



SANUM

FINANCIAL SERVICES



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NEWSLETTER

WINTER · 2025

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As the vibrant days of summer give way to the crisp air and rich colors of fall every year, I am reminded of natural cycles that shape our lives. Though different each year, this transition period from summer to winter typically marks a change from outdoor activities to indoor ones... or from gregarious focus on things external to introspection.

At least a part of this change is due to good ole' Minnesota weather. An initial cold snap with temps below zero tends to drive me indoors at first... or to overdress, at least until the body adjusts. Nature is a good teacher when it's cold. I have to know the limits and adapt to the changes or serious trouble could ensue.

Similarly in financial terms, knowing our limits can help improve our situation and avoid risk of trouble. Recently I learned of a situation where two young professionals decided to file their own taxes. The story goes that by not checking a box on the federal return, this couple ended up paying \$5,000 more in taxes than it needed to.

While this couple learned an expensive lesson, many remain unaware of the benefits of seeking professional advice. They remain penny wise and pound foolish at least in part because of ignorance about the

complexity of rules or the significant education, exam, experience and ethical commitments of the professionals available to help them.

We live in an information world... robo-advising, AI and 401K advice options are only a few of countless examples of ways in which you can elect your own financial path. You are encouraged to pursue these, peruse the internet and discuss with your "buddy." But when you hit your limit, whether capacity to learn or time to devote, it's nice to know there is a professional committed to you. Firmly grounded in foundational values and focused intently on your personal financial situation, we have been committed to your financial health and well-being for more than 40 years.

Could I build my own house? Yes. But should I? I know my answer. As you embark on another year of change, I hope you will iterate on ways in which you can find deeper meaning and connection between your goals and resources, through comprehensive, current and integrated financial planning. Is it time yet? Best wishes as you continue the journey. Here's to a terrific 2025!

Rose



ECONOMIC UPDATE— HOPE THROUGH UNCERTAINTY

The US economy and consumer have continued to defy expectations for some time now. Strong consumer spending, including robust holiday sales, are contributing to optimism around 2024 year-end; 2024 full year real GDP growth of 2.7% (year on year) is tracking above expectations. And while uncertainties inevitably lie ahead, the economy is anticipated to continue to expand near 2% in the coming year. This strength of economy, however, means inflation will take longer to stabilize at the Fed's 2% target, now anticipated late 2025, several months later than originally anticipated.

Consumers continue to hang in there with spending, including both on goods (like big-ticket items) and services (such as travel and entertainment). While consumers still appear to be rotating toward cheaper and necessary goods and services, favorable labor market statistics suggest relatively upbeat sentiments about income. Importantly, few consumers believe the US is in a recession currently or will be in the next year.

So there is reason for optimism, yet relatively high levels of consumer debt continue to threaten consumption, and elevated cost of capital is showing up in uneven business investment growth. Inflation has remained uncooperative, especially on the services side where elevated labor costs mean higher prices in such places as restaurants, healthcare and financial services (yes, those of you with financial planning agreements are aware of this inevitability). And geopolitical concerns, deepening trade wars, domestic fiscal policy, immigration policy, bad weather and destructive climate events all present downside risk.

Are you prepared, and positioned to accomplish your goals through these uncertain times? Now as always, it remains important to have a plan and stick to it, understand your investment time horizon, stay balanced in your investments, stay flexible, assure you have adequate liquidity and continue to invest within your tolerance for risk.

<https://www.conference-board.org/research/us-forecast>

2025 REQUIRED MINIMUM DISTRIBUTIONS

For those approaching retirement, there are IRS rules around when you can, and also when you must, begin taking distributions from certain retirement plans. Generally, one MAY begin drawing from retirement plans without penalty after age 59 1/2. By contrast, the year when one MUST begin drawing either was 70 1/2 or 72, or now either is 73 or 75 depending on your birth year. Yes, no kidding. Generally, if you were born in 1952 or earlier, it is likely you must begin taking distributions this year if not begun already. Contact your financial advisor if you have any questions on your specific situation, as penalties can be steep.

SERIOUSLY, HAVE WE COME TO COUNTING SNOWFLAKES?

Winter snow flies and the “community” moves outdoors—shoveling our downtown walkways. Before the day even begins, George, Larry, Tim and I solve problems of the world. Whether anew, pushed from the plow or blown in by the north wind, the simple act of shoveling snow is part of the civic duty to keep sidewalks safe for pedestrians. Don’t push the snow into the street, the city says, but what are we supposed to do with shoveled snow? My hope for 2025 is that the story of shoveling reminds us to notice and live out greater generosity, helpfulness and fairness. Thank you.

OUR MISSION...

We are a financial services firm deeply rooted in our mission . . . to work tirelessly to be your trusted partner, helping you live out your greater calling in this world through the peace of mind that comes from knowing your plans (whether investment, education, retirement, risk management, estate*, tax* or philanthropic) are comprehensive, current and integrated. **Please note, we do not advise in legal or tax matters.*



YOUR JOURNEY...

Do you know where your financial journey is taking you? Whether you’re getting started or starting to pay attention, you don’t have to do it alone. A financial professional can help you figure out what you have, prioritize your goals and plan for what’s ahead. We’re here to help you on your personal financial journey. While you are welcome to stop by at any time, it is best to call ahead for an appointment.