PRISM PLANNING & SOLUTIONS GROUP, LLC

National Credit Awareness Newsletter

FROM YOUR ADVISOR

As we move into March the weather is starting to look a bit warmer here in the northern hemisphere and we're beginning to be hopeful that we won't be plunged into another deep freeze before the crocuses start to bloom. Speaking of blooming, the economy continues to chug along at a healthy rate, adding fuel to the argument that we are not likely to see the Fed cut interest rates anytime soon. In the last week of February, we saw several important metrics from building permits for new homes to PCE numbers favored by the Fed show no signs of weakening. There are a few metrics showing that the higher interest rates we've experienced over the last 18 months have tempered consumer expectations, which is a good thing, since it suggests The Fed is unlikely to need to raise interest rates any further. The year-over-year core PCE price index for January came in at 2.8%. I believe at that level The Fed will be content to leave interest rates right where they are for the next several months if not all of 2024. We did see both initial and continuing jobless claims come in slightly higher than expected, but in my opinion the numbers are not significant enough to raise any concerns yet. I'm still focused on the likelihood that the rate of earnings growth in the handful of largest companies in the S&P 500 index is likely to slow down in the second half of this year to more sustainable rates.

NATIONAL CREDIT AWARENESS

Using credit wisely can help you grow your net worth, but used incorrectly it can cripple you financially for years. As a general rule, please try to avoid using debt and paying interest on the cost of anything you're going to consume, an experience, or anything you choose to buy that is likely to decline in value. Go ahead and consider using debt to buy anything you expect to increase in value, as long as the increase will noticeably exceed your costs to borrow.

Always read the fine print. Over the last 30 years we have seen a proliferation of marketing that focuses on telling us we should not delay gratification because we "deserve" that new car, that expensive vacation, or that home theater system with the latest technology. As human beings we seek immediate gratification; it's part of our biological makeup.

UPCOMING EVENTS

All events hosted on Zoom unless indicated otherwise.

March 7, 2024, at 6pm – Investing your values with tools from As You Sow

April 11, 2024, at 6pm – TBD

May 2, 2024, at 6pm – TBD

Zoom information provided upon registration.

Please email Sharon@PPSgrp.com for more information.

Prism Planning and Solutions Group
Financial Planning & Execution

NATIONAL CREDIT AWARENESS

Like all of our biological drives though, we can choose to use our power to reason to make choices that are healthier for us in the long run. The messaging that sets up your choice as "why wait until you can afford this, you deserve it now" sets up an emotional dynamic with money that can become very unhealthy very quickly. Change the conversation. You work hard so that you can have money to pay for the things you need as well as for the things you want. Start by making sure that you're clear about the difference between the two.

There's nothing wrong with choosing to spend money on things that we want. But remember somebody showing you a monthly payment and trying to play on your emotions usually is focused on their own profit more than they're focused on your well-being. Do the math.

Pay attention to your credit score. It is the tool lenders will use to assess how likely you are to pay back what they lend you. Here are links on some ways new consumers can build credit, and things everyone should understand about credit. You can also keep track of your credit score at websites like www.creditkarma.com, but remember, resources free to you are paid for by someone, usually advertisers.

A Certified Financial Planner® professional can help you understand ways to use credit effectively, and help you plan for a secure financial future for you and your family.

"ALL THINGS IRA" CORNER

Raising children to be savers starts early. You can use IRAs to give your children a head-start on financial security as well as good savings habits.

- There is no minimum age for having an IRA. All they need is earned income (you'll need to set up a "guardian IRA" for minors).
- In 2024 the maximum IRA contribution is 100% of earned income up to $7000,
- You can gift them money to put into their IRA (as long as they have earned income),
- Any kind of paying work will do - babysitting, waiting tables, even a family business.
- Use Roth IRAs - 10 years of contributions from ages 14 - 23 can grow to more than $1.6 million Tax Free dollars by the time they're 65 if invested for growth.
- Keep good records.

Get more information here. Ask your tax planner or a member of Ed Slott's Master Elite Advisor GroupSM for more information.

Julia Peloso-Barnes, CFP® is a member of Ed Slott's Master Elite IRA Advisor Group™. For more information on anything mentioned in the "All Things IRA" Corner please email Julia at Julia@PPSgrp.com or schedule a call/zoom here.

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www.ppsgrp.com/meet-the-team

KEY POINTS

- Using debt wisely can help you increase your net worth.
- Look beyond the monthly payment to the real cost.
- Distinguish wants from needs.
- Keep track of your credit score.
- Know what will help and hurt your credit score.
- A Certified Financial Planner® professional can help you understand how to use credit most effectively in your situation, and help you plan for a secure financial future for you and your family.

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For more information about this educational membership organization visit irahelp.com