

THE STRAUSS EXCHANGE

FROM ARTHUR'S DESK

As we close out 2024, it's clear this has been a remarkable year in the financial markets. From sustained economic growth to robust stock performance across key sectors, the opportunities for growth have been plentiful.

Together, we've navigated the ups and downs, making strategic decisions to align with your financial goals.

Looking ahead to 2025, we're excited about the possibilities the new year holds. While challenges may occur, we remain committed to staying ahead of market trends, adapting strategies, and ensuring your financial success remains our top priority.

I want to share my thoughts on America's current fiscal policy, geopolitical elements, and other factors that may help shape this year's financial landscape. This transition period offers both challenges and opportunities for investors—and *we're here to help.*

Fiscal Policy

Many provisions of the 2017 Tax Cuts and Jobs Act were set to expire in 2025, but it's possible some of those provisions may get extended due to the election's outcome. So remain proactive, especially with estate strategies, but expect some updates as 2025 progresses. Reducing the corporate tax rate appears most likely among the discussed tax reforms. Whether these measures will successfully pass through Congress remains to be seen.

Monetary Policy

When discussing monetary policy, all eyes shift to the Fed and what it will do with interest rates. The Fed cut rates in December but indicated it may make fewer adjustments in 2025. The anticipated changes under the new administration will most likely leave the current trajectory of economic and monetary policy unchanged over the next few years.

Geopolitical Factors

Global risk continues with international conflicts, disruptions to supply chains, government transitions, polarized and fragmented political factions, and increased cyberwarfare. These factors keep the global stage unpredictable and increase economic uncertainty. This underscores the importance of vigilance while managing portfolios.

Cryptocurrencies

There's little doubt that cryptocurrency is here to stay and will continue to evolve, given its ability to facilitate decentralized transactions in an increasingly digital world. While its potential for future widespread adoption presents exciting opportunities, it's important to be mindful of its inherent volatility and the risks it carries.

Artificial Intelligence

As more companies begin embracing its potential, the future of AI will reshape the way we live, work, and invest.

As these factors continue to take shape, I am monitoring portfolios diligently. Please don't hesitate to contact us if you have any questions.

*Thank you for your continued loyalty and trust,
Arthur Strauss, CFP®
CEO and President*

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TAX TOPICS

As we kick off the year, it's important to keep an eye on key changes to the tax code that may impact your finances in 2025. Below are a few critical items to be aware of:

Expiring TCJA Provisions

Several provisions from the Tax Cuts and Jobs Act (TCJA) are set to expire after 2025, which could lead to an increase in your tax bill if Congress doesn't act to extend or modify them. Key provisions to watch out for include:

- **Individual Income Tax Brackets:** The TCJA temporarily lowered tax rates for most taxpayers, but these reductions are set to revert to pre-2018 levels after 2025 unless extended. This could push many taxpayers into higher brackets.
- **Standard Deduction:** The TCJA nearly doubled the standard deduction, making it more beneficial for many to take the standard deduction rather than itemizing. However, this higher standard deduction is also scheduled to sunset after 2025.
- **Child Tax Credit:** While the TCJA expanded the child tax credit, the increased credit amount and eligibility limits are set to revert to pre-TCJA levels unless extended by Congress.

Congress may eventually extend or make permanent some of these provisions, but it will be something to keep an eye on as the give and take required to pass new law will likely bring about other unexpected changes that will impact your taxes.

Tax Changes in 2025

In addition to expiring provisions, there are several notable changes already in place for 2025 that will affect your taxes:

- **Inflation Adjustments:** As a result of inflation, tax brackets and contribution limits for retirement accounts like 401(k)s and IRAs will be adjusted upwards for 2025. Be sure to review the new brackets and contribution limits as you plan for your 2025 taxes.
- **The standard deduction:** Also related to inflation adjustments, the standard deduction has been increased for 2025 to \$30,000 for married couples filing jointly, up \$800 from the previous year. For single filers, this number increased by \$400 to \$15,000. This will continue to make strategies like itemized deduction bunching, QCD's, and Donor Advised Funds more popular as it becomes harder to get the benefits of itemizing deductions.

As always, staying informed and planning ahead can help you maximize your tax benefits and minimize surprises. *Consider consulting with a tax professional to optimize your tax strategy and ensure compliance with current and future tax laws.*

SERVICE CORNER

- Fidelity has issued a notice that 2024 tax documents for the majority of account types should be furnished **on or before 3/27/2025**. Please keep a lookout in your email for Strauss Financial Group's communication regarding tax document delivery and timing.
- **Annual review meetings are underway!** If you would like to schedule your meeting prior to our office contacting you, feel free to call or email us.
- Have you had a major life-change? Please let our office know so we can discuss how/if this affects your financial plan.



SHARING OUR BLESSINGS

Strauss Financial Group has been very blessed this year to work with all of you, and we are grateful for the opportunity. We have also been blessed in our personal lives this year; **Kate celebrated a milestone birthday, Lauren's son is thriving at his new school, and Arthur became a proud uncle to his sister's first baby boy.**

In light of these things, we continue to volunteer throughout the year to share our blessings with the community. This December, we baked cookies at **The Ronald McDonald House** in downtown Birmingham for the families living there during the holiday.



The Ronald McDonald House Charities of Alabama has a mission to *"provide essential services that remove barriers, strengthen families, and promote healing when children need healthcare."* We worked in their kitchen and were able to meet a few of the guests. **It was our pleasure to bake and serve holiday treats for them!**

KATE'S KITCHEN



MILLION DOLLAR CHICKEN

Ingredients

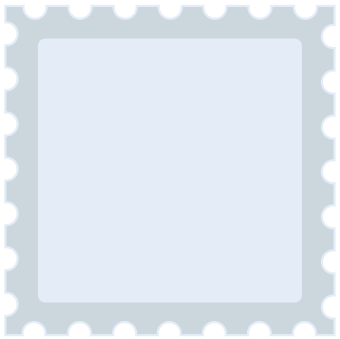
- 4 boneless chicken breasts
- ½ cup chopped white onion
- 1 stick butter
- salt and pepper (will be to taste)
- ¼ teaspoon fresh rosemary, finely chopped
- ½ cup white wine
- 1 can cream of mushroom soup
- ½ teaspoon dried basil
- ¼ teaspoon paprika

Directions

Place medium sauce pan on medium heat. Add butter and onions, sauté on medium heat for 2-3 minutes or until tender. Place chicken breasts in casserole dish sprayed with Pam. Sprinkle each piece of chicken with salt, pepper and paprika. Combine remaining ingredients in a mixing bowl. Pour mixture over chicken breasts. Bake uncovered for 1 hour and 10 minutes at 350 degrees. Serve with rice.



"As far as New Year's resolutions go, that's easy... Mine are reusable. I use the same ones every year."



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The S&P 500 Composite Index is an unmanaged index that is considered representative of the overall U.S. stock market. Index performance is not indicative of the past performance of a particular investment. Past performance does not guarantee future results. Individuals cannot invest directly in an index. The return and principal value of stock prices will fluctuate as market conditions change. And shares, when sold, may be worth more or less than their original cost.

Data sources: News items are based on reports from multiple commonly available international news sources (i.e. wire services) and are independently verified when necessary with secondary sources such as government agencies, corporate press releases, or trade organizations. The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange. Market indices listed are unmanaged and are not available for direct investment.