

THE COMMUNIQUE

July 2025

MAJOR INDICIES	LAST	MTD	QTD	YTD
S&P 500	6198.01	-0.11%	-0.11%	5.38%
Dow Jones Industrials	44494.94	0.91%	0.91%	4.59%
NASDAQ Composite	20202.89	-0.82%	-0.82%	4.62%
New York Stock Exchange	20541.37	0.55%	0.55%	7.56%

U.S. TREASURIES	YIELD
2-yr Treasury Note	3.78 %
10-yr Treasury Bond	4.24%
30-yr Treasury Bond	4.77%

Information as of July 1, 2025 Source: FactSet

MARKET COMMENT

Summer Magic

What travel or vacation plans do you have for summer? Americans appear to be on the move based on crowded airports, lower gasoline prices, and a massive amount of baby boomers enjoying their retirement. Just this past spring, the stock market was signaling that the economy was set for a slowdown, and that the consumer might be in for a time-out due higher interest rates, tariff talk, a trade war, a slowing housing market, and possibility of rising unemployment. The attached S&P stock market charts show a grim picture during spring, but then an incredible turn around with a new all-time high, offering investors some “summer magic” to start the season.

It seems that investors went from extreme fear of losing their capital to fear of missing out (FOMO) all within a few months. Several previous summer seasons provided investors with a slow market, including lower trading volume, and, usually, a seesaw or range bound prices. However, if July continues to pick up on June’s optimistic outlook, we could continue to see more positives than negatives. Perhaps the stock market doesn’t need a vacation but will continue to provide indications of a growing economy in the next 6 months.



Our vacation plans are rather muted this year. A few out-of-state family visits and some time at our farm enjoying nature. Vickie did enjoy a wonderful trip to England, but for us it's mostly local summer magic that seems to be on tap this year. As we care for a 94-year-old mother struggling with Alzheimer, we will remain close by. We hope you enjoy your summer, whether you are staying local, or venturing to far flung places around the world, enjoy the "summer magic."

As always, thank you for your continued trust and confidence, it is greatly valued.

PLANNING STRATEGY

Raymond James "Commentary & Insights" – RaymondJames.com M25-770703

Charitably Minded Investors Can Satisfy RMDs with QCDs

Helping others when you're gone is a noble and rewarding aspiration. But think how much more rewarding it could be, both personally and charitably, to help others while you're still here.

Giving during your lifetime can take many forms, one of which is using qualified charitable distributions (QCDs). It's an option that can also reduce your tax liability, as it involves donating pre-tax dollars before they become taxable income as a required minimum distribution (RMD).

Here's how it works.

Transform RMDs into QCDs

Philanthropy is often reward enough, but charity and tax deductions seemingly go hand in hand. As the standard deduction has risen to \$15,000 for individuals in 2025 (double for married filing jointly), you may want to consider giving strategies that don't require itemizing on your tax return. A QCD is a great way to carry out your charitable intent that doesn't require itemizing and also reduces your taxable income.

The required start age to begin taking distributions from your IRA has increased over the past few years from 70 1/2 to 73. However, the age that you can begin QCDs is still 70 1/2. These RMDs are generally treated as taxable income. Thankfully, the Protecting American from Tax Hikes (PATH) Act of 2015 permanently allowed an IRA owner to make qualified charitable distributions directly from their IRA to a charity without getting taxed on the distribution. Basically, you can satisfy your RMD amount without reporting additional income.

There is, however, another important benefit. When a QCD is used to satisfy an RMD, that amount is also excluded from tax formulas that could impact multiple categories such as Social Security taxation, Medicare Part B and D premiums, and the Medicare tax on investment income.

Rules to follow

You must be eligible. You must be age 70 1/2 or older at the time of the QCD (but remember, RMDs now begin at age 73). QCDs from Ongoing SEPs and SIMPLE IRAs are not permitted.

There is an annual limit. Your QCD cannot exceed \$108,000 per tax year, even if your RMD is greater than \$108,000. New legislation, the SECURE 2.0 Act, will index this \$108,000 limit for inflation starting in 2025.

Only qualified organizations count. The IRA trustee or custodian must make the distribution directly to a qualifying charity (private foundations and donor advised funds are not eligible). For instance, you cannot take the distribution yourself then write a check to the charity.

RMDs: A real-time legacy

By donating the RMD to a qualified charity, you can enjoy the satisfaction of knowing you are helping a worthy cause while simultaneously reducing your taxable income. This strategy also helps you live out your values in real time, effectively living your legacy in the here and now.

To learn more, seek guidance from your financial and tax advisors. They're a good source of information when it comes to living and giving generously.

Raymond James does not provide tax or legal services. Please discuss these matters with the appropriate professional. RMD's are generally subject to federal income tax and may be subject to state taxes. Prior to making an investment decision, please consult with your financial advisor about your individual situation. Account types mentioned may not be suitable for all investors

LIFE & LEISURE

Raymond James "Commentary & Insights" raymondjames.com M25-804793

Advance Care Planning: A Loving Act

In no circumstance is end-of-life care an easy conversation, but if you ever find yourself needing to make those tough decisions for a loved one, it's comforting to know what they want. Advance care planning helps ensure their wishes are clearly understood and respected. By having a series of meaningful conversations and preparing the necessary documents, you can help ease the stress associated with such a responsibility.

Advance care planning documents

The most crucial part of advance care planning is the discussions with your loved one about their choices for medical treatment at the end of their life. It's also important for them to record their preferences in legal documents that can be shared with medical professionals.

Advance directives are the documents that fall under the advance care planning umbrella, and can include:

- A living will lets you approve or decline specific medical care, even if it means death is imminent. Generally, this document can be used to decline life-prolonging treatments. In some states, it only applies under certain circumstances such as terminal illness or injury, but it's still valuable to document your wishes.
- A durable power of attorney for healthcare, also known as a healthcare proxy or surrogate, lets you appoint a representative to make medical decisions for you and specify the extent of their authority.
- A do not resuscitate (DNR) order instructs medical personnel not to perform CPR if you go into cardiac arrest or breathing ceases. There are two types of DNRs, one that is effective all the time and another that is only effective while you're hospitalized.

While a living will might not seem essential if there's a healthcare proxy, having a written document to help guide specific treatment preferences is ideal. The more information you have about your loved one's wishes, the better you can ensure those wishes are carried out.

Something to note is that advance directives can always be updated as circumstances change; don't be afraid to establish them early. A significant medical event or major family change can prompt a reevaluation at any time.

Creating a lasting legacy

Advance care planning offers a chance for your loved one to reflect on their life and share their story with future generations. Encourage them to create videos, catalog pictures or write in journals that can be cherished and passed down. There are tools and services, like Storyworth and Remento, that make it easy to create keepsake memoir books, ensuring your loved ones' memories live on.

Advance care planning objectives

At the heart of overseeing your family member's care is respecting their choices regardless of your personal feelings. Even if you have opinions that conflict with theirs, they chose you to implement their plan because they trust you to follow it as they've outlined. This also means understanding their religious and cultural preferences, and how these will influence their end-of-life care.

The goals of advance care planning are to respect individual patient autonomy, improve quality of care and reduce overtreatment. "Conversations around aging preferences and advance care should occur early and often. With the prevalence of dementia and cognitive decline, prioritizing discussions are vital to ensure loved ones receive the care they want and need," says Emily Treasure, senior manager of longevity planning at Raymond James. By partnering with your loved one in preparation, you can strengthen your bond and make them feel at ease about the care they'll receive as they age.

Sadly, differing opinions about end-of-life care can make it tough for families to reach a mutual agreement about how to care for their loved one. Emily recommends establishing advanced care preferences and finalizing directives early – long before a crisis arises. Putting these plans in place early ensures that the patient's wishes are clearly documented, reducing the emotional burden on families during difficult times and preventing rushed decisions, helping families to respect their loved one's wishes.

Doctors may not always start advance care planning conversations with patients, so advance care planning tasks often are left to family members or close friends. Seeking support from others who've undergone the planning process may help. Additionally, numerous government, legal and medical resources are available – from conversation starters from the National Institute on Aging to advance directive forms by state from AARP.

Implementing advance care planning

The purpose of advance care planning is to be prepared to make decisions that align with your family member's values. Even with a living will, some scenarios may not be clearly outlined. If this is the case, decision-making strategies can guide a healthcare proxy's choices.

Substituted judgement, the preferred decision-making method, involves putting yourself in the place of the person needing care and trying to choose as they would. This may mean remembering your loved one's strong opinions about a neighbor's care choices and what types of medical care they'd refuse.

The "best interests" approach, sometimes used in conjunction with substituted judgment, involves considering whether a specific treatment is in your family member's best interest; in other words, whether it improves quality of life or simply extends a condition of pain and discomfort.

When making these decisions, think about what your family member believed gave their life meaning and purpose, and whether they can still participate in those activities. This intimate knowledge, along with input from medical professionals, should guide your choices.

While the topic is uncomfortable to broach, remember that making care decisions for your family member if they're unable to do so is a loving act. With thoughtful discussions and thorough documentation, you'll be prepared to honor your loved one's requests if the time comes.

Sources: [AARP](#), [National Institute on Aging](#)

Quote of the Month: "What good is the warmth of summer, without the cold of winter to give it sweetness." - John Steinbeck, *Travels with Charley: In Search of America*

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