to Roll Over Excess Funds in a 529 Plan to a Roth IRA: Did you know that any excess funds left in a 529 plan can now be rolled over to a Roth IRA in \$7k increments for 5 years as long as the child has earned wages of at least \$7k per year. The 529 plan has to be in place for at least 15 years then by rolling \$7k for the next 5 years you are able to get up to \$35,000 into a Roth IRA for your child. This concept can be used to consider it as a gifting strategy for parents and grandparents to purposely over fund 529 plans so you will have a way to get your children/grandchildren a Roth IRA with up to \$35k in it to help launch them for their futures. Please contact Foresight if you would like to discuss this further 877-429-4690.

Foresight Ranked in the Top RIA firms nationally: as 398 for 2024 year's Financial Advisor Magazine ranking out of approximately 32,600 RIA firms nationally! We are extremely pleased with this standing and have risen up another 80 rankings since a year ago. In Michigan we ranked 15th in our state. Our hard work on your behalf continues to show our investment philosophy is working. We thank you for being a part of our firm.



Healthcare Costs for a Retired Couple in 2024 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 \$351,000 per couple and \$176,000 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.

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

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.

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.

Contribution Limits estimated for 2025:

The IRS has not officially released the new 401(k), 403(b), and 457 savings limits for 2025 however there are many reputable sources that have released estimated savings amounts for 2025. Note there are many areas that are likely to increase for 2025. 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.



Capital Management Advisors, Inc.

Contribution Limits

	<u>2024</u>	<u>2025</u>
401(k), 403(b), or 457 deferral limit	\$23,000	\$23,500
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+	\$30,500	\$31,000
Total Savings deferral, match, and profit sharing	\$69,000	\$70,000
IRA deferral limit	\$7,000	\$7,000
IRA maximum deferral if age 50+	\$8,000	\$8,000
Simple IRA deferral limit	\$16,000	\$16,500
Simple IRA maximum deferral if age 50+	\$19,500	\$20,000
SEP IRA deferral limit <i>(maximum not to exceed 25% of earnings)</i>	\$69,000	\$70,000
Annual Comp limit & SEP IRA wage limit cap	\$345,000	\$350,000
Highly Compensated Employee wage limit	\$155,000	\$160,000
Roth IRA phase-out range (married)	\$230,000-\$240,000	\$236,000-\$246,000
Roth IRA phase-out range (single)	\$146,000-\$161,000	\$150,000-\$165,000
Traditional IRA phase-out range (married)		
*with workplace retirement plan	\$123,000-\$143,000	\$126,000-\$146,000
*without workplace retirement plan	\$230,000-\$240,000	\$236,000-\$246,000
Traditional IRA phase-out range (single)	\$77,000-\$87,000	\$79,000-\$89,000
Annual Gift Exclusion	\$18,000	\$19,000

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

	<u>2024</u>	<u>2025</u>
Individual HSA limit	\$4,150	\$4,300
Family HSA limit	\$8,300	\$8,550
Individual HSA limit age 55+	\$5,150	\$5,300
Family HSA limit age 55+	\$9,300	\$9,550
Individual HDHP minimum deductible	\$1,600	\$1,650
Family HDHP minimum deductible	\$3,200	\$3,300
Individual HDHP maximum out-of-pocket	\$8,050	\$8,300

Family HDHP maximum out-of-pocket

\$16,100

\$16,600

Sources:

<https://www.whitecoatinvestor.com/retirement-plan-contribution-limits/>

<https://www.fidelity.com/learning-center/smart-money/hsa-contribution-limits>

<https://www.irs.gov/pub/irs-drop/rp-24-25.pdf>

<https://www.morganlewis.com/pubs/2024/10/irs-announces-increased-gift-and-estate-tax-exemption-amounts-for-2025>

S:/Fcmadvisors/Forms and Handouts/2024 2025 Contributions Limits

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.

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.

New RX resource for low drug prices: Did you know there is a new website which Mark Cuban has rolled out where you can now search drug prices on many prescriptions to get transparent low prices! We have had many clients successfully find cost savings by utilizing this website for their needs. Go to Costplusdrugs.com



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.

NEW WHITEPAPER
RELEASING IN 1Q22!



Topics Covered:

- Holistic Approach to Finance
- Life Coaching
- Behavioral Finance
- Monte Carlo Simulation
- High Touch Services
- The Ultimate Balancing Act

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.

January 2025

Market Update

(all values as of 12.31.2024)

Stock Indices:

Dow Jones	42,544
S&P 500	5,881
Nasdaq	19,310

Bond Sector Yields:

2 Yr Treasury	4.25%
10 Yr Treasury	4.58%
10 Yr Municipal	3.13%
High Yield	7.27%

YTD Market Returns:

Dow Jones	12.88%
S&P 500	23.31%
Nasdaq	28.64%
MSCI-EAFE	4.10%
MSCI-Europe	2.10%
MSCI-Pacific	6.60%
MSCI-Emg Mkt	7.60%

US Agg Bond	1.25%
US Corp Bond	2.13%
US Gov't Bond	1.18%

Commodity Prices:

Gold	2,638
Silver	29.28
Oil (WTI)	71.80

Currencies:

Dollar / Euro	1.04
Dollar / Pound	1.25
Yen / Dollar	157.46
Canadian /Dollar	0.69

Macro Overview

Presidential campaigning and expectations about the Fed's direction with rates enthralled the markets in 2024. Equity indices finished the year positively, yet demonstrated hesitation throughout the year. Expectations surrounding the depth of interest rate decreases by the Fed differed as inflation data continued to hinder the trajectory of reductions.

Cryptocurrency and AI were all the rage in 2024, as enthusiasm and speculation surrounding the future of both garnered investor attention. Cryptocurrency has surged on speculation that perhaps digital money might become a form of legitimate global currency in the future and even replacing currencies from certain countries.

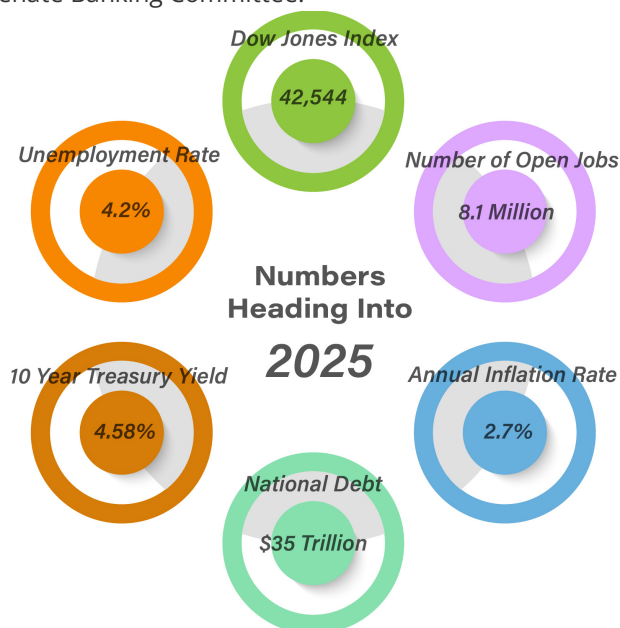
Among the focal factors for the incoming presidential administration are deregulation, lower corporate and individual taxes, immigration, reduced government spending and expanding U.S. manufacturing. Markets are anxiously awaiting final confirmation of cabinet appointments, whose influence can affect the direction of companies and industries.

Lingering inflation worries weighed on markets as data revealed that prices remained stubbornly elevated, particularly with food and housing expenses. Consumers became more selective in 2024 as the costs for essential goods and services rose, leaving less to spend on discretionary items.

The Treasury Department confirmed reports that it was hacked by a China backed hacker in late December. Several Treasury employee workstations and unspecified documents were accessed after a key from a third-party software service provider was stolen. The agency disclosed the breach in a letter to the Senate Banking Committee.

Social Security and Supplemental Security Income (SSI) benefits for more than 72.5 million Americans will increase 2.5 percent in 2025. The 2.5 percent cost-of-living adjustment (COLA) will begin with benefits payable to nearly 68 million Social Security beneficiaries in January 2025. Increased payments to nearly 7.5 million SSI recipients began on December 31, 2024.

Escalating federal deficits and expanding government debt issuance rattled the U.S. Treasury debt market, sending Treasury yields higher towards the end of 2024. Weakening demand for newly issued Treasury bonds also placed pressure on bond prices, with the yield on the benchmark 10-year Treasury bond ending 2024 at 4.58%, up from 3.95% at the beginning of 2024. (Sources: Fed, Treasury Dept., SS Admin., Labor Dept.)



Rates End Year With Uncertainty – Fixed Income Overview

Tensions rose surrounding the Treasury market as the weighted average interest rate on outstanding Treasury debt is currently around 3.3%, a 15-year high. Additional Treasury debt issuance has become a contention as weakened demand for new bonds became more apparent.

Bond yields were challenged throughout 2024 as uncertainty surrounding the Fed's decision to reduce rates lingered. The Fed's initial rate reduction in September 2024 was the commencement of additional rate cuts over the next couple of years. Inflation data will be the primary driver of the Fed's trajectory for rate cuts in 2025. (Sources: Treasury Dept., Federal Reserve)

Equity Indices Enter 2025 With Hesitation – Domestic Equity Update

Equity indices finished 2024 with gains across all eleven sectors of the S&P 500 Index. The communication services, financials, consumer discretionary, and the utilities sector saw the largest gains in 2024.

Equity indices hesitated their upward trend in December as inflation data hindered the Fed from reducing rates more aggressively. Analysts will be focused on earnings and cabinet appointments whose influence on company directives and initiatives can be critical. (Sources: S&P, Bloomberg, Dow Jones, Nasdaq)

Percentage of Average Wage Going Towards Housing Highest Since 2007 – Housing Market Update

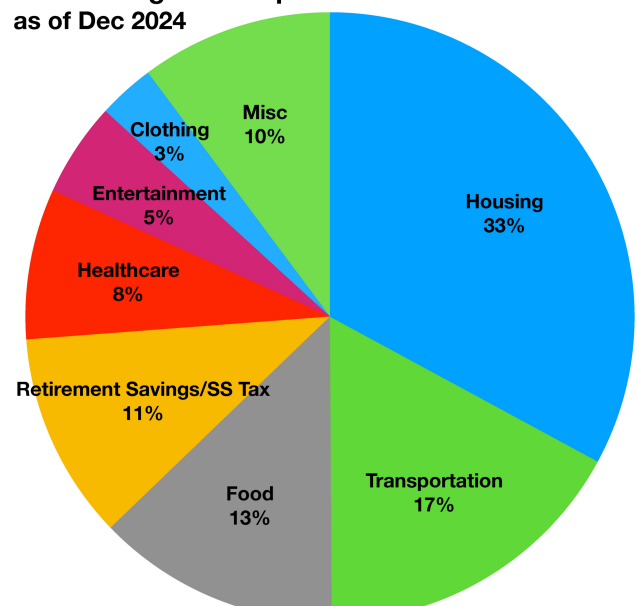
A persistent shortage of housing along with elevating mortgage rates and rising insurance costs have made the cost of home ownership and renting excessive for many. The percentage of income spent on housing has increased significantly in recent years, making affordability a major concern for many households.

The average American household spends about 32.9% of their total earnings on housing costs. However, this figure can vary widely depending on location and whether someone rents or owns their home. Some parts of the country command much higher housing and rental costs than other parts of the country, thus encompassing varied percentages on how much is spent on housing relative to income. Additionally, incomes also vary among various states and cities contingent on demographics.

It has been generally recommended spending no more than 30% of gross income on housing costs, a guideline known as the "30% rule". The guideline has been a standard benchmark for decades, however, it may now be considered outdated and overly simplistic today.

Sources: Department of Labor

**Where Wages Are Spent
as of Dec 2024**



What Is Driving Cryptocurrency – Digital Currency Market Update

The cryptocurrency market has seen significant developments and price movements following the election in anticipation of potential regulatory changes and proactive support for its broad use. The nomination of Paul Atkins as the Chair of the Securities and Exchange Commission (SEC) is seen as a positive catalyst for the crypto industry.

A number of large companies have started integrating cryptocurrency into their operations and balance sheets, identifying it as an asset and financial instrument. The U.S. government currently holds approximately 210,000 bitcoins worth more than \$13 billion, a portion of which was seized due to criminal activity.

The Securities and Exchange Commission regulates assets it determines to be securities; however, it doesn't yet regulate digital currencies, but it is regulating investments or derivatives related to cryptocurrency.

As a form of virtual currency, Bitcoin exists solely online, functioning through a transparent ledger known as Bitcoin blockchain. Each transaction is recorded on the distributed ledger, ensuring all the transactions remain secure and visible.



The most broadly held and popular cryptocurrency is Bitcoin, which is essentially virtual money that is traded digitally by exchanges. Bitcoins can only be purchased and sold with legitimate currency, such as dollars or euros, making it available worldwide. The total estimated value of Bitcoins worldwide as of the beginning of December 2024 is over 73 billion dollars.

Bitcoins exist as software, not physical currency, and are not regulated by any country or banking authority. Even though U.S. Senate hearings disclosed that Bitcoin could be a means of exchange, it gave no assurance that it would actually become an accepted medium of exchange.

Government regulations would need to be created and then enforced in order for Bitcoin to become accepted by other government entities.

Bitcoins are mined by powerful computers that calculate complex, mathematical functions. Total Bitcoin quantity is capped at 21 million and currently there are about 19.5 million that exist worldwide. Circulating physical coins only represent Bitcoin and are not a store of value as is legitimate currency.

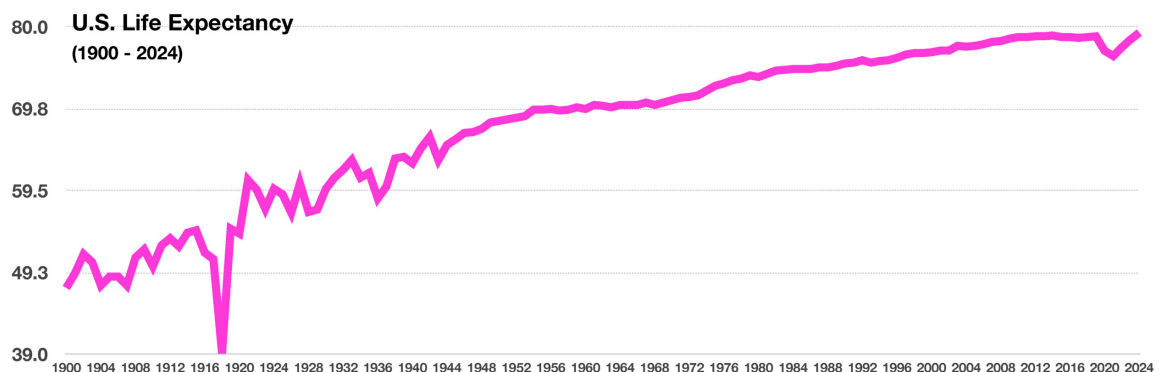
Bitcoins emerged in 2008 designed by a programmer or group of programmers under the name of Nakamoto, whose real identity remains unknown. New Bitcoins can only be created by solving complex math problems embedded in the currency, keeping total growth limited.

Sources: U.S. Marshalls Service, Bloomberg, Reuters

U.S. Life Expectancy Rates Increased To Highest Level Since Pandemic – Health & Well Being

Recently released data by the Center of Disease Control and Prevention reveal that life expectancy in the U.S. increased to 79.3 years in 2024. During the pandemic, life expectancy fell as the three leading causes of death in 2020 were heart disease, cancer and Covid-19. Life expectancy for all Americans in 2019 was 78.8 years, falling to 77 years in 2020. Those aged 85 and older saw the most deaths, many experiencing medical complications from Covid-19. In 2020, Covid related deaths exceeded deaths caused by strokes, Alzheimers, diabetes, and kidney disease.

The U.S. Department of Health & Human Services tracks factors contributing to life expectancy including age, gender and race. The most recent data revealed that females are estimated to live to age 83.8 while males are expected to live to 76.1, a seven year difference.



Medical advancements and safer living conditions over the decades have led to a gradual increase in life expectancy. In 1860, life expectancy in the United States was 39, increasing to 69 in 1960, representing a 30 year life span increase in 100 years. (Sources: U.S. Department of Health & Human Services, CDC)

Imports & Tariffs – Domestic Trade Policy

As the president-elect prepares to enter the White House, foreign imports into the U.S. have become a leading agenda item. According to the Commerce Department, the top imports into the U.S. include electronic devices such as mobile phones, computers and TVs, followed by machinery and automobiles. The onset of additional tariffs and import duties might change the makeup of imports dramatically, as consumers tackle higher prices along with some manufacturing possibly shifting to the U.S.

The biggest question everyone has is, how will higher tariffs affect U.S. consumers and the economy. The most dominant imports currently tend to be high margin products such as mobile phones, laptops, and computers. Any additional tariffs might either be partially absorbed by the exporters or passed along to consumers in the form of higher prices. What's interesting is that the onset of cheap Chinese made products have actually altered consumer behavior in the U.S. over the past twenty years. Before inexpensive TVs made their way into electronic superstores, a typical TV would last years. Today, TVs are considered disposable and are easily replaceable. Should import prices rise, consumers might reconsider replacing products regularly, and instead maintain existing products for longer periods. (Source: Department of Commerce)