



## May's Midyear Momentum

May is a natural turning point in the year. As life picks up pace, it can be easy to stay focused on what's right in front of you: beachy summer afternoons, exciting travel plans, and time spent outside with family and friends. But May is the perfect point to take a quick step back. Revisiting your financial goals now and planning your summer spending with intention can have a drastic impact on where you stand when 2026 is over. May is also home to National Small Business Week, a time to recognize the role entrepreneurs play in our communities and economy. In this month's newsletter, we are highlighting key financial considerations for small business owners, along with seasonal insights that can help keep you aligned with your long-term financial vision.

### Advisory Brew Coffee Club is Back!



We are excited to announce that our Advisory Brew Coffee Club will be back from its Spring Hiatus this month. We can't wait to see your faces and chat about any questions that have come up in the past few months.

Tomahawk will be meeting at 9:30 CT on Thursday, May 21<sup>st</sup> at What's Brewin', and Marquette will be resuming at 9:30 ET on Thursday, May 28<sup>th</sup> at Donckers. We can't wait to see you there!

### May Market Update

*As we move further into the second quarter of 2026, financial markets continue to adjust to a backdrop defined by geopolitical developments, steady economic activity, and evolving expectations for monetary policy.*

#### **Inflation:**

- Inflation trends remain constructive overall, although progress has become non-linear in recent months.
- In March, the Consumer Price Index (CPI) rose 0.9% month over month, and 3.3% over the last 12 months, with energy leading the way. All items less food and energy increased 0.2% in March; up 2.6% over the prior 12 months.

#### **Federal Reserve Policy:**

- The Federal Reserve continues to emphasize a data-dependent approach while maintaining a somewhat restrictive policy stance.
- Expectations for multiple rate cuts this year have moderated as inflation remains somewhat persistent.
- Policymakers appear willing to hold rates at current levels for longer if necessary.

#### **Labor Market & Economy:**

- The labor market remains resilient, the unemployment rate in March was recorded at 4.3%, low by historical standards.
- Job growth has slowed and wage increases have moderated.

#### **Equity Markets:**

- Equity markets have experienced increased volatility following a prolonged period of strong returns.
- Valuations, particularly among large-cap U.S. stocks, remain elevated relative to historical averages.
- Market participation has shown signs of broadening beyond a narrow group of leading companies.

#### **Fixed Income:**

- Bond yields remain elevated compared to the past decade, reflecting persistent inflation and policy uncertainty.
- Interest rate volatility continues as markets adjust expectations around the timing of potential rate cuts.
- Credit conditions remain relatively stable, with continued narrow spreads.

#### **Global & Geopolitical Developments:**

- Geopolitical tensions continue to contribute to market uncertainty, particularly in energy and trade.
- International markets continue to reflect differing economic conditions relative to the U.S.



# Client Question of the Month

## WHAT IS A QUALIFIED CHARITABLE DISTRIBUTION (QCD)?

A Qualified Charitable Distribution (QCD) is a donation made to a charitable organization directly from an IRA. Individuals age 70 ½ or older are eligible to transfer up to \$111,000 annually (2026 limit) on a tax-free basis to an IRS qualified charity. The donation not only directly supports the charity but can also fulfill Required Minimum Distributions (RMDs) without counting as taxable income for the donor. For those of age with charitable giving goals, a QCD can often make sense.

## Smarter Summer Spending

Consider a few guiding principles.



- 1. Pre-fund seasonal expenses.** Rather than absorbing higher summer costs into monthly cash flow, consider setting aside a dedicated “summer budget” in advance. This keeps discretionary spending intentional and avoids creeping into investment assets.
- 2. Differentiate lifestyle vs. one time spend.** A major trip or experience may be worth the splurge, but recurring upgrades to lifestyle can have a more lasting impact on long term cash flow. Be mindful of which is which.
- 3. Leverage tax aware strategies.** For those drawing from portfolios, be strategic about where funds come from. Coordinating withdrawals with your broader tax picture can help preserve after tax returns.
- 4. Maintain investment discipline.** Avoid the temptation to pause contributions or alter your investment strategy to accommodate short term spending. Consistency remains a key driver of long term outcomes.
- 5. Align spending with values.** High quality experiences can be a meaningful use of wealth. The key is ensuring those choices reflect your priorities, rather than becoming reactive or habitual.

## Small Business Spotlight: Is Your Business Your Retirement Plan?

*For many small business owners, your business is more than a source of income. It is your life's work, and, often, your retirement plan. But relying solely on a future sale can create risk if expectations and reality do not align.*

The first step is understanding what your business is actually worth today. Owners often overestimate value, especially if revenue is strong but profitability or systems are inconsistent. A professional valuation or even a preliminary estimate can provide clarity and direction, and help identify areas that may need improvement before going to market.

Next, consider timing. Market conditions, industry trends, and your own financial readiness all play a role. Waiting too long can reduce value if performance declines, while exiting too early may leave growth potential on the table. Planning ahead gives you more control over when and how you transition.

It is also important to ask a simple question: if you sold your business tomorrow, would the proceeds support your lifestyle? If not, there may be a gap that needs to be filled through additional savings, investments, or strategic growth within the business itself.

A well rounded retirement strategy blends business value with personal assets. Diversifying beyond the business reduces pressure on the sale and creates more flexibility. Your business can absolutely be a powerful part of your retirement. The key is making sure it is a plan, not a gamble.

If you're a small business owner looking toward retirement and asking some of these questions, WSG can help. Contact us to start strategizing today.

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