



## 4<sup>th</sup> Quarter 2024 Newsletter

- ❏ A recent study reviewed the 2024 S&P 500 return estimates from 20 prominent banks and asset managers, made at the end of 2023. The closest estimate was off by 12% and the median prediction missed by 23% versus the actual return. Be cautious with forecasts for 2025.<sup>1</sup>
- ❏ There is much conjecture about the future of the economy, taxes, and inflation with the incoming administration. We continue to monitor proposed & expected changes and any impact they may have on long-term strategy. Given the uncertainty, increased volatility may be possible.
- ❏ The Federal Reserve cut interest rates an additional 0.25% in December, bringing the target range to 4.25% - 4.5%. They lowered 2025 forecasted cuts from four 0.25% cuts to two, triggering a market selloff in late December.
- ❏ The Social Security Fairness Act eliminated the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP). Qualifying government employees and spouses will receive a lump-sum payment as backpay for 2024 and an increase in SS benefits. This may accelerate the projected insolvency timeframe of Social Security.<sup>2</sup>
- ❏ Thank you for giving back to your communities! In 2024, Elser Financial clients gifted more than \$7.4 million tax efficiently to charity.

1: <https://res.cloudinary.com/americancentury/image/upload/docs/avantis-monthly-newsletter-intm.pdf>

2: <https://www.kiplinger.com/retirement/social-security/social-security-fairness-act-will-boost-retirement-benefits-for-millions>

### Contact Us

Phone: 317-731-5615

Email: [admin@elserfp.com](mailto:admin@elserfp.com)

Website: [www.elserfp.com](http://www.elserfp.com)

Address: 8900 Keystone Crossing, Ste. 450  
Indianapolis, IN 46240



## News and Observations

- ❏ In 2025, the standard deduction increases to \$15,000 (single) / \$30,000 (joint filers), and Social Security benefits increase by 2.5%
- ❏ The annual amount that an individual can gift without filing a gift tax return increases to \$19,000 per recipient, while the lifetime estate tax exemption increases to \$13.99 million per person.
- ❏ The HSA contribution limit increases to \$4,300 single / \$8,550 family (+\$1,000 if 55+).
- ❏ Contribution limits to workplace retirement plans such as 401(k) / 403(b) increase to \$23,500. If you are age 50+, you can contribute an additional \$7,500 (\$31,000 maximum). And for the first time if you are age 60-63, the catch-up amount is increased to \$11,250 (\$34,750 maximum).
- ❏ Starting in 2026, if your wages exceed \$145,000 in 2025, catch-up contributions must go to Roth 401(k) accounts.
- ❏ The IRA Qualified Charitable Distribution (QCD) limit increases to \$108,000/year.

### Market Index Returns

**Q4**      **2024**

S&P 500 (Large Cap) _____	2.41%	25.02%
Russell 2000 (Small Cap) _____	0.33%	11.54%
MSCI International Index _____	-7.36%	5.26%
MSCI Emerging Markets _____	-7.84%	8.05%
US REIT Index _____	-5.93%	8.10%
Bloomberg Commodity Index _____	-0.45%	5.38%
BofA 1-3 yr Corporate _____	0.01%	4.44%
& Govt. Bond Index		

*We sincerely appreciate your business and referrals.*