



Happy 4th of July and Happy 250th to the USA

As we celebrate Independence Day this month, many of us reflect on the freedoms we value most. While financial independence may mean something different for everyone, it often comes down to having the flexibility and confidence to make life decisions on your own terms. Whether you're planning for retirement, supporting family, pursuing personal goals, or simply seeking greater confidence, a thoughtful financial plan can help turn those aspirations into reality. In this edition, we explore what financial independence truly means and share insights on helping the next generation build a strong financial foundation of their own.

What's New



If you haven't yet heard, **our Marquette location will be moving** to a new office building on Commerce Drive this month! Our physical offices will be closed from June 29 through July 13th so we can make the transition. However, we will remain fully accessible by phone and email during that time.

Marquette's Advisory Brew will take a break this month, but our **Tomahawk Advisory Brew will be meeting at 9:30am on July 23rd** at What's Brewin'.

July Market Update

Markets enter July with investors balancing resilient economic growth against renewed inflation pressure and a Federal Reserve that remains cautious.

Inflation

Inflation has reaccelerated, with May CPI rising 4.2% year over year and the Fed's preferred PCE inflation gauge moving back above 4%. Energy prices were a major contributor, though core inflation also remains above the Fed's long-term 2% target.

Federal Reserve Policy

The Federal Reserve held the federal funds rate steady at 3.50%–3.75% at its June meeting. Policymakers emphasized that economic activity continues to expand, but inflation remains too elevated to justify easing. As a result, markets have shifted away from expectations for near-term rate cuts and are now focused on whether the Fed may keep rates higher for longer, or even consider another hike if inflation proves persistent.

Labor Market

The labor market remains a source of support for the economy. Employers added 172,000 jobs in May, while the unemployment rate held steady at 4.3%. Hiring has moderated from earlier-cycle strength but remains positive, helping sustain consumer income and spending. For investors, the key question is whether the labor market can continue cooling gradually without tipping into a broader slowdown.

Markets & Valuation

Equity markets have remained constructive despite higher inflation and rate uncertainty. The S&P 500 is up roughly 8% year to date, supported by earnings resilience, AI-related investment, and continued interest in large-cap growth stocks. Valuations, however, leave less room for disappointment, particularly if interest rates stay elevated or profit margins come under pressure.

Bond Market

Bond markets have been mixed. Treasury yields remain elevated, with the 10-year Treasury near 4.4%, reflecting sticky inflation and a patient Fed. Core bonds have provided modest stability, but rate volatility continues to limit returns. High-quality fixed income remains attractive for income generation, though duration exposure should be managed carefully.

Outlook

Looking ahead, July's market tone will likely depend on inflation data, Fed communications, second-quarter earnings, and whether labor market strength persists. A soft-landing backdrop remains possible, but the path has narrowed as inflation pressures have reemerged. We continue to favor diversified portfolios, quality companies with durable earnings, and disciplined fixed-income exposure that can benefit from higher starting yields while helping manage volatility.

Talking to Adult Children About Money

Financial conversations between parents and adult children can feel uncomfortable, but avoiding them often leads to misunderstandings and missed learning opportunities. Consider discussing these important topics:

- **Budgeting, Saving, and Managing Debt:** Help adult children understand the importance of living within their means and building healthy financial habits. Conversations about credit card debt, student loans, and spending decisions can provide valuable guidance without feeling like a lecture.
- **Building an Emergency Fund:** Unexpected expenses are a part of life. Encouraging adult children to set aside savings for emergencies can help them navigate financial setbacks without relying on high interest debt or financial assistance from family members.
- **Retirement Savings and Investing:** Many young adults underestimate the value of starting early. Discussing retirement accounts, employer matches, and the power of long term compounding can help them establish good habits that may benefit them for decades.
- **Family Estate Plans and Important Documents:** When appropriate, sharing information about wills, trusts, powers of attorney, and beneficiary designations can help family members understand future responsibilities and reduce uncertainty during difficult times.
- **Expectations Around Financial Support:** Whether helping with education expenses, a home purchase, or other financial goals, it's important to communicate clearly. Defining expectations upfront can help avoid confusion and protect family relationships.

Financial Independence: Lessons Beyond the 4th of July

As we celebrate Independence Day this month, it's a fitting time to think about another form of independence: financial independence.

When many people hear the term, they picture an early retirement or a large investment portfolio. While those may be your desired outcomes, financial independence is ultimately about something more meaningful: having the freedom to make choices based on what matters most to you, rather than being driven solely by financial necessity.

For some, financial independence means the ability to retire comfortably and confidently. For others, it means having the flexibility to work part time, pursue a passion project, help family members, travel more, or simply enjoy greater peace of mind. Financial independence is not defined by a specific dollar amount. Instead, it is built through a combination of thoughtful planning, disciplined saving, strategic investing, and intentional decision making over time.

A few key elements often contribute to financial independence:

Living Below Your Means

Building wealth starts with creating a gap between what you earn and what you spend. Consistently saving and investing a portion of your income provides the foundation for long term financial security.

Investing for Long Term Growth

While markets may fluctuate in the short term, a disciplined investment strategy can help your assets grow and compound over time. Remaining focused on long term goals rather than reacting to short term headlines is often one of the most important factors in achieving financial success.

Managing Risk

Financial independence is not only about growing wealth. It's also about protecting it. Appropriate insurance coverage, emergency reserves, estate planning, and diversification all play important roles in preserving financial stability.

Planning for Life's Transitions

Major life events such as retirement, career changes, caring for aging parents, or supporting adult children can have significant financial implications. A proactive plan can help prepare for these traditions and provide greater confidence when opportunities or challenges arise.

Aligning Money with Your Values

Perhaps most importantly, financial independence allows your financial resources to support the life you want to live. Whether your priorities include family, philanthropy, travel, business ownership, or community involvement, a thoughtful financial plan can help ensure your money is working toward your goals.

Financial independence is rarely achieved overnight. It is the result of consistent decisions made over many years. The good news is that every step forward matters. Regardless of where you are today, taking time to evaluate your goals and review your financial plan can help keep you moving in the right direction. This Independence Day, consider what financial independence means to you. The answer may look different for everyone, but the objective remains the same: creating the freedom, flexibility, and confidence to live life on your own terms. Schedule a meeting with us to discuss.

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