

What's New(s)?

Can you believe that one-third of the year is already behind us? We've weathered several storms together, and the remainder of the year may hold some surprises as well. I'm grateful for your partnership as we work toward your financial goals for the future you're envisioning.

As we progress through the second quarter of 2025, it's essential to acknowledge the current economic landscape, which presents both challenges and opportunities. While recent market volatility and policy shifts have introduced uncertainties, they also offer avenues for strategic planning and informed decision-making. In this issue, we'll explore key economic indicators and provide insights to help you navigate the evolving financial environment.

3 Key Economic Signals to Watch in Q2

1. Federal Reserve's Policy Direction

The Federal Reserve's stance on interest rates remains a critical factor in the economy. While Chairman Jerome Powell has indicated a "wait for greater clarity" approach, market expectations suggest potential rate cuts later in the year. However, inflationary pressures, partly driven by tariffs, could influence the Fed's decisions.

What This Means for You: Understanding the Fed's actions can help you anticipate changes in borrowing costs and adjust your financial strategies accordingly.

2. Housing Market Dynamics

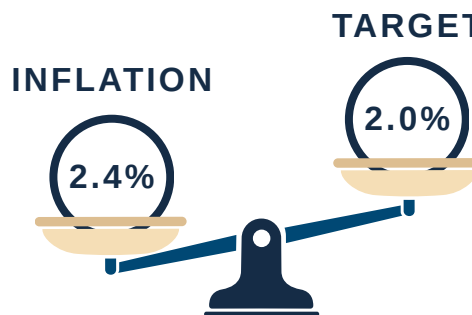
The housing market has experienced a slowdown, with existing-home sales dropping 5.9% in March 2025, marking the steepest monthly decline since November 2022. High mortgage rates and rising home prices have contributed to this downturn.

What This Means for You: If you're considering buying or selling property, it's important to stay informed about market conditions and interest rate trends to make well-timed decisions.

3. Inflationary Pressures

Inflation has been a central focus in recent months, and for good reason. The Consumer Price Index (CPI) rose 2.4% over the 12 months ending in March 2025 – slower than previous months, but still slightly above the Federal Reserve's long-term target of 2%. While overall inflation is easing, certain sectors, like food, continue to see price increases.

What This Means for You: Inflation and tariffs affect your purchasing power. Stay on top of these shifts and adjust your plan as needed to stay on track with your financial goals.



SPRING CALENDAR

Important Dates To Remember for Q2 2025

- April 20: Easter
- April 24-May 4: Fiesta!
- May 5: Cinco de Mayo
- May 11: Mother's Day
- May 26: Memorial Day
- June 14: Flag Day
- June 15: Father's Day
- June 16: Q2 Estimated Taxes due
- June 19: Juneteenth
- June 30: End of Q2

What Should You Focus On This Quarter?

- The weeks following tax season present a great opportunity to clean up files and update systems to make your 2025 tax year even easier.
- Follow up with your accountant if you've filed an extension for 2024.
- If you have a rising college student, gather all necessary financial information and check deadlines, both for FAFSA and for your child's preferred school(s).
- If you are subject to quarterly "Estimated Taxes" for 2025, the next due date is Monday, June 16, 2025.
- Many mortgage companies perform an annual escrow analysis during Q2 (though this can vary by state); it's a good time to review your homeowners insurance, property taxes, and PMI (Private Mortgage Insurance) and make needed adjustments.

Looking Ahead...

While the current economic indicators present challenges, they also offer opportunities for strategic planning. By staying informed and adaptable, you can navigate the evolving landscape effectively. We are here to support you in making informed decisions that align with your long-term financial goals.

Thank you for your continued trust in me as your financial partner. I look forward to assisting you in achieving sustained success.



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