

PRISM PLANNING & SOLUTIONS GROUP, LLC

Financial Literacy Awareness Newsletter



FROM YOUR ADVISOR

Anyone who has shopped for groceries or a car recently knows all too well that prices are a lot higher today than they were a few years ago. Should we be concerned that these increases are going to continue? In my opinion the short answer is “no.” As you can see by the graph below (courtesy of J.P.Morgan Asset Management) Core CPI was below the 50-year average for more than twenty years, and in the years since the housing crisis (2008–2009) barely reached 2%, even with interest rates at or near 0%. The spike in inflation we experienced after the pandemic has abated, and we are at or below the 50-year average for every metric. Our pain at the cash register is real, and if history is any indication prices are unlikely to go down much from here, but we can take some comfort that the rate of increase has returned to a more “normal” rate by historical standards [Email me](#) or [schedule a call](#) if you’d like to discuss this further.

UPCOMING EVENTS

All events hosted on Zoom unless indicated otherwise.

May 2, 2024, at 6pm – TBD

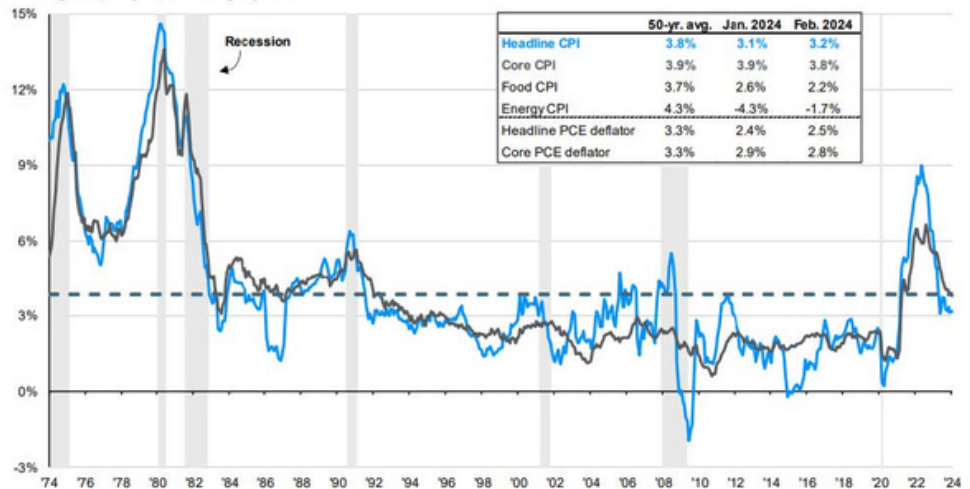
June 6, 2024, at 6pm – TBD

Zoom information provided upon registration.

Please email Sharon@PPSgrp.com for more information.

CPI and core CPI

% change vs. prior year, seasonally adjusted



Source: BLS, FactSet, J.P. Morgan Asset Management. CPI used is CPI-U and values shown are % change vs. one year ago. Core CPI is defined as CPI excluding food and energy prices. The Personal Consumption Expenditure (PCE) deflator employs an evolving chain-weighted basket of consumer expenditures instead of the fixed-weight basket used in CPI calculations. Guide to the Markets – U.S. Data are as of March 31, 2024.

J.P.Morgan
ASSET MANAGEMENT

FINANCIAL LITERACY AWARENESS

“Financial Literacy” can refer to many things, as the internet will tell you. The focus, if you search, will be on budgeting, spending less than you earn, and other good financial habits.



FINANCIAL LITERACY AWARENESS

I think a better understanding of how our economy works is also important. My [blog](#) this month offers an explanation of the building blocks of our economic system. I discuss definitions of money, saving and investment, and explain basic ideas such as supply and demand and investing through stocks and bonds. My belief is that much of economics is rooted in common sense, but the language used is unfamiliar to most people. I offer a “translation” that I hope will make you confident that you understand more than you realize, which in turn will help you as you work towards your own financial independence.

“ALL THINGS IRA” CORNER

What if you forgot to take your Required Minimum Distribution (RMD)?

IRA owners now must start taking RMDs beginning in the year they turn 73. (Some IRA and Roth IRA beneficiaries must also take required distributions.) Missed RMDs are now subject to a penalty of 25% of the amount not taken, and that penalty can be reduced to 10% if the missed RMD is corrected in a timely manner.

- First, calculate the total missed RMDs. Each year, the RMD is calculated by dividing the end-of-year account balance by a life expectancy factor published by the IRS. Review each year’s calculations to see if you withdrew enough.
- Next, for every missed RMD File IRS Form 5329 to report the missed RMD and attach a letter explaining why it was missed and asking for a waiver of the penalty. Explain what you are doing to correct the problem so you can avoid missing future RMDs.

For more information about fixing missed RMDs [click here](#). Ask your tax planner or a member of Ed Slott’s Master Elite Advisor Group 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](#).

Prism Planning & Solutions Group is a dba of Insight Advisors, a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Insight Advisors and its representatives are properly licensed or exempt from licensure. This material is solely for informational purposes. No advice may be rendered by Insight Advisors unless a client service agreement is in place. Prism Planning & Solutions Group does not offer tax or legal advice.

Certified Financial Planner Board of Standards, Inc. (CFP Board) owns the CFP® certification mark, the CERTIFIED FINANCIAL PLANNER™ certification mark, and the CFP® certification mark (with plaque design) logo in the United States, which it authorizes use of by individuals who successfully complete CFP Board’s initial and ongoing certification requirements.

Certain statements contained in this publication, including, without limitation, statements containing the words “expect(s),” “anticipate(s),” “believe(s),” “intend(s),” “seek(s)” and words of similar import constitute “forward-looking statements.” Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results or outcomes to differ materially from the future results or outcomes implied by such forward-looking statements. Given such uncertainties, you are cautioned not to place undue reliance on such forward-looking statements.

www.ppsgrp.com/meet-the-team

KEY POINTS

- Financial Literacy is more than budgeting and spending less than you earn.
- You probably already understand economics but may not realize it.
- Confidence in “how things work” will help you on your journey to financial independence.
- A Certified Financial Planner® professional can help you put inflation and other economic data in perspective, and help you plan for a secure financial future for you and your family.



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