

Stocks are off to a solid start in 2024. January gains are particularly enjoyable because of the old adage from the *Stock Trader's Almanac*, "As goes January, so goes the year." Nearly 75 years of historical data shows that when the S&P 500 has risen in January, the average gain for the remainder of the year has been about 12%. This January, the S&P 500 was up 1.6%.

Stocks have also historically fared well after the broad index has reached a new all-time high, as the S&P 500 did last month for the first time in over two years. The average 12-month gain after a new high, with more than a 12-month wait between those highs, has been nearly 12%, with gains 13 out of 14 times.

Those new highs have prompted some to wonder if stock valuations are too rich. They're elevated, no doubt, but they still look reasonable considering today's interest rates. Interest rates and price-to-earnings ratios tend to move in opposite directions when rates are elevated. Big tech companies, like Alphabet, Meta, and Microsoft, are another justification for high valuations. Their impressive earnings power is the reason why earnings growth is poised to accelerate and should help prevent valuations from getting too stretched.

A soft landing for the U.S. economy, though not assured, may also help push stocks higher despite full valuations — assuming inflation continues to ease. The job market remained surprisingly strong in January, adding over 350,000 jobs as wages rose. Although that could possibly contribute to a delay in Federal Reserve (Fed) rate cuts until summertime, markets may have adjusted to fewer cuts already. Good news may be good news.

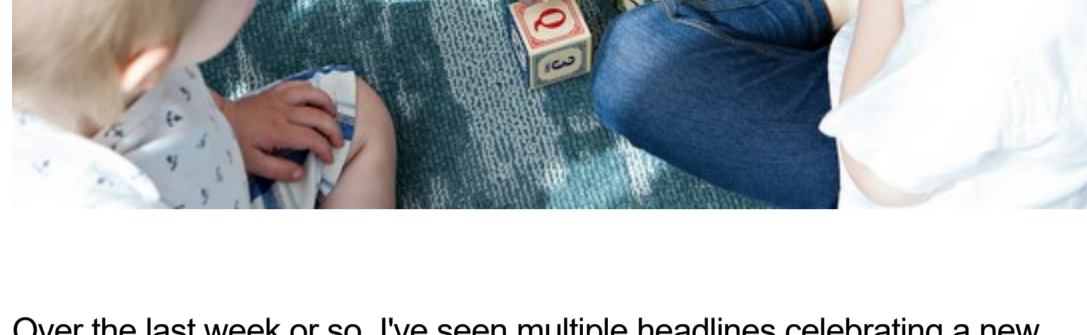
We see a lot of merit in the bull case, but the bears have plenty to support their case as stocks attempt to continue to climb the proverbial "wall of worry" and build on year-to-date gains. Presidential elections bring uncertainty, which may add some volatility even though stocks usually rise during election years. Commercial real estate continues to plague some regional banks.

A treacherous geopolitical climate cannot be dismissed, particularly a potentially wider conflict in the Middle East. Shipping goods around the world is taking longer and costing more. Military aggression by China toward Taiwan cannot be ruled out, nor can some spillover from China's soft economy.

In reviewing the full picture of what to expect from markets this year, a resilient U.S. economy, easing inflation pressure, and growing earnings create a favorable backdrop for both stocks and bonds. But with high valuations and mounting geopolitical risks, modest positive returns appear most likely.

As always, please reach out to us with questions.

House Passes New Child Tax Credit



Over the last week or so, I've seen multiple headlines celebrating a new child tax credit—just one part of a larger \$78 billion tax package recently passed by the House of Representatives.¹

Undoubtedly, this could be great news for American families, with some projecting the credit to lift as many as 400,000 children above the poverty line. However, like all legislative bills, this one has a few more hoops to jump through before becoming law.²

A vote has yet to be scheduled for the Senate, and while the House successfully moved the bill forward, it may face an uncertain path in the Upper House. Even then, the President must sign the tax package into law before America's citizens can benefit.

In short, this bill would be beneficial, but it's a bit early to celebrate.³

Having said that, I'm keeping a close eye on this tax package and the Child Tax Credit. If this bill does become law, we'll be ready to take advantage of the portions that may benefit you.

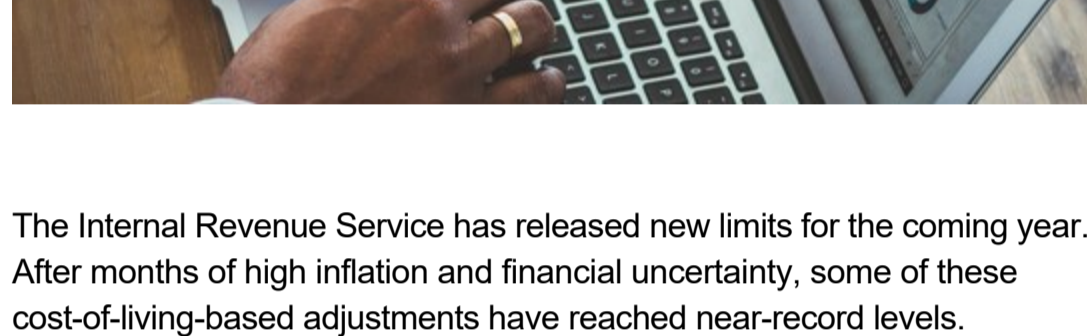
In the meantime, if you have any questions about the above or how it may (or may not) impact your established financial strategy, just let us know.

1. CBSNews.com. February 3, 2024. "House approves expansion for the Child Tax Credit. Here's who could benefit."

2. Cbpp.org. February 5, 2024 "House-Passed Bipartisan Tax Bill's Child Tax Credit Expansion Would Especially Help Children Living in Rural Areas."

3. This email is for informational purposes only and is not a replacement for real-life advice. Consult your tax, legal, and accounting professionals before modifying your tax strategy.

New Retirement Contribution Limits for 2024



The Internal Revenue Service has released new limits for the coming year. After months of high inflation and financial uncertainty, some of these cost-of-living-based adjustments have reached near-record levels.

Individual Retirement Accounts (IRAs)

IRA contribution limits are up \$500 in 2024 to \$7,000. Catch-up contributions for those over age 50 remain at \$1,000, bringing the total limit to \$8,000.

Roth IRAs

The income phase-out range for Roth IRA contributions increases to \$146,000-\$161,000 for single filers and heads of household, an \$8,000 increase. For married couples filing jointly, the phase-out will be \$230,000 to \$240,000, a \$12,000 increase. Married individuals filing separately see their phase-out range remain at \$0-10,000.

Workplace Retirement Accounts

Those with 401(k), 403(b), 457 plans, and similar accounts will see a \$500 increase for 2024, the limit rising to \$23,000. Those aged 50 and older will now have the ability to contribute an extra \$7,500, bringing their total limit to \$30,500.

SIMPLE Accounts

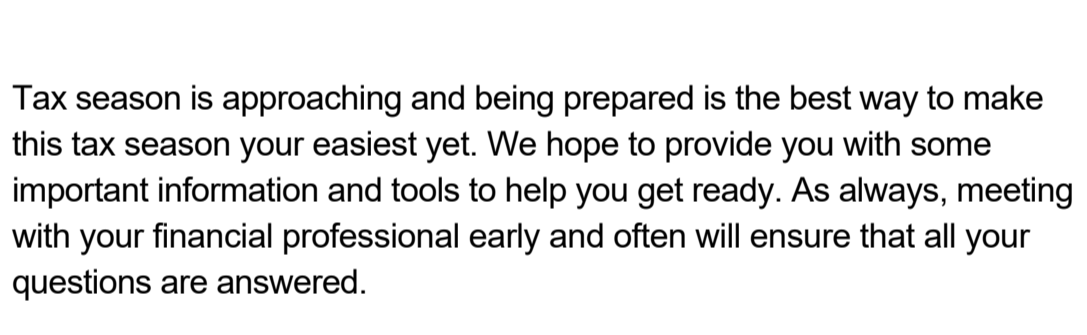
A \$500 increase in limits for 2024 gives individuals contributing to this incentive match plan a \$16,000 stoplight.

Keep in mind that we provide updates for informational purposes only, so consult with your tax professional before making any changes in anticipation of the new 2024 levels. You can also contact our offices, and we can provide you with information about the pending changes.

Just a quick reminder, you still have time to contribute to your Roth IRA's and IRA's for 2023.

The deadline is Tax Day, Monday, April 15th 2024.

Tax Season



Tax season is approaching and being prepared is the best way to make this tax season your easiest yet. We hope to provide you with some important information and tools to help you get ready. As always, meeting with your financial professional early and often will ensure that all your questions are answered.

We know it is important for our clients to get their consolidated 1099 tax forms as soon as possible. Our home office began sending these tax documents weekly starting January 20th. If you haven't received yours, we hope they will all be out by the middle of February.

You can now receive your tax forms to be paperless. On February 18th, all clients who have registered with Account View will have access to their 1099 forms in that system.

There are several benefits to you for going paperless with your important documents.

- Get faster access to your documents - including your tax forms
- Peace of mind - eDelivery is more secure
- Convenient access to important documents from one location, anywhere, anytime

For directions on how to set your tax forms to be paperless, please see the below steps. It takes less than 5 minutes to get set-up through your Account View profile.

1. Login to your account www.myaccountviewonline.com. If you don't have an Account View profile, you can sign up for one at this link.
2. Once you are logged into your Account View profile, click on your name in the upper right corner of the screen. Select "Preferences" to navigate to your paperless settings.
3. From there you can choose to either go 100% paperless for all eligible documents or pick and choose which documents you receive by mail delivery.

As always, we are here to help! Give us a call and we can help you set up your online access, paperless & more!

Texting the Office



Now more than ever, staying connected is essential. We are pleased to inform you that we are able to text using the number 507-535-3542.

If we have not interacted with you in the past, we will need you to complete the simple steps below.

1. Save 507-535-3542 as our texting number in your contact records. You can also reach us by phone at this number.

- We recommend that you create a distinct contact record for our business information, including my texting number. Doing so ensures that your business related text message is delivered to the correct number.

2. You will receive an initial text from Lindsey Borchart or Cassidy Chester with Prinvest Advisors with LPL Advisors via our texting number 507-535-3542.

- Reply to that text with the word "Accept". Do not include spaces, dashes or characters.
- We will be able to text with you after we receive your consent.

3. If you have not received an initial text from us, you may send us a text any time at 507-535-3542.

- Send a text message to our office 507-535-3542
- We will receive your message and reply. No consent is required.

Please be aware of the following considerations when texting:

- We are not permitted to accept trade or money movement instructions via text message. All trade and money movement instructions must be confirmed verbally.
- Do not send any messages or attachments that contain confidential (ex: Statements) or personally identifiable information (ex: SSN)
- All text messages are 1:1 (no group texting)
- Our admins will text on our behalf from our office number.
- You may text the word "stop" to stop receiving texts from our office.

***Text messages will be replied to Monday - Friday, 8:00 AM - 4:30 PM unless it falls on a holiday.**

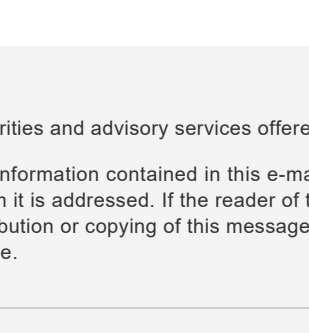
We would LOVE your feedback!

We would love to receive a [Google review](#) or [testimonial](#) regarding your experience you have had with our financial services team. Your feedback is valuable to us as we strive to provide the best possible financial services to our clients.

We are always looking for more clients like you, and your testimonial will help us showcase our [services](#) to others who may benefit from them. If you have a few minutes to spare, please feel free to share your thoughts.

We greatly appreciate any feedback you can provide.

[CONTACT US](#)



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