



Kirk Abrahamson
Managing Director
Abrahamson Wealth Management

5/29 IS NATIONAL COLLEGE SAVINGS DAY

National 529 College Savings Plan Day on May 29th is quickly approaching. As such, it's the perfect time to review the advantages of these powerful savings tools. Whether you're planning for your child's or grandchild's future education or looking for tax-efficient ways to invest, 529 plans offer numerous benefits:

- **Tax Advantages:** Contributions to a 529 plan grow tax-free, and withdrawals for qualified education expenses are also tax-free
- **Flexibility:** Funds can be used for a wide range of educational expenses, including tuition, books, and even certain room and board costs
- **Transferability:** If the beneficiary doesn't need the funds, you can transfer the plan to another eligible family member without penalty

For a complimentary fact sheet discussing features and benefits of education savings plans, please click [here](#).

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IN THIS ISSUE

529 COLLEGE SAVINGS DAY

CHART OF THE MONTH

MARKET UPDATES &
HEADLINES

ESTATE PLANNING ADVICE

SOME GOOD NEWS

SHRED EVENT & FOOD
DRIVE

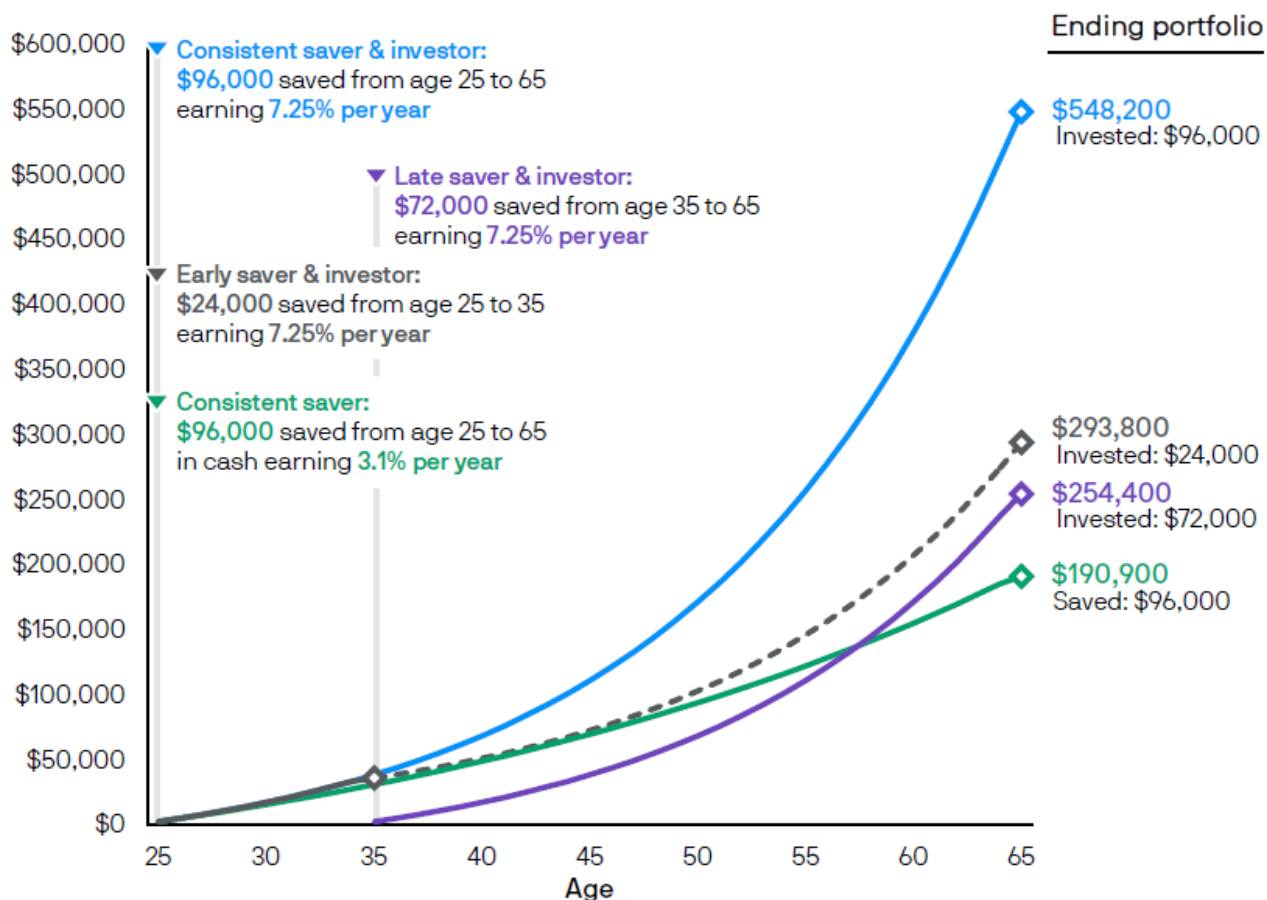


CHART OF THE MONTH: BENEFITS OF SAVING AND INVESTING EARLY

Investing early and consistently yields the best results. An early investor who stops after 10 years often outperforms a late investor who contributes significantly more over a longer period. Additionally, a consistent saver who does not invest misses out on the higher returns that investing can offer.

Benefit of saving and investing early

Account growth of \$200 invested/saved monthly



Source: J.P. Morgan Asset Management, Long-Term Capital Market Assumptions. Compounding is the increasing value of assets due to investment return earned on both principal and prior investment gains. The above example is for illustrative purposes only and not indicative of any investment.



MARKET UPDATES & HEADLINES

SUMMARY - Uncertainty reigned through April and likely will continue to do so, at least in the near term. Markets have reacted, both negatively and positively, to every headline coming out of Washington. On April 2, President Donald Trump's declaration of "Liberation Day" sparked a selloff of 19% in the equity markets as the announced tariff rates were considerably higher than expected. Then, amid stronger-than-expected first-quarter earnings and a softening rhetoric on tariffs, markets recovered 62% of the drawdown by the close of the month. The effects of the new tariffs won't be seen in corporate earnings until second-quarter reports, and so remain uncertain.

"Despite tariff-related headwinds, we remain constructive on the equity market and expect positive earnings growth for the year, pushing the S&P 500 toward our 5,800 target," said Raymond James Chief Investment Officer Larry Adam.

Bond markets also experienced extraordinary volatility, rattled by tariff headlines and concerns that President Trump would fire Federal Reserve (Fed) Chair Jerome Powell. A softer tone on tariffs and walking back the comments about Powell helped bond yields and took some of the stress out of the market by the end of the month.

US economy waits in tariff anticipation

The US trade deficit in goods and services was in line with expectations in March and slightly lower than the record-breaking deficit in January as firms continued to stock up on imports ahead of the imposition of tariffs. The trend is likely to continue, given the president's April 2 announcement of much larger tariffs, and remain a drag on US gross domestic product (GDP) growth.

Better-than-expected Consumer Price Index (CPI) numbers were good news for the Fed and the economy, but may be the last disinflationary year-over-year print this year as tariffs begin to affect prices. The recent decline in petroleum prices and the continuing disinflationary trend in shelter costs may temporarily mitigate the upward pressure on prices. The release of an AI model from China at the end of January called into question the U.S.'s AI dominance – and AI-stock valuations – as well as expectations for related capital expenditures.

Markets' tariff tug-of-war

After a strong start to the year, the S&P 500 experienced a sharp three-day drawdown (-15%), followed by a robust +10% one-day rally on news that Trump would pause part of the tariffs in April. Since then, the market has attempted to digest the potential economic and inflation risks, leading to further back-and-forth volatility. Investors are caught in a tug-of-war between the fact that this drawdown could be reversed quickly versus the risk that the White House digs its heels in and continues the trade war, with the potential for additional sector-specific tariffs, such as for semiconductors and pharmaceuticals. The S&P 500, which tracks large U.S. companies, finished the month down 1.42% while the Russell 2000, tracking U.S. small companies, was down 5.45%.

The bottom line

It's helpful to remember that economic data lags, so the markets will shift on regular reports and the effects of tariffs on earnings and GDP are yet to be seen. Expect high levels of volatility to continue as the markets are heavily shaped by presidential policy. Plenty of uncertainty remains, so changes can happen quickly.



WARREN BUFFETT: ESTATE PLANNING ADVICE



Warren Buffett has a very substantial estate to think about. According to Forbes, Buffett is worth nearly \$150 billion as of early February 2025. He recently posted a letter to Berkshire Hathaway shareholders that discussed how he planned on dispersing his wealth. He also gave advice for parents that he felt applied “whether they are of modest or staggering wealth.” Here’s the advice from Buffett parents planning their estates should take to heart:

Key Estate Planning: Not Just for the Wealthy

Estate planning is essential for everyone, not just the wealthy. An estate includes everything left to heirs after death, making it crucial for middle-class families to plan as well. Estate planning covers dispersing money and assets, guardianship of young children, health care directives, and taxes.

Warren Buffett's Advice on Estate Planning

Warren Buffett, CEO of Berkshire Hathaway, shared valuable advice in a letter to shareholders. Buffett, worth nearly \$150 billion, emphasized that parents should have their adult children read and understand their will before signing it. This prevents surprises and ensures children grasp the logic and responsibilities involved.

Transparency Prevents Family Disputes

Buffett highlighted that discussing the will openly can prevent infighting and confusion among family members. He noted that transparent estate planning can even bring families closer together.



THE GOOD NEWS: INSPIRATIONAL & LIGHTHEARTED STORES FROM AROUND THE WORLD



- [Girl joins Mensa at 13 after scoring higher than Albert Einstein, even with no exam prep](#)
- [Man Gets Stuck in Lake Michigan Quicksand and Comes Out with New Girlfriend](#)
- [90-year-old Who Has Saved Over 10,000 Animals at Sanctuary Has No Plans to Retire](#)
- [After Serving Together for 4 Years in Iraq, Dog and Army Handler Are Reunited to 'Live the Couch Life' in Texas](#)
- [Hero Passenger Lands Plane After Her Pilot Suffers Cardiac Arrest](#)

SHRED EVENT & FOOD DRIVE

Come by our office to drop off your personal documents to shred as well as some goods to donate to our local Food Bank of Iowa.

- Tuesday, May 20, 2025: our shred truck will be on site from 9am – 12pm
- Goods in need: Canned goods (proteins, soups, sauces), breakfast items, 100% fruit juice
- Light refreshments and snacks will be available

We would love to hear from you! If there's an item or topic you'd like for us to discuss in greater detail, [drop us a note](#) and we'll be sure to address it in future editions of the newsletter.

Our goal is to make this publication educational, while providing entertaining material for all to enjoy.



13137 University Avenue, Suite 200 // Clive, IA 50325

D: 515.224.5785 // F: 515.440.0818 // www.abrahamsonwealthmanagement.com

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