



New Year, New Beginnings

February 2025

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About Us

Welcome to the New Year!

As we step into 2025, we wanted to take a moment to express our gratitude for your continued partnership and to share some exciting updates from our team. The past year has been remarkable for us, filled with growth and achievements. Your trust and support have been instrumental in our success, and we are deeply grateful.

In January we welcomed Anna Dyer to the team as a Client Service Associate. She has been working hard to learn the job and will soon be reaching out and taking calls from you with the rest of the associates. We are very happy to have her here!

As we move forward, we are committed to delivering even greater value and service to you. Your feedback and insights are always welcome, as they help us better serve your needs.

Some important dates to keep in mind:

- **Monday, February 17, 2025** – Raymond James offices and the Market are **closed** for Presidents' Day
- **Friday, April 18, 2025** – Raymond James offices and the Market are **closed** for Good Friday
- Tuesday, April 15, 2025 – Deadline to file income taxes

Thank you once again for your continued faith in us. We look forward to a successful and prosperous year ahead.



January Market Review

Despite uncertainty surrounding inflation, interest rates, the political landscape and a new disruptor in the artificial intelligence (AI) race, domestic equities ended the first month of 2025 broadly positive, reflecting a continuing optimism for the U.S. economy. AI-themed stocks were shaken by a new entrant into the space, China's DeepSeek, which claims to be more efficient in various ways, especially power consumption, than key competitor OpenAI's ChatGPT.

"With mega-cap tech valuations stretched, those companies were vulnerable to a pullback," said Raymond James Chief Investment Officer Larry Adam. "While the NASDAQ took most of the hit, the performance of the equal-weight S&P 500 versus the capitalization weighted index shows signs of the market broadening beyond tech that we hope will continue."

Amid the many changes that greeted the new year, including the inauguration of President Donald Trump, the Federal Reserve held interest rates constant, as expected, as the Federal Open Market Committee (FOMC) awaits clear signs that inflation will continue to slide toward target levels and insight into the federal government's trade and fiscal priorities.

The year started off strong, but time will tell whether that trend will hold. Uncertainty remains a familiar theme moving forward as inflation remains sticky and the policy decisions of a new administration begin to take shape. Expect volatility and emotional reactions in the markets in the coming months, but with a positive overall trend throughout the year.

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Tailor Your Taxes for Retirement

From withdrawals to conversions, taxes in retirement can be a balancing act. After a fruitful career and plenty of practice paying taxes, you may feel prepared for the tax man in retirement. But a review of your post-retirement taxable income may yield some surprising insights. Examining your position can help you design ways to optimize your current investment strategy. Taking a new look at both fixed and flexible expenses provides the opportunity to ask questions and have discussions with your financial advisor about the tax implications of your total portfolio. When it comes to taxation, the more thorough the examination, the better.

Solopreneur? Take Deductions

If you're still working as a solopreneur, you can actually deduct Medicare Part B and D premiums – even if you don't itemize. Supplemental Medicare and Medicare Advantage costs are also deductible. But not everyone can deduct – this only applies if you don't have access to a health plan for your business or through your spouse's employer or business.

Taxes on Social Security Income

Despite any widespread myths to the contrary, Social Security is taxable income. You could pay tax on up to 85% of your Social Security income under certain circumstances, so beware of your filing status and annual income. For example, if you file a return as an individual and your adjusted gross income plus nontaxable interest, in addition to half of your Social Security income, is more than \$34,000, you'll pay tax on up to 85% of that benefit. Adjusted gross income covers everything, from wages (if you are still working) to rental income and, most importantly, any withdrawals from 401(k)s and IRAs. However, Roth IRAs are exempt.

Sources: thebalance.com; westernsouthern.com; moneywise.org; wealthenhancement.com; ssa.gov

Raymond James does not provide tax services. Please discuss these matters with the appropriate professional.

If certain conditions are met, ROTH IRA and ROTH 401(k) distributions will be completely income tax free. Unlike Roth IRAs, Roth 401(k) participants are subject to required minimum distributions at age 72 (70 ½ if you reach 70 ½ before January 1, 2020). Investors should consult a tax advisor before deciding to do a conversion.

Withdrawals which exceed income will reduce the value of your portfolio.

Tailor Your Taxes for Retirement

Offsetting Required Minimum Distributions

Depending on your portfolio, required minimum distributions (RMDs) can bump you into a higher tax bracket than you were expecting. It's important to take RMDs into consideration every year and factor in what you'll be required to take out of your retirement accounts starting at 72 (or earlier if your plan allows). One way to balance an increased tax burden is with a qualified charitable distribution (QCD). After 70 1/2, you can donate up to \$100,000 a year to an eligible charity directly from your traditional IRA – and you won't have to pay any taxes on it. QCDs can also be a way to meet your RMD, with the caveat that you can't then itemize the donation as a charitable deduction on your return.

To Convert or Not to Convert

If you've got retirement funds in traditional IRAs or 401(k)s, you have the option to convert these to a Roth at any time. This strategy could potentially lower future taxes – but you'll have to pay taxes in the year you convert. Look at current tax rates and potential future income from your assets and talk to your advisor and tax professional to forecast whether Roth conversions would make sense for you.

The Right Amount of Withdrawals

Conventional wisdom says to follow the "4% rule" – withdrawing no more than that amount of your retirement portfolio every year. But this is only a general guidance – and deserves to be revisited, especially when there are market waves, inflation or other headwinds. Be sure to set up a time to renew and adjust your withdrawals as needed to manage your income bracket most effectively.

Tax implications can be overlooked too often when the focus has been on saving and investing for so many years. Whether you are pre-retirement or post-retirement, there's always an opportunity to review – and adjust.

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**Dan Snow, CFP®, AWMA®, CRPS®,
Associate Vice President, Investments**

Winter has been busy for the Snow's. Maddie was selected to play as a Freshman on the Varsity basketball team at Badin HS. Although it was a tough adjustment for her, she has settled in with the support of her teammates and is doing great. Lexi is focusing more on college as she prepares for the ACT in February. We are also planning a few campus tours for this spring. Dan recently joined the Kolping Bourbon Club where he has the difficult job of deciding which bourbon is the best at their monthly meetings.

Mollie Marot, RJAS Operations Administrator

We had a wonderful holiday season and welcomed our fifth grandchild, Timothy Patrick in December. Kate transferred to Ohio State just in time to celebrate the championship! 2025 is going to be an exciting year for us—Paul's graduation from Miami University in May, and John's and Samantha's wedding in September. Wedding plans are in full swing!

**David R. Rodrigo, CFP®, CPA*, PFS, MBA,
MFP, First Vice President, Investments**

Amy & Dave are happy about the return FC Cincinnati games in February. Dave will continue training for races in the Spring (& hopefully stay injury free). Everyone have a great Presidents Day Weekend! Please remember the office will be closed on February 17th.

**Jason Goldberg, CFP®,
First Vice President, Investments**

A.J is finishing up his final semester at Miami University and is on the hunt for his first job, post-graduation. Grace has started practice for Tennis season and Pate continues to do well in school and build his lawn care business. Julie is recovering from her second hip replacement and looking forward to hiking when the weather warms up. Jason is trying to learn fly fishing for a big adventure this summer, to celebrate his 50th B-day!

**Geoffrey P. Ziegler, AAMS®,
Financial Advisor**

I hope everyone was able to enjoy the holiday season and spend some time with those important to you. We were able to enjoy some quiet in with our family and friends as well as take a trip to Hocking Hills. With this time of year, the Ziegler household is deep into volleyball and traveling every weekend to a new city and to explore their convention center. Both girls are working hard and having fun with their teams and having success on the court as well.

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1819 TEAM NEWS

Dustin Martin, CFP®, CEPA*, Financial Advisor

Dustin & Carli are trying their best to keep Ben entertained during this extra cold winter we've experienced in Cincinnati. They've made plenty of trips to the Aquarium and Cincinnati Museum Center over the past few months. Hard to believe Ben will be a year and a half old in February. They are also excited to announce they are expecting their second child early this summer! Ben is eager to become a big brother. We look forward to sharing more special moments and updates with you in the coming months.



Dustin, Sam and Dan had a great time at The Cocktails & Candy Canes event! This annual event benefits the Senior Resource Center established by St. Charles Community in Northern Kentucky. The Senior Resource Center guides seniors and their families through the maze of aging services. The Center connects seniors in need with resources to help them remain independent.

1819
WEALTH ADVISORS
of
RAYMOND JAMES

400 E Business Way, Suite 101
Cincinnati, OH 45241

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When you entrust your financial affairs to us, you'll find that we can help you address the management of your wealth with the utmost level of care and specialized support – tailored to your unique needs.

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1819 WEALTH ADVISORS OF RAYMOND JAMES 400 E Business Way, Suite 101 // Cincinnati, OH 45241 // D 513.786.7860 // F 866.751.4683 // 1819wealth.com.

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