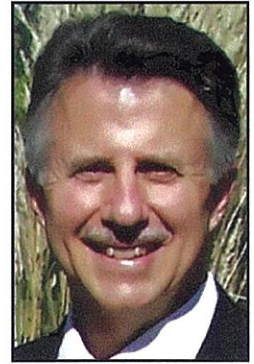




Alliance Benefit Consultants

For All Your Insurance Needs

1820 Ridge Road, Suite 201
Homewood, IL 60430
(708) 922-9450
Bob@rs-abc.com
www.alliancebenefitconsultants.com

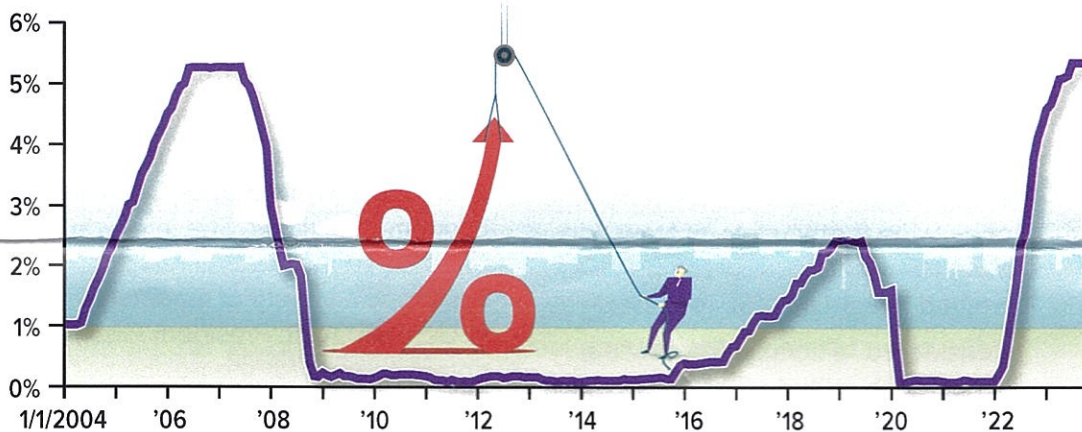


Bob Scott
Broker

What's Up with Rising Rates?

The Federal Open Market Committee (FOMC) aggressively raised the federal funds rate 11 times between March 2022 and July 2023 — from near-zero to a target range of 5.25% to 5.5% — where it sat through November 2023. The federal funds rate serves as a benchmark for many short-term rates set by banks, so the rate hikes, which made it more expensive to borrow, were intended to tame inflation by slowing business and consumer spending. The U.S. economy stood up surprisingly well to interest-rate pressures in the first three quarters of 2023, but the Fed is still facing the tricky task of guiding inflation the rest of the way down to its stated 2.0% target without hurting the job market or causing a painful recession.

Federal funds rate, 2004–2023



Sources: The Federal Reserve, 2023; U.S. Bureau of Economic Analysis, 2023



2.6%

Increase in prices for the 12-month period that ended in November 2023, according to the personal consumption expenditures (PCE) price index, which is the Fed's preferred measure of inflation.

Source: U.S. Bureau of Economic Analysis, 2023

Trailblazers: Women Who Made Financial History

March is Women's History Month. What better time to reflect on the contribution women have made to the field of finance? What follows are the stories of just five of the many women who helped blaze the trail for others in investing, banking, finance, and economics.

Victoria Claflin Woodhull and Tennessee "Tennie" Claflin

Victorian-era sisters Victoria Woodhull and Tennie Claflin were pioneers on many fronts. Not only did they launch the first brokerage house by and for women, they started a progressive newspaper supporting women's rights and were also suffragists. In 1872, Woodhull was the first woman to run for president.

The sisters' rise to fame had quite unconventional beginnings. Their father was a "snake oil salesman" who made his young girls serve as psychics and healers in his scams. Woodhull later parlayed this unusual experience into a business relationship with the superstitious tycoon Cornelius Vanderbilt. With the backing of his fortune, the sisters opened Woodhull, Claflin & Co., New York's first female-owned brokerage firm. Through surreptitious means (a hidden back door and a women-only lounge), the company helped women manage their own money during a time when it was frowned upon to do so.¹

Maggie Lena Walker

Maggie Lena Walker was born to

enslaved parents in 1864 in Richmond, Virginia. At just 14 years old, she joined the local council of the Independent Order of St. Luke, an African-American benevolent society that aided the sick and elderly, promoted humanitarian causes, and encouraged individual self-sufficiency. Walker eventually assumed leadership of the organization, where she served until her death. Among her achievements were launching *The St. Luke Herald* newspaper, which encouraged economic independence and, in 1903, becoming the first African-American woman to charter a bank — the St. Luke Penny Savings Bank.

Upon opening, the bank helped hundreds begin saving money, including one person who opened an account with just 31 cents. Walker also encouraged children to save by handing out penny banks and allowing them to open accounts after saving 100 pennies.

The bank later merged with two others to become The Consolidated Bank and Trust Company, the nation's oldest bank continually operated by African-American management until 2009.²

Muriel Siebert

The first woman to buy a seat on the New York Stock Exchange (NYSE) and the first to be a superintendent of banking for the state of New York, Muriel Siebert was also the first woman to lead a NYSE member firm.

Considered "a scrapper" with "the same brash attitude that characterized

Wall Street's most successful men," Siebert made it her life's mission to fight for women to occupy the most vaunted seats at Wall Street's proverbial tables. She donated millions to help women secure careers in business and finance.

At a 1992 luncheon where she was honored for her life's work, Siebert said women "...are still not making partner and are not getting into the positions that lead to the executive suites. There's still an old-boy network. You have to keep fighting."³

Dr. Janet Yellen

Currently serving as U.S. Secretary of the Treasury — the first woman to do so — Dr. Janet Yellen has been a standout in the field of economics for decades.

Born to a middle-class family in Brooklyn, New York, Dr. Yellen graduated summa cum laude from Brown University in 1967 and earned her Ph.D. in economics from Yale in 1971, the only woman to do so that year. After teaching at several top universities, including Harvard and the London School of Economics, she served as a member of the Federal Reserve Board of Governors.

In 1997, President Bill Clinton appointed her as the first woman chair of the White House Council of Economic Advisors. She later went on to serve the Federal Reserve System in a variety of leadership roles. In October 2013, President Obama nominated her for the position of Federal Reserve Board Chair, the first woman to hold that role.

Dr. Yellen is not only the first woman to lead the U.S. Treasury, the Federal Reserve Board, and the White House Council of Economic Advisors, she also is the first *person* to have held all three posts.⁴

- 1) Museum of the City of New York
- 2) National Park Service and the National Women's History Museum
- 3) *The New York Times*, August 25, 2013
- 4) National Women's History Museum and Investopedia

Milestones in Financial HERstory

1862



The Homestead Act allowed women to claim land in their own names.

1920



The 19th Amendment gave women the right to vote and have a voice in their future, financial and otherwise.

1963



The Equal Pay Act mandated equal pay for equal jobs.

1974



The Equal Credit Opportunity Act permitted women to apply for credit and loans without a male co-signer.

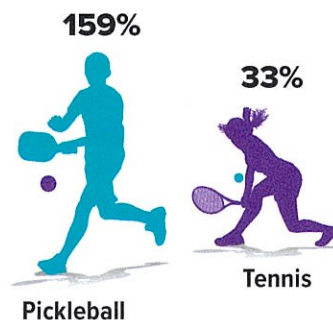
Pickleball Nation

Americans of all ages have discovered a passion for pickleball, which has been described as a cross between tennis, badminton, and ping-pong. According to the Sports & Fitness Industry Association, pickleball has been the fastest-growing sport in the United States since 2019 — by a wide margin. Tennis participation has also increased, though at a slower pace, partly because there were many more tennis players to begin with. The pandemic helped spark a rise in the popularity of racquet sports, as more people sought outdoor, socially distanced opportunities to exercise and play games with others.

As part of a recent study conducted by Apple with Brigham and Women's Hospital and the American Heart

Association, researchers analyzed more than 250,000 pickleball and tennis workouts logged by participants on their Apple Watches. And in July 2023, the number of study participants playing pickleball in a single month surpassed the number of tennis players for the first time. The study also confirmed that both tennis and pickleball offer notable physical and mental health benefits. Tennis workouts were slightly more strenuous, with players' maximum heart rates averaging nine beats per minute faster than for pickleball. But pickleball workouts were slightly longer — averaging 90 minutes compared with 81 minutes for tennis — and players' heart rates spent much of that time in the recommended

Percentage increase in participation since 2019



Sources: Sportico, February 22, 2023; Apple Heart and Movement Study, October 18, 2023

“moderate” or “rigorous” zones. Moreover, frequent tennis and pickleball players were less likely (51% and 60%, respectively) to report depressed moods.

Are You Spending Money to Keep Stuff You Don't Need?

It's estimated that more than one in 10 Americans leases a storage unit. In June 2023, the nationwide prices charged by self-storage facilities averaged \$165 per month, after rising 20% over the previous year.¹ Storage renters may pay more than that for large spaces or climate-controlled units, and at facilities in high-cost cities such as Los Angeles and New York.²

If you keep excess belongings stored away from home and well out of sight, this recurring monthly expense may not stay top of mind. However, finding the motivation to empty a storage space could create breathing room in your household budget and/or yield savings over time that helps you make progress toward important financial goals. For example, if you were to invest that \$165 per month in a college savings or retirement account, the balance could grow to \$28,559 in 10 years or to \$85,953 in 20 years (assuming a hypothetical 7% annual rate of return).

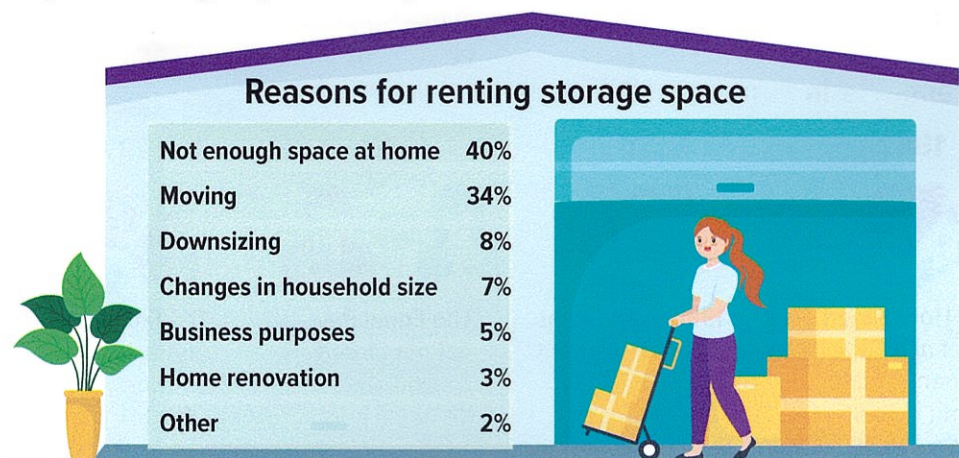
It may not be your favorite way to spend a weekend but decluttering

the closets, garage, and living spaces in your home would be a good place to start. Prioritize and make room for the possessions and keepsakes you love most but resolve to let go of things that may not be worth keeping, especially if you must pay for storage indefinitely. Try to sell furnishings, housewares, toys, or clothing that you don't use regularly for some extra cash by posting ads with photos on resale apps, websites, or social media, or possibly by having a yard sale. If you can't sell certain items, you can feel good about giving them away to

friends, neighbors, or a local charity.

This hypothetical example of mathematical principles is used for illustrative purposes only and does not represent the performance of any specific investment. Fees, expenses, and taxes are not considered and would reduce the performance shown if they were included. Actual results will vary. Rates of return will vary over time, particularly for long-term investments.

1) *The Wall Street Journal*, August 26, 2023
2) StorageCafe.com, April 25, 2023



Source: StorageCafe.com, April 25, 2023 (does not equal 100% due to rounding)

Can Home Improvements Lower Your Tax Bill? It Depends

Most home improvements are not tax deductible — with one possible exception. In certain situations, you may be able to deduct improvements deemed necessary for medical reasons (not just beneficial to general health). If you itemize instead of taking the standard deduction, you can deduct unreimbursed medical expenses that exceed 7.5% of your adjusted gross income, so the tax savings could be significant if a costly home improvement pushes your total medical expenses above that threshold. Installing air conditioning to help treat asthma or modifying a home to make it wheelchair accessible are common examples of qualifying expenses.

Here are two more ways that improving your home could potentially reduce your tax burden.

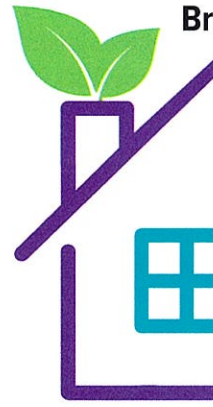
Capital improvements

Projects that add to the value of your home, prolong its life, or adapt it to new uses are considered capital improvements. When you sell your home in the future, you can add the cost of capital improvements to your initial basis (what you paid for it originally), reducing your capital gain and potentially the amount you might pay in taxes.

Some examples of capital improvements include remodeling the kitchen, replacing all your home's windows, adding a bathroom, or installing a new roof. Repairs that keep your home in good condition (such as repainting, replacing a broken door or window, or fixing a leak) don't count as capital improvements. However, an entire repair job may be considered an improvement if it's done as part of an extensive remodel or restoration.

Energy-saving tax credits

The Inflation Reduction Act of 2022 reconfigured two nonrefundable tax credits for home improvements that save energy. Unlike a deduction, which reduces your taxable income, a tax credit lowers your tax bill dollar for dollar.



Breaking Down Your Home Energy Bill

The typical U.S. household consumed \$1,884 worth of home energy in 2020.

Average household energy costs in 2020, by end use

| | |
|----------------------------|-------|
| Space heating | \$519 |
| Air conditioning* | \$299 |
| Water heating | \$287 |
| Electric vehicle charging* | \$280 |
| Refrigerators | \$116 |
| Lighting | \$89 |

*per household that used energy for this purpose

Source: 2020 Residential Energy Consumption Survey, U.S. Energy Information Administration, 2023 (most recent data available)

Both credits are available only for the installation of new products that meet specific energy efficiency requirements.

The energy efficient home improvement credit is equal to 30% of qualified expenditures for an existing home (not new construction). A \$3,200 maximum annual credit is available through 2032. A \$2,000 limit (30% of all costs, including labor) applies to electric or natural gas heat pumps, heat pump water heaters, and biomass stoves and boilers. A separate \$1,200 limit applies to home energy audits and building envelope components (such as exterior doors, windows, skylights, and insulation) and energy property (including central air conditioners).

The residential clean energy property credit is a 30% tax credit available for qualifying expenditures for clean energy property (and related labor costs) such as solar panels, solar water heaters, geothermal heat pumps, wind turbines, fuel cells, and battery storage for an existing or newly constructed home. The credit shrinks to 26% for property placed in service in 2033, 22% in 2034, and is eliminated thereafter.

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