GATEWAY
INVESTMENT MANAGEMENT
OF
RAYMOND JAMES®

THE COMMUNIQUE

November 2024

MAJOR INDICIES	LAST	MTD	QTD	YTD
S&P 500	5973.10	4.96%	3.66%	25.23%
Dow Jones Industrials	43729.34	4.71%	3.31%	16.03%
NASDAQ Composite	19269.46	6.49%	5.94%	28.37%
New York Stock Exchange	19876.17	3.32%	1.86%	17.95%

U.S. TREASURIES	YIELD
2-yr Treasury Note	4.20%
10-yr Treasury Bond	4.33%
30-yr Treasury Bond	4.54%

Information as of November 7, 2024 Source: FactSet

MARKET COMMENT

Now What?

We waited a few extra days before writing our commentary to see how the national election turned out. Based on the results, it seems voters were deeply interested in the economy and President Trump's offered solutions to their concerns of rising prices, international unrest, and unfair foreign trade. The stock market voted with them and provided another "Trump Bump," and the Federal Reserve is meeting to discuss another interest rate cut, which could further stimulate the economy and continue the stock market rally.

It does appear, whether it is true or not, investors perceive President Trump as a pro-business president who offers more advantages than other political leaders – and perception is important in both magic tricks and investor behavior. As investors, staying focused on economic factors, corporate earnings, and the Federal Reserve's attitude toward interest rates are far more important than who is in the White House, although policy can influence the economy over the intermediate term.

Consumer attitude is another major factor driving our economy, so watching the upcoming Christmas season and how consumers respond in 2025 will be important. Perhaps President Trump's win will provide many with a more confident attitude towards the economy and spending, although consumer debt levels and defaults seem to be signaling some caution going forward.

Now what do we do with the strong after election bump up in an already strong up stock market year? We will stay focused on our indicators, watch what the charts are saying, and listen closely to the Federal Reserve's comments on interest rates. The future looks quite interesting and will surely not disappoint.

As always, that you for your trust and confidence. It is greatly valued.

PLANNING STRATEGY

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Dispelling Medicare Misconceptions

Between its parts and plans and supplements, many pre-retirees find Medicare hard to navigate without some guidance. Here are the facts about five common Medicare myths:

Myth: Medicare offers free healthcare.

Fact: The Affordable Care Act allows Medicare beneficiaries an annual wellness check at no charge. Beneficiaries also are entitled to free recommended preventive screenings, such as mammograms and colonoscopies, annual wellness visits and personalized prevention plans. For most people, Medicare Part A – which covers hospital stays and services up to certain limits – does not require a premium. But that's it. You're still responsible for copays, coinsurance and deductibles.

Medicare Part B, which covers medically necessary and preventive services, has monthly premiums that start at $174.70 for individuals earning less than $103,000 in 2024 up to $594.00 for individuals earning more than $500,000. Part D, which covers prescriptions, has added surcharges for those making more than $103,000.

Many Medicare beneficiaries also purchase a Medigap supplemental insurance plan to help cover out-of-pocket costs.

Myth: Medicare covers everything.

Fact: Not true. Dental, vision and hearing are not covered by Medicare. Prescription drug coverage is only offered through Part D and Medicare Advantage plans. What's more, you are responsible for the premiums, deductibles and copayments associated with the coverage you choose.

Myth: A Medicare Advantage plan or Part D coverage will fill gaps in my coverage.

Fact: Medicare can be complicated. Medicare Advantage plans – sometimes known as Part C – offer optional coverage through private insurance companies. Many of these plans cover dental, vision, hearing and prescription drug costs not covered by Parts A and B, which the government sometimes calls "Original Medicare." However, the plans may have limited networks to keep costs down and beneficiaries will have cost-sharing structures that may vary with different plans.

Part D is optional prescription drug coverage that has myriad variables, such as premiums, copays, coverage gaps and coinsurance. You can choose which prescription drug plan best fits your needs.

Myth: Medicare may not cover me.

Fact: One major advantage of original Medicare is that you can't be rejected for coverage or be charged higher premiums because you're sick. However, if you're a high earner, you'll pay higher premiums for Medicare Part B and Part D. In addition, the Affordable Care Act now prohibits discrimination based on a pre-existing condition. However, private "medigap plans" can have underwriting after the initial guaranteed issue period.

Myth: I will be notified when it's time to sign up for Medicare.

Fact: No. Unless you are already receiving Social Security benefits, you must apply for Medicare. You will not receive any official notification on when or how to enroll.

If you're over 65, still working and covered by employer healthcare, you may want to delay enrollment in Part B to avoid paying for coverage you don't need. Once you stop working, you must enroll within eight months to avoid permanent late penalties. COBRA Or retiree benefits are not considered creditable coverage and you will be penalized if you have COBRA and sign up for Medicare past the age of 65.

For those without employer coverage, it's a good idea to sign up when you're first eligible for Part B.

Source: Medicare.gov

LIFE & LEISURE

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Important Financial Considerations for Single Parents

Intentional financial planning sets the stage for long-term success regardless of family situation, but for single parents, the work of setting up a comprehensive plan is particularly important. Taking the time to evaluate how to create the future you desire while also considering how you'd like to provide for your children will prove worthwhile. It's also important to revisit your plan as your life changes over the years.

Building a strong financial plan now

Balancing your needs as well as your children's can be daunting when you are raising them by yourself. However, there are several steps you can take now to prioritize your financial needs and prepare for the future.

Set up a budget and recalibrate as necessary. Try different budgeting methods to see what works best for you. In a zero-based budget, every dollar has a purpose. The 50/30/20 budget rule allocates 50% to needs and obligations, 30% to wants and 20% to savings. The most important part of managing a new budget is to check in with yourself at regular intervals to adjust what's not working for you.

Build up your emergency fund. The amount you need in your emergency fund depends on your situation, but in general, experts recommend saving enough to cover three to six months of living expenses. Calculate this based on your critical monthly expenses, including housing and childcare. Focus on steady progress toward your goal by setting aside a set amount or a percentage each month.

Check your health insurance plan. Reevaluating your health insurance can result in significant savings. Generally, you can make changes to your employer-sponsored plan during open enrollment or if you've recently had a life event like a divorce or having a child. If you're coparenting, have a conversation with the other parent to determine which of your health insurance policies has more comprehensive or cost-effective coverage for the children. It may also be beneficial to explore a plan with a flexible spending account (FSA) or health savings account (HSA) option, which could allow you to stash away pre-tax money for family healthcare expenses.

Take advantage of tax allowances. Typically, a child's primary caregiver can claim the child as a dependent on their taxes. If you are claiming one or more children as your dependent, you may be eligible for the federal child tax credit, applicable state child tax credit or the dependent care credit. This can amount to thousands of dollars but consult with your tax professional about your individual eligibility. This can also help you determine whether you need to change your withholding elections or the upcoming tax year.

Save for your kids' future. A 529 plan is a tax-advantaged, state-sponsored savings plan used for educational expenses. Earnings in 529 plans are not subject to federal tax and in most cases state tax, as long as you use withdrawals for eligible education expenses.

Don't forget yourself. It may feel like less of a priority to save for your future when your focus is on your children, but it's still important. Take advantage of tax-efficient accounts, like a 401(k) plan, by setting up regular contributions. Consider a Roth IRA as well, which is a tax-advantaged account that you can reserve for retirement.

Establishing a trust is Essential

Though no one likes to think about it, establishing an estate plan is another important piece of financial planning for single parents. Documenting your future wishes puts a framework in place for your children's future. Your estate plan can include a trust and a trustee. Should you pass away, the trust can accept funds from your estate, retirement plan, IRA and insurance settlement. Having a trust in place also gives any court a legitimate basis to determine your wishes and expectations for your child.

Although not all terms in a trust are enforceable, they can allow parents to formalize details including:

- The child's intended guardian, including any alternates
- How and when funds should be used, along with the level of discretion the child may be given
- Individuals with authorized visitation rights, including those who can have extended visits with the child and take them on vacation
- Individuals who can help advise or consent on the child's major life decisions

  You can rely on your advisor and estate planning attorneys for guidance and assistance with setting up or adjusting your estate plan. Together, you can create a document that addresses a variety of fundamental questions, such as:

  - Who will take care of the child? Who will provide after-school care?
  - How much money should the trust ideally have upon the parent's death?
  - How will the money in the trust primarily be used?
  - Would any Social Security or other monthly income be paid for the child? Who would be the payee?

Being a single parent can feel overwhelming at times. It can seem like there are many competing priorities your money could be allocated to, but an advisor can help you sort through what to focus on next – so you can focus on your children.

More to consider

If you're the single parent of an underage child, carefully consider:

- What will your child's life look like if something were to happen to you?
- Would they live with a relative or ex-spouse?
- Would they have to leave their school and community?
- What kind of limitations would they have when accessing their inheritance?

Raymond James does not provide tax or legal advice. Please discuss these matters with the appropriate professional. Certain conditions may apply. Earnings in 529 plans are not subject to federal tax and in most cases state tax, as long as you use withdrawals for eligible education expenses, such as tuition and room and board. However, if you withdraw money from a 529 plan and do not use it on an eligible education expense, you generally will be subject to income tax and an additional 10% federal tax penalty on earnings. As with other investments, there are generally fees and expenses associated with participation in a 529 plan. There is also a risk that these plans may lose money or not perform well enough to cover education costs as anticipated. Most states offer their own 529 programs, which may provide advantages and benefits exclusively for their residents. An investor should consider, before investing, whether the investor's or designated beneficiary's home state offers any state tax or other benefits that are only available for investments in such state's qualified tuition program. Such benefits include financial aid, scholarship funds, and protection from creditors. The tax implications can vary significantly from state to state.

401(k) plans are long-term accounts designed for retirement purposes. Withdrawals are subject to income tax, and if taken prior to age 59½, a 10% federal tax penalty may apply. Unless certain criteria are met, Roth IRA owners must be 59½ or older and have held the IRA for five years before tax-free withdrawals are permitted.

Quote of the Month: "Ninety percent of politicians give the other ten percent a bad reputation." – Henry Kissinger

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