



A Message From Mary Sterk

Happy Spring! The big thing on everyone's mind is tariffs – so here are a few thoughts surrounding them:

What are they? In general, tariffs are taxes placed on goods that enter a country from abroad. These are sometimes called “duties” and can be on specific goods or specific countries.

Why do they get used? Tariffs are generally used to achieve one of three types of trade policy objectives that we call the 3 R's - revenue, restrictions and reciprocity. These recent tariffs are targeted at reciprocity. The new plan combines two concepts – a universal 10% baseline tariff and a 50% reciprocal tariff on select countries (we are charging them half of what they are charging us). There are many exceptions for certain countries and types of goods, in an attempt to drive specific negotiations. The new tariffs are poised to reach the highest tariff rates since the 1930s*. Based on the stock markets' swift and negative reaction to the tariff announcement, it seems Wall Street was expecting something less impactful.

What does it mean for you? It is likely to be some combination of:

- Price & inflation increases, which may fully or partially reverse at some point depending on negotiation outcomes.
- Making it harder to get or to keep a job in some sectors, while other sectors will add jobs due to more goods getting produced in the US vs internationally.
- Slower growth in the economy, the stock market, and your portfolio until the long-term effects are known.

What will the outcome be? Skeptics fear long term and irreversible impact, and proponents see short term pain paving a path towards long term gain. My opinion is that reality will land somewhere in the middle of those two perspectives. Unfortunately, news media will frequently promote more of the fear and uncertainty part because that type of news draws more viewers, clicks, and ratings.

What should you do in your portfolios? Either nothing or invest more. Long term outlook and diversification is what your portfolio is built on. This serves investors well over time, and we do not believe changing your allocation due to the tariffs is in your best interest. For more moderate to aggressive investors, this could be a good time to invest cash on the sidelines while stock prices are lower and “on sale.”

Non-tariff related news from the home front - I am pleased to share that we were awarded a spot on the esteemed Forbes List – Best in State Top Women Advisors for 2025. This marks our 8th year in a row being honored on a Forbes List. I could not be more proud of our group for their dedication and consistency to taking care of our clients and earning these awards.

Couple of housekeeping items:

1. There will be mailings from Osaic in April to fulfill their annual privacy and disclosure regulations. No action is necessary on your part when you get these.
2. If you need copies of last-minute tax forms, please reach out as soon as possible so we can try to get them to you in a timely manner.
3. As we age there are birthday milestones investors hit that create opportunities and rules for them. Here is a list of some of the main ones. If you have questions on how this applies to you, please give your advisor a call.

Age 50 – Catch Up Contributions in Retirement Accounts

Age 55 – Catch Up Contributions in Health Savings Accounts (HSA) & 401k withdrawal without 10% withdrawal penalty with terminated employment.

Age 59.5 – Can withdraw from retirement accounts without 10% IRS penalty.

Age 60 – Many 401k Plans allow In-Service Withdrawals

Ages 60-63 – Special Extra Catch Up Contributions in Retirement Accounts

Age 62 – Earliest Age you can take Social Security

Age 65 – Medicare Eligibility & HSA Distributions without IRS Penalty

Age 66-67 – Full Retirement Age for Social Security

Age 70 – Latest Age to Take Social Security

Age 70.5 - Qualified Charitable Distributions (QCD)

Age 73 – Required Minimum Distributions (RMDs)

As we enter the second quarter, I want to remind you that volatility is a part of the investor's journey. Prudent investors buy low and sell high. We tend to forget that environments which allow us to "buy low" also create high levels of investor anxiety. Keep your risk levels aligned with your long-term investment goals, and as always, feel free to reach out when asking any questions or concerns.

Thank you,
Mary Sterk, CFP®, CEO & Founder

Sources – *Osaic MarketView

Forbes Best in State Wealth Advisors list includes ten recipients per state. The award is based on qualitative and quantitative data, rating thousands of wealth advisors with a minimum of seven years of experience and weighing factors like revenue trends, assets under management, compliance records, industry experience and best practices. The award is not based on portfolio performance or client reviews. There is no fee in exchange for rankings. Third-party rankings and recognitions are no guarantee of future investment success and do not ensure that a client or prospective client will experience a higher level of performance or results. These ratings should not be construed as an endorsement of the advisor by any client nor are they representative of any one client's evaluation.