



## April in Action

April is Financial Literacy Month, making it the perfect time to revisit the basics. In this edition, we will be exploring the ABCs of a strong financial foundation. While finances can often feel complex, the core principles are surprisingly straightforward. It starts with awareness and understanding where things stand today, both in the world and in your own portfolio. Then comes behavior, the habits and decisions that shape your financial future. And finally, coverage, ensuring you have the right protections in place for the unexpected. This month, we will focus on strengthening your financial knowledge across all three areas, with a closer look at how the right coverage can provide stability, confidence, and peace of mind for you and your family.

## Advisory Brew Coffee Club Spring Hiatus



We have so enjoyed connecting with our communities and answering your questions at our Advisory Brew Coffee Club, but we are continuing to pause our Advisory Brew meetings for another month as many of our clients, team members, and friends will be traveling.

Our Advisory Brew Coffee Club will resume in May. We can't wait to see you there!

## A is for Awareness: April Market Update

*As we move further into the second quarter of 2026, financial markets are continuing to adjust to a backdrop defined by moderating, but still persistent inflation, steady economic activity, and ongoing uncertainty around monetary policy and global developments.*

### **Inflation:**

Inflation trends remain constructive overall, but progress has become more gradual. Recent data suggests that while headline inflation has eased meaningfully from prior peaks, core inflation remains somewhat sticky, particularly in services-related categories. This reinforces the view that the final leg toward the Federal Reserve's 2% target may take longer than expected.

### **Federal Reserve Policy:**

The Federal Reserve continues to emphasize a data-dependent approach. While markets entered the year expecting multiple rate cuts, expectations have moderated as inflation proves more persistent. Policymakers appear willing to maintain current rates for longer if necessary, keeping financial conditions relatively tight compared to the past decade.

### **Labor Market:**

The labor market remains resilient. Job growth has slowed from prior highs, and wage increases have moderated, but unemployment remains low by historical standards. This balance continues to support economic stability without significantly reigniting inflationary pressures.

### **Market Performance & Valuations:**

Equity markets have experienced some increased volatility in recent weeks as investors reassess economic expectations. Performance has been more mixed across sectors, with leadership rotating beyond the narrow concentration seen earlier in the year. Valuations remain elevated in certain areas, placing greater importance on earnings growth and selectivity moving forward.

### **Geopolitical Landscape:**

Geopolitical tensions and global economic realignments continue to act as a source of short-term uncertainty. While markets have generally absorbed these developments well, they remain a potential catalyst for volatility, particularly in energy and global trade-sensitive sectors.



# Client Question of the Month

## WHAT IS THE ANNUAL GIFT TAX EXEMPTION THIS YEAR?

The annual gift tax exclusion for 2026 is **\$19,000 per recipient**. What does this mean? In 2026, an individual can gift \$19,000 to an individual without it counting towards their lifetime gift and estate tax exemption. With the current lifetime exemption being \$15M, this isn't an issue for many, and they can essentially gift how much they would like without incurring gift taxes. For those with larger estates (approaching the lifetime exemption), the annual exclusion is a way to gift and still not owe tax. A married couple can gift up to \$38,000 annually to an individual, utilizing a split gift. Form 709 must be filed by the donor for gifts exceeding the annual exclusion amount, even if taxes are not owed.

## B is for Behavior:

### How well do your habits align with your goals?

Take this quick quiz to find out.

#### 1 - Do you consistently save a portion of your income each month, or only when there is money left over?

- A) I save each month!
- B) I save most months, but some months it gets skipped.
- C) I only save when there is money left over.

#### 2 - During market volatility, are you likely to stay calm or make reactive decisions?

- A) I stay level-headed and make all decisions in accordance with my long-term goals.
- B) It depends. Sometimes, I get swayed by my emotions.
- C) I have a hard time staying disciplined and I often make reactive decisions in the moment.

#### 3 - How often do you review your spending and your financial plan, and adjust if any changes are needed?

- A) At least quarterly. I check in regularly and make sure my spending and my financial plan are aligned with my long-term goals.
- B) Once or twice a year. I check in periodically.
- C) Less than once a year. I put it off because it stresses me out.

*If you answered mostly As, congrats! Your behavior is well aligned with your goals. If you answered mostly Bs, there is room for improvement. Cs on the other hand? Your behavior is working against you. Check in with us to do a reset and get back on track.*

## C is for Coverage: Using Life Insurance to Protect Your Family's Future

*Providing for your family does not stop with your day to day income. A well structured financial plan also considers what would happen if that income suddenly disappeared. Life insurance is one of the primary tools used to address that risk.*

At its core, life insurance is a contract that pays a death benefit to your beneficiaries if the policy is active at the time of your passing. This benefit can help replace income, cover outstanding debts, fund education, and handle final expenses. For many individuals, especially those who are younger or in good health, this protection can be obtained at a relatively affordable cost.

Determining whether you need life insurance depends on several factors. Your family structure, available assets, existing income sources, and future obligations all play a role. Those with young children, significant debt, or long term financial goals often have the greatest need, while individuals with substantial assets may have less reliance on coverage. Coverage amounts are often estimated using general guidelines, such as a multiple of income, but these rules rarely capture the full picture. A more detailed analysis can better account for specific needs and ensure appropriate protection.

There are also multiple policy types to consider. Term life provides coverage for a set period, while permanent policies such as whole, universal, or variable life offer lifetime protection with additional features like cash value accumulation.

Ultimately, life insurance is not one size fits all. Thoughtful planning can help ensure your family remains financially secure, even in the face of uncertainty.

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