



**Kirk Abrahamson**  
Managing Director  
Abrahamson Wealth Management

## COLLEGE SAVINGS MONTH

Saving for college can seem daunting, but with some strategic planning, you can make it more manageable. Starting early and being consistent with your savings can make a big difference. Here are some tips to help you get started:

- **Open a 529 Plan:** These are tax-advantaged savings plans specifically designed for education expenses. We can help you get started by [clicking here](#).
- **Apply for Scholarships:** There are many scholarships available based on merit, need, and other criteria. Start searching and applying early.
- **Take Advanced Placement (AP) Classes:** Earning college credits in high school can reduce the number of courses you need to pay for in college.

529 plans come with fees and expenses, and there is a risk they may lose money or underperform. Most states offer their own 529 programs, which may provide benefits exclusively for their residents. Please consider whether the state plan offers any tax or other benefits. Tax implications can vary significantly from state to state.

September 2024

### IN THIS ISSUE

COLLEGE SAVINGS MONTH

MARKET UPDATE &  
HEADLINES

RATE REPORT

ONE-ON-ONE: MIKE  
ROWEDDER

DISABILITY INSURANCE

NEXT MONTH



## MARKET UPDATES & HEADLINES

SUMMARY - August brought a bit of whiplash for investors.

Markets fell at the beginning of the month, caught in the ripples of an interest rate increase in Japan disrupting a significant currency trading strategy. This led to a brief, intense global selloff.

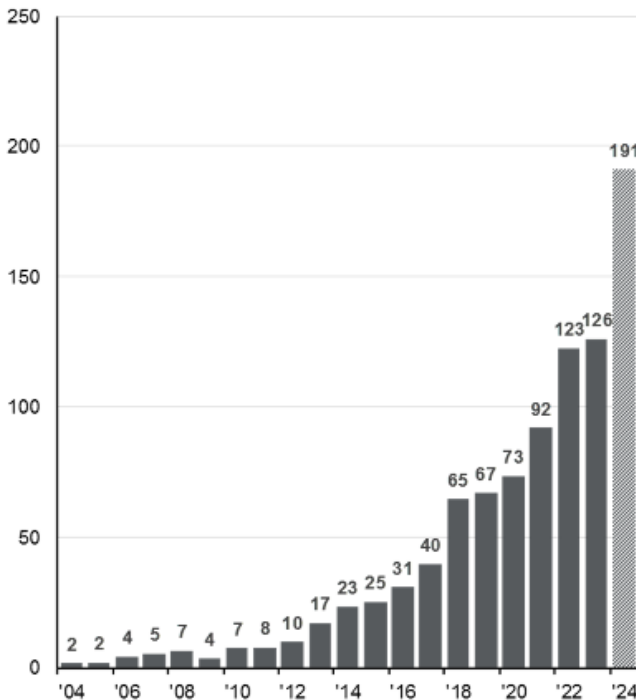
In the U.S., the incident was aggravated by a weak jobs report with unemployment rising from 4.1% to 4.3% – which remains historically low, it's worth noting. The report brought the U.S. into Sahm rule territory, a macroeconomic assessment which judges whether the economy is in recession based on unemployment rate increases. Additionally, several disappointing earnings releases created a sense of caution with investors over the health of the consumer.

“However, other data has been stronger, and a soft landing still appears to be the most likely outcome for the economy,” Raymond James Chief Investment Officer Larry Adam said. “For instance, retail sales for July were up a healthy 1% and the Consumer Price Index [CPI] showed that inflation is being tamed with three-month core CPI falling to an annualized rate of 1.6%. And the stage appears set for the Federal Reserve [Fed] to kick off an easing cycle, which should support broader participation and higher equity markets longer term.”

## AI investment and adoption

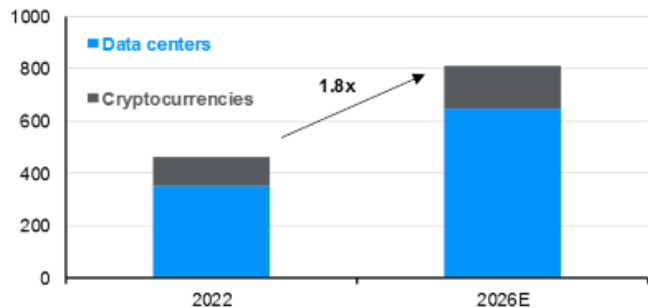
Capex from the major AI hyperscalers\*

USD billions



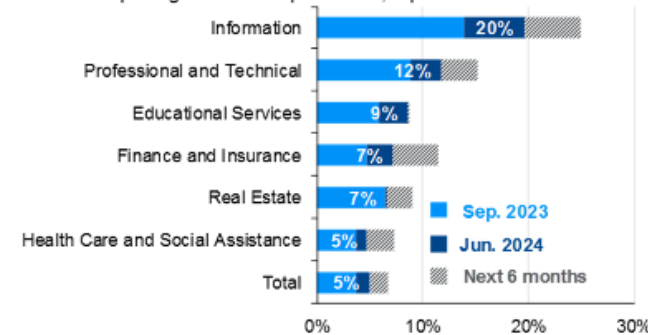
Global electricity demand from data centers and crypto

Terawatt-hour (TWh), 2022-2026\*\*



AI adopters

% of firms reporting use of AI in production, top 6 sectors and total



**AI investment and adoption:** This slide looks at the progress of AI investment and adoption. On the left, we show investment spending by five of the major AI hyperscalers in the U.S., which has increased in recent years and is projected to rise meaningfully in 2024. On the top right, we show that electricity demand is likely to increase significantly due to the large amounts of energy needed to power data centers and other AI related infrastructure. This surge in demand will require increased investment in the power system and energy efficiency. On the bottom right, we show the latest trends of AI business adoption in the U.S. Adoption is still in its early stages, but it shows that many sectors, not just information technology, are also leveraging or plan to leverage this powerful technology.

Source: J.P. Morgan Asset Management; (Left) Bloomberg (Top right) IEA; (Bottom right) Census Business Trends and Outlook Survey (AI Supplement). \*Hyperscalers shown are Microsoft (Azure), Meta, Amazon (AWS), Oracle and Alphabet (Google Cloud). Data for 2024 reflects consensus estimates. For Amazon, capex for AWS from 2004 to 2012 are J.P. Morgan Asset Management estimates and 2012-Current are Bloomberg consensus estimates. \*\*Estimates are from the IEA Electricity 2024 Analysis and forecast to 2026. Data centers include both traditional and AI dedicated data centers.



## RATE REPORT

### CERTIFICATES OF DEPOSIT: FDIC INSURED

- 3 month: 4.60% - 4.70%
- 6 month: 4.40% - 4.50%
- 12 month: 3.85% - 4.20%
- 24 month: 3.70% - 3.80%

Annual percentage yields (APYs) as of 09/19/2024. Rates are subject to change and availability. Minimum quantity may apply.

### MONEY MARKET MUTUAL FUNDS

- Current 7-day average yields ranging 5.06% - 5.11% as of 09/13/2024. Call for specific fund information.

### CORPORATE BONDS

Rates on corporate bonds are typically higher than CDs but will vary based on credit quality and maturity.

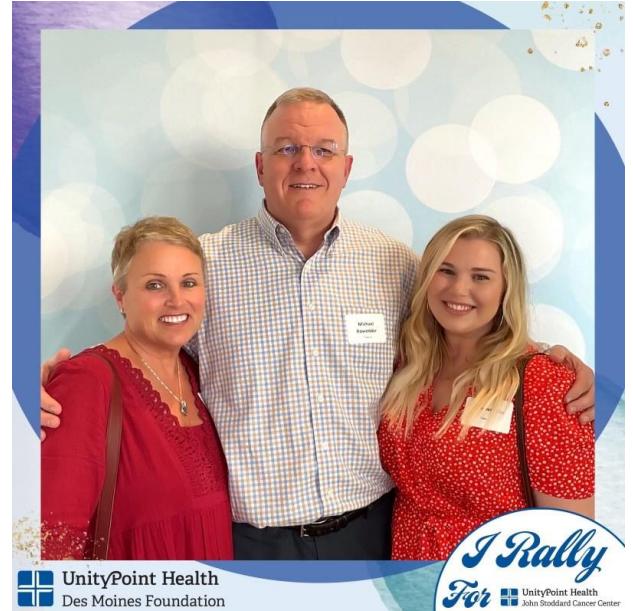
### TAILORED SOLUTIONS

If you would like to discuss your cash management needs further, [contact us](#) for a private discussion so that we can tailor a strategy to help you meet your specifications.



## ONE-ON-ONE: MIKE ROWEDDER

Mike is a graduate of the University of Northern Iowa where he received a Bachelor of Arts. He and his wife, Gina, now reside in West Des Moines with their dog, Teddi, and cat, Rosie. We sat down with Mike to learn more about him and his family.



**How did you and Gina meet?** Gina and I met when we were working together at Merrill Lynch back in 1990. Together, we have one daughter, Alli, who lives locally, and we recently celebrated our 31<sup>st</sup> wedding anniversary.

**Can you tell us more about Alli?** Alli is a graduate of Iowa State University and calls the Ingersoll Park neighborhood in Des Moines home. Alli is an operations and data manager for Make-A-Wish and has been with the non-profit since 2022. We enjoy getting together for dinner and traveling with her, when our schedules allow.

**What do you and Gina enjoy doing together?** Gina and I enjoy spending time with our family. This past 4<sup>th</sup> of July, we visited my parents, my sister, and her family in Cincinnati. We also enjoy Kansas City Royals baseball games and Notre Dame football games.

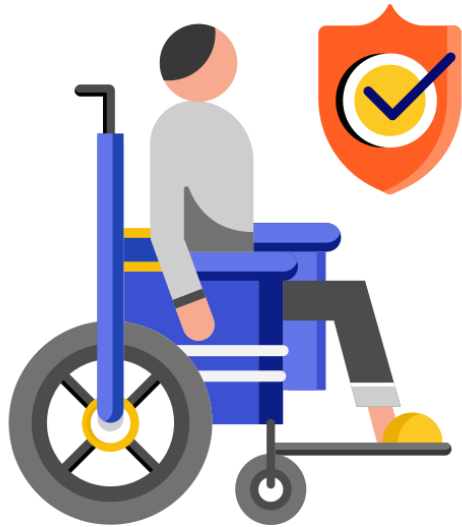
**Where might we run into you about town?** You're most likely to find us enjoying Italian at Cosi Cucina, barbecue at Smokey D's, pizza at the Tavern, or breakfast at The Machine Shed. And if you're an early riser, you might find me teeing off shortly after sunrise at Jester Park.

About FDIC Insurance: Currently, the FDIC limits the insured amount (including principal and interest) for all deposits held in the same capacity to \$250,000 per depositor, per insured depository institution and \$250,000 for certain retirement accounts. The FDIC has permanently increased insurance coverage to \$250,000 for deposits held in all ownership categories, including single accounts, joint accounts and trust accounts. Therefore, excess holdings may not be insured. IRAs and certain other retirement accounts will maintain the \$250,000 insurance coverage. About Liquidity: Funds may not be withdrawn until the maturity date Or redemption date, However, the brokered CD, are negotiable, which mean, that although not obligated to do so, Raymond James and other broker/dealers presently maintain an active secondary market at current interest rates, Market value will fluctuate and, if the CD is cashed out prior to maturity, the proceeds may be more or less than the original purchase price, Holding CDs until term assures the holder of par value redemption. CDs are redeemable at par upon death of beneficial holder. FDIC insurance does not protect against market losses due to selling CDs in the secondary market prior to maturity. An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund. Investors should consider the investment objective, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other important information, is available from your Financial Advisor and should be read carefully before investing. CDs offer FDIC or FSLIC insurance and a fixed rate of return whereas both principal and yield of investment securities will fluctuate with changes in market conditions. Additional information is also available on the SEC Certificates of Deposit website [here](#). The performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted.





## RISK MANAGEMENT: DISABILITY INSURANCE



According to the CDC, about one in four 20-year-olds will experience a disability before they retire. This highlights the relatively high probability of facing a disabling condition at some point in life, and the importance of disability insurance in helping provide financial protection and peace of mind in the event you are unable to work due to illness or injury.

- Disability insurance can help ensure that you continue to receive a portion of your income if you are unable to work due to illness or injury. This protection helps maintain your standard of living and can help you meet financial obligations during challenging times.
- Many people underestimate the likelihood of becoming disabled. Being prepared with disability insurance can help to mitigate this significant risk.
- Disability insurance should be considered as part of a comprehensive financial planning, as including disability insurance can help protect assets and income, making your financial strategy more resilient and robust.

If you would like to review your insurance coverage, including your potential need for disability insurance, [click here](#) to schedule a time to talk with us.

### NEXT MONTH

- In October, we will discuss retirement income planning and how we approach this topic and strategies with our clients.
- We'll spotlight Kirk and his family: his wife Dianna, and daughters Kylie and Laney.
- We would love to hear from you! If there's an item or topic you'd like for us to discuss in greater detail, [drop us a note](#) and we'll be sure to address it in future editions of the newsletter.



13137 University Avenue, Suite 200 // Clive, IA 50325

D: 515.224.5785 // F: 515.440.0818 // [www.abrahamsonwealthmanagement.com](http://www.abrahamsonwealthmanagement.com)

Raymond James & Associates, Inc., member New York Stock Exchange/SIPC

Any opinions are those of the author and not necessarily those of Raymond James. All opinions are as of this date and are subject to change without notice. The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee that it is accurate or complete, it is not a statement of all available data necessary for making an investment decision, and it does not constitute a recommendation. Investing involves risk and you may incur a profit or loss regardless of strategy selected. Past performance does not guarantee future results. The Dow Jones Industrial Average (DJIA), commonly known as "The Dow" is an index representing 30 stock of companies maintained and reviewed by the editors of the Wall Street Journal. The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the U.S. stock market. The NASDAQ composite is an unmanaged index of securities traded on the NASDAQ system. The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. Indices are not available for direct investment. Any investor who attempts to mimic the performance of an index would incur fees and expenses which would reduce returns. The Russell 2000 index measures the performance of the 2,000 smallest companies in the Russell 3000 index, which represent approximately 8% of the total market capitalization of the Russell 3000 Index. The MSCI EAFE (Europe, Australasia, and Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 22 developed nations. This material is being provided for information purposes only and is not a complete description, nor is it a recommendation. You cannot invest directly in any index. Raymond James and its advisors do not offer tax or legal advice. You should discuss any tax or legal matters with the appropriate professional. A portion of this material was created by Raymond James for use by its advisors.