NELSONCORPNEWS

MAY
2024

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YOUR NELSONCORP TEAM


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AMANDA SCHAVER


TABATHA WESTPHAL


MIKE STEIGERWALD


HANNAH VAN HYFTE


ISABEL HANSEN

WITH A GRATEFUL HEART...

Every Memorial Day, we honor those who died defending our country. Usually, we imagine their valor and sacrifice taking place on the front lines, in the heat of battle, and it often did. Defending a hill, liberating a town, mounting a last, desperate charge – these are feats movies are made of.

But when you walk past the white marble headstones of Arlington National Cemetery, when you read their stories, you learn that sacrifice comes in many forms...and the greatest valor often happened where there was no one to see. Some of the finest heroes our country has ever known were nowhere near the front lines when they died. They were in enemy territory. They were shackled and starving. Sometimes, it would be years before their country would know what happened to them. Sometimes, their bodies never even made it home.

They were prisoners of war. They were heroes. We have the story of one of those prisoners of war that made a big impact later in this issue. He was someone who, for his comrades, did so much more than required.

This Memorial Day, let's remember all of our servicemen and women that sacrificed their lives for us. Let's honor them.

David Nelson

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THINGS TO NOTE

Gather up anything that you need to shred for our Shred Day on May 18th from 9:00am - noon at the NelsonCorp Field parking lot. We are no longer able to take items at the office for shredding, but all clients are welcome to bring their documents to NelsonCorp Field during this event.

SUPPORT OUR LOCAL CHARITIES & BUSINESSES

Check out what's happening at our area charities, businesses, and communities:

- *Lyons Art & Craft Show, Clinton, IA*
- *Helping Monarch Butterflies, Black Hawk State Historic Site, Rock Island, IL*
- *Visit Clinton www.clintoniowatourism.com*
- *Visit Quad Cities www.visitquadcities.com*

NelsonCorp Nuggets

The median square footage of U.S. homes has increased 52% since 1980, while the median sale price has increased 609% in the same period.

Source: listwithclever.com - 99 key statistics for 2024

THE WORK IS NEVER DONE

A mother's work is never done, never easy, and never celebrated enough. It's not uncommon to hear people describe their mom as "The Best Mom Ever" and proudly present her with a personalized coffee cup or trophy. But for many people, Mother's Day can be a difficult day, filled with emotion, struggle, and maybe even heartbreak. For that reason, this year we want to try to honor all the ways this complicated day affects people.

For some, this is your first Mother's Day without your mom. We've heard so many stories of loss this past year and our hearts are with you as you find new traditions to continue celebrating the woman who gave you life. Whether you plant flowers in her honor, enjoy brunch at her favorite restaurant, or spend an afternoon on her favorite lake, we know she is in your thoughts on this day more than others.

For the moms of little ones who are wondering if the real gift might be some quiet time alone, we see you. We know you're exhausted and have run out of ideas about what to cook for dinner. Know that you inspire us. This year, we send you all our restorative energy wishes and have our fingers crossed you get the nap you so greatly deserve.

For the moms who will be celebrating via Zoom because geography prevents a physical hug, we are ready and waiting to step into that gap. Every single person in our office has experienced this and we would love to meet you for coffee, hear about your kids' adventures, and give you the hug they themselves aren't able to deliver this year.

For the foster and adoptive moms who have committed to opening your hearts and homes, we believe you are single-handedly changing the world. Your love is making a difference in the most tangible way imaginable, and we are in awe of your willingness to risk – sacrifice, even! – your own comfort each and every day.

For the women who thought they'd be a mom by now, but that isn't how life has played out, we know how heartbreaking this day can be for you. We know you may be tempted to stay home, avoid social media, and dodge the awkward sympathy that may come from well-meaning friends and family. You are not forgotten, and you are not invisible. Be encouraged to give yourself the self-care you need today, in whatever form that may be.

To the mommas whose babies are waiting for you in Heaven, we grieve with you. We know that however briefly you held them, they will always be in your heart. You are no less important on this day. We would not dare to suggest that we know all you have been through, or even begin to imagine the pain you have endured, so we won't offer empty platitudes. But you are in our thoughts and hearts more than ever on this day.

And for those of you for whom this day evokes painful memories, we wish you nurturing relationships to help heal the hurts and mend your hearts.

Wherever your heart is this Mother's Day, we want you to know we are grateful for you. We are here if you need a shoulder to cry on or an ear to speak to. We are looking forward to many years of celebrating life's triumphs and heartaches with you as friends.

To all the women who have offered motherly wisdom and guidance into our lives, we want to wish you a very happy Mother's Day.

HOW'S YOUR CASH FLOW?

Not long ago, I was chatting with an acquaintance who told me about a specific stock he'd invested in. Since the stock had gone up recently, he had made a little money – just enough to buy his dream boat that he wouldn't have had the funds for otherwise. But after he sold some of his shares, he realized the taxes on his capital gains were more than expected. As a result, he didn't have quite enough yet to buy the boat without dipping into his long-term savings.

As you can imagine, he was very disappointed.

Around the same time, I was having a chat with a retired client of mine. She wanted to attend a relative's wedding, but due to her health, was dreading the five-hour flight she would have to take. I suggested she travel first class to make the trip easier.

"Do I really have the money for that?" she asked.

I explained that, given her investments, her Social Security, and all the various sources of income at her disposal, she had *more* than enough. So, she booked her ticket and had a great time.

As you can imagine, she was quite delighted!

What do these two stories have in common? Why am I sharing them with you? Because they both illustrate an important concept: **Personal cash flow**.

Your cash flow is essentially the net amount of money you have coming in versus going out. Think of a bucket that you're trying to fill with water. Any taps, hoses, bottles, or pitchers you use to pour water in are your cash **inflows**. Any leaks. holes, or even spigots in the bucket are your **outflows**.

Cash inflows can come from many places. Your salary. Interest from savings accounts. Dividends from investments. Capital gains whenever you sell a stock, bond, or other asset. Royalties and rental income. Social Security. You get the idea.

A person's outflows tend to be even more varied. There's the everyday stuff like gas, groceries, utility bills, subscriptions, and entertainment. There're also larger, and often longer-term expenses like rent or mortgage payments, medical bills, student loans, credit card debt, etc.

And of course, there's taxes. Income taxes, property taxes, capital gains taxes...

Obviously, a positive net cash flow means you are bringing in more money than you are spending. A negative cash flow means you spent more than you brought in.

Everyone, no matter what stage of life they're in or how much their net worth is, must think about cash flow to some degree. Your cash flow determines, in large part, what kind of lifestyle you're able to live. Whether you can start achieving your dreams and financial goals now, or whether you have to wait until after retirement.

Cash flow is especially important in retirement. Your biggest and most consistent inflow – your salary – will be off the table, but your outflows will remain. Sometimes, they'll grow. Having a positive cash flow is crucial to enjoying your dream lifestyle *and* not outliving your money.

It's extremely common, however, for people to feel uncertain about their cash flow. It can be difficult to keep track of all your outflows or know which inflows to focus on so you can maximize them. In many cases, your outflows can impact your inflows more than you realize. (For proof of that, just read the first story again!)

For example, here are some questions you may find yourself asking from time to time:

- How can I achieve more of my financial goals *now* instead of waiting until retirement...without dipping into my retirement savings?
- I know I'm earning a lot of money; why does it feel like I can never get ahead?
- Is there a way to derive more income from my investments? What about minimizing capital gains taxes on them?
- What will my cash flow look like in retirement? Will Social Security be enough, or do I need more inflows/sources of income?
- How do I know whether I can take advantage of more perks and luxuries without diminishing my retirement savings?
- Are there potential inflows I'm not taking advantage of? What are they?
- What can I do to minimize my outflows?

If you've ever wondered any of these questions...or if you've simply felt frustrated that you're not achieving more of your financial goals sooner, it may be time to analyze your cash flow. I'd like to help by offering a free second opinion on potential ways to improve your cash flow. Together, we can determine how to save more for retirement while achieving more financial goals *now*. In short, I'd like to offer a second opinion on how to fill your bucket faster!

Of course, it may be that your bucket's in great shape. If so, great! But if you ever feel like your bucket's leaking, or not filling fast enough, please give me a call at 563-242-9042. I look forward to meeting with you!

MAKE THE MOST OF YOUR RETIREMENT

Spring is officially here! For most people, that means it's time for spring cleaning. But wait! Before you pick up that dustpan, give a thought to spring cleaning your *retirement plan* first.

These days, the term *spring cleaning* is often used as a metaphor for getting things organized. As you can imagine, getting your retirement plan organized is critical if you intend to actually retire when and how you want. There are many things to do, keep track of, and decide.

Of course, that's why we offer this newsletter every month!

WHAT'S AROUND THE BEND: AM I MISUSING TAX-DEFERRED INVESTMENTS?

Tax-deferred investments allow your money to accumulate tax-free until you make a withdrawal. (Ideally, after retirement.) These withdrawals are then taxed as ordinary income. Traditional IRAs, 401(k)s, and annuities are all examples of tax-deferred investments.

Unfortunately, many pre-retirees misuse these types of investments in the following ways:

Taking withdrawals too early. This can rob your retirement of much needed savings. In some cases, it can also come with additional penalties. For example, if you make withdrawals from an IRA prior to age 59½, the money would be subject to a 10% penalty from the IRS in addition to being taxed.

Not contributing the maximum annual amount. Most tax-deferred investments have a cap on how much you can contribute each year. But many people vastly undershoot this cap. It's quite common to see people put their tax-deferred accounts on the bottom of the pole. Other types of investments, or even just spending, take priority. As a result, these people are not benefiting from all that tax-deferred investments have to offer.

Contributing *after*-tax dollars instead of *pre*-tax dollars. Sometimes, it's easy to get careless and contribute money that you have *already* paid taxes on. Remember, when you withdraw that money down the road, it will be taxed again as ordinary income. That's called *double-taxation*, and no one wants that! Instead, make contributions with pre-tax dollars whenever possible.

Not choosing the right investments. A tax-deferred account may be great from a tax standpoint, but if you want the money inside those accounts to grow, you have to choose the *right* investments. Some types of investments may actually lead to higher taxes in retirement than they would through capital gains in a taxable account. Always pay close attention to which investments are going into each account you own.

If you are concerned you may be misusing your tax-deferred investments or just aren't sure of it, let me know, and we can help you figure it out!

WHAT'S OVER THE NEXT HILL: SHOULD I RETIRE EARLY OR NOT?

This is a common question, and definitely one every person should ask themselves sooner or later.

"Early retirement" is usually defined as retiring before the age of 65, when you are eligible for Medicare benefits. (Others may see it as retiring before the age at which they are eligible to claim full Social Security benefits.)

The idea of retiring in your early 60s, or even 50s, can be an extremely alluring one. But there are definite pros and cons to consider:

Pros:

- More time to do the things you love with the people you love.
- Take advantage of having a younger body and better health.
- Opportunity to go back to school or move abroad.
- Can even start a new career/ open a new business that is personally rewarding but *not* critical to your financial success.

Cons:

- Can be a *major* drain on your finances. You may not notice it at first...but it could become very apparent in your seventies and eighties. Retiring early also means dipping into your savings early, reducing them over the long term or forcing you into riskier investments in order to keep up.
- Smaller Social Security benefits, depending on when you begin taking them.
- Can actually be a *detriment* to your mental health. Some who retire early may find themselves missing the social aspects of work...or may realize they still had more "gas in the tank" than they thought.

As you can see, there's a lot to consider when mulling over the possibility of an "early" retirement. That's why this a question you'll need to ask yourself now or in the not-too-distant future. Of course, if you have any doubts about whether you *can* or *should* retire early, I can help you protect the outcome of any and all scenarios! (Including the middle option of a "phased retirement," where you gradually leave the workforce in stages rather than all at once.)

WHAT'S ON THE HORIZON: WHO DO I WANT THE EXECUTOR OF MY WILL TO BE?

Over the next few issues of this newsletter, we're going to take a deeper dive into the topic of estate planning. This month, let's discuss a third important question you need to ask yourself: Who do I want the executor of my estate to be?

There's an old saying that you should never tell anyone "your favorite fishing hole, where you keep your whisky, and where you keep your money." But that last is certainly something the executor of your estate will need to know. You see, your executor is the person you appoint to administer your will and see that your estate is handled appropriately. If you don't choose one, the government will do it for you…and that tends to be messy. So, the choice should be yours.

But *whom* you choose is critical. Because your executor will be tasked with making sure every item in your will is accounted for, and handled appropriately, you need someone who is trustworthy, reliable, clear-headed, and ideally, detail oriented. You need someone who will not be daunted by the task…or the idea of paperwork.

Of course, you should not choose someone who:

- Does not *want* the job.
- Is in dispute with a third party who *also* wants to be the executor. (This is not uncommon when one family member is chosen over another.)
- Is generally distrusted by other members of your family. Even if *you* trust them, this can lead to disputes.
- Has an uncertain financial situation, i.e. has liens, a poor credit history, debts to pay off, or a history of bankruptcy.

This is not a choice to be taken lightly…nor one that should be made quickly. (That's why we're covering it under the "On the Horizon" section of this newsletter.) But it is a question you will need to answer…or revisit if you're concerned you made the wrong choice.

Being an executor is hard. The process can be long, demanding, and sometimes stressful. But if you choose the right person well enough in advance, and make sure they know exactly what to do and what's expected of them, the experience can go much more smoothly for them…and lead to peace of mind for *you*.

WATCHING THE WEATHER: MARKET CONDITIONS ON THE ROAD TO RETIREMENT

March was a month of peaks and valleys in the markets. The S&P 500, for example, went up, then down, then up, then down, and so on, all throughout the month. But the good news for investors is that each peak rose successively higher, leading to higher valleys as well.

Much of the market's momentum continues to be driven by expectation that the Federal Reserve will lower interest rates later this year. Indeed, after their monthly meeting on March 20th, the Fed confirmed their intention to decrease rates by 0.25% on three different occasions in 2024.

Now, this is not a guarantee. The Fed has shown itself to be quite comfortable with keeping things where they are if inflation does not improve. And the most recent inflation data suggests that prices are not coming down as fast as anyone would like. So it remains to be seen whether rates will hold steady this year or not. For now, though, investors are hopeful…and the bull market continues to roll on.

NELSONCORP MEDIA APPEARANCES

Be sure to catch our weekly educational content featured locally on television, radio, and the newspaper. You can get this and more at www.nelsoncorp.com/blog.

This month on 4 Your Money, David Nelson sat down to discuss how interest rates around the world can impact the U.S. dollar. On another segment, David cautioned viewers about an early warning sign in the commercial real estate markets. John Nelson appeared on another segment to talk about the changes to realtors' commissions and what that means to those buying or selling homes. Lastly, Nate Kreinbrink was on to explain getting a large tax refund may not be ideal for taxpayers. He also expressed the importance of knowing how much withholding you have on all sources of income, whether it's wages, pensions, or IRA distributions.

4 Your Money airs Tuesday mornings on FOX 18 News at 8am and on WHBF CBS Local 4 News at around 6:10pm.

On Financial Focus, Nate Kreinbrink went into detail on social security benefits and the differences between claiming before, at, and after full retirement age. David Nelson was in the studio to talk about the current market conditions and to adjust strategies to protect against big downturns. Nate was back with Mike Steigerwald discussing how crucial it is to start tax planning for next year right after filing by adjusting withholding. They also stressed that listeners should tell tax preparers and financial advisors of any upcoming major life changes to better prepare. Andy Fergurson joined Nate another time to let listeners know they should talk to a professional if contacted by the IRS. Andy also warns that the IRS will never call you unless you specifically ask them to. If a call comes in claiming to be the IRS, listeners should be skeptical.

Financial Focus airs every Wednesday at 9:00 am on KROS FM 105.9 and AM 1340.

Clinton Herald

David Nelson is a guest columnist every 1st and 3rd Saturday in the Clinton Herald.

THE MAGNIFICENT 7

Have you ever heard of the Magnificent 7?

No, I'm not referring to the classic western starting Yul Brynner and Steve McQueen. I'm referring to the seven companies most responsible for the stock market's rise over the past year. In fact, they have played such an oversized role that it's time to start thinking about what might happen if they were to...stop.

Many of my clients have been asking me about the Magnificent 7 lately. (The term is not an official one, of course. An investment analyst coined it last year and it quickly caught on.) So, in this message, I'm going to answer:

Six Important Questions About the Magnificent 7

Let's start with:

1. What exactly *are* the Magnificent 7 and why do they matter?

While I rarely mention specific companies when discussing the markets, I'm going to name them here. The Magnificent 7 are: Amazon, Alphabet (aka Google), Apple, Meta (aka Facebook), Microsoft, NVIDIA, and Tesla. Collectively, these companies have a greater market capitalization than all the *combined* companies in nearly every country in the world.[1] In fact:

- In 2023, their market capitalization represented a staggering 29% of the entire S&P 500.[2]
- The stock prices of these companies rose by an average of 111% last year.[2]
- In January 2024 alone, just five of these seven stocks were responsible for 98% of the S&P 500's gains for the month.[3]

When we zoom out and look at the stock market, we tend to see it as a single squiggly line. Sometime the line goes up. Sometimes it goes down. Sometimes, it zig-zags. But this isn't really an accurate way to think of stocks. At any given time, some stocks will be moving up, and some will be moving down. If more stocks are moving in one direction than another – especially if they are *weighted* more heavily, which we'll get into in a moment – then that's what drives the overall direction of the market.

It's uncommon, however, for such a small handful of stocks to affect the squiggly line so thoroughly. And *that's* why the Magnificent 7 matters.

2. Why *are* the Magnificent 7 having such an oversized impact?

Okay, bear with me here, because I'm about to get a little technical.

The S&P 500 is what's known as a **capitalization-weighted index**. That means each of the 500 companies are weighted according to their market capitalization. This is a company's share price multiplied by the number of shares available to buy or sell. As you know, some companies are simply bigger or do more business than others. Typically, this means they have more outstanding shares. A high number of shares *plus* a high share price leads to a higher market capitalization. This in turn means they have more weight within the S&P 500. The result? The price movement of *these* companies has a greater impact than that of smaller companies.

In an unweighted index, every company has the same impact, no matter it's price or how many shares are available. The price of the index is determined by simply adding up every company's stock price, then dividing by the total number of companies in the index. But in a weighted index, when some companies perform at a *much* higher or lower level than the average, they can push the entire index *way* up...or drag it way down.

Here's another way to think of it. In 2023, the S&P 500 rose by 24%. If you gave each company in the index an equal weight, that number would drop to 12%.[2] And if you took the Magnificent 7 *out* of the index entirely, that number would be only 8%.[2]

That's how much weighting can matter.

3. Okay, so why have the Magnificent 7 risen so much?

It helps that six of the seven are household names that just about *everyone* has heard of. They provide products and services that many people use every single day. (Cell phones, computers, the chips needed to power both, cars, delivery, etc.)

But the main reason for their current rise can be summed up in two words: **artificial intelligence**.

The last two years have brought some stunning advances to the field of AI. There are now a multitude of AI-driven products available. Many are designed to help companies boost productivity and increase efficiency. These advances have many investors salivating at the possibility that AI will help companies produce more than ever before...and in doing so, return more value to their shareholders. Many experts believe that AI could change the world similar to how the internet did.

Each of the Magnificent 7 are either heavily leveraging AI or are actually helping to advance it. Each is an already-successful company. Each has stellar brand recognition. And each is at the forefront of a potentially revolutionary new field.

4. Does this mean we should put everything into these 7 stocks?

Let's review some recent history. Before the Magnificent 7, the hot buzzword on Wall Street was "FAANG" stocks. (This was an acronym for Facebook, Amazon, Apple, Netflix, and Google.) In the late 2010s, these companies also represented a huge portion of the S&P 500. But over time, things changed. Facebook became Meta. Google became Alphabet. And companies like

Tesla and NVIDIA grew to have a far greater market capitalization than Netflix.

Then, too, even these tech giants haven't always been winners. For example, remember 2022? The S&P 500 lost 19.4% that year.[4] The culprit? Tech. Many of the same tech companies that *drove* the markets in '23 are what *dragged* the markets in '22. (This includes the Magnificent 7.) Nobody, no matter how intelligent or experienced, has a crystal ball. Nobody knows how long the Magnificent 7 will stay magnificent…or which companies will eventually, inevitably, replace them.

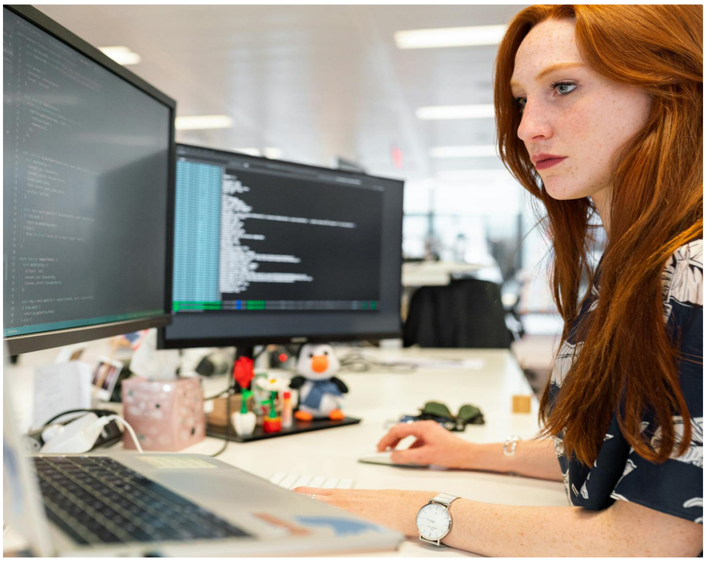
This is why, instead of just following the headlines blindly, we will continue to base our investment decisions on technical analysis and the law supply and demand. Sectors and stocks that are trending *above* a certain point – including tech stocks – are ones we generally want to participate in. Those trending *below* a certain point are ones we want to avoid. That is why, at various times, we may be invested in some of the Magnificent 7 and not others. In the future, we may move away from them entirely…but we will *always* follow "the rules" of our strategy!

5. What does this all mean for the future?

Again, there's no way to know for certain…but there are a few possibilities. One is that the market rally continues because the *breadth* of the rally increases. Rather than relying on just a few companies to propel it forward, the market instead enjoys a broader front, where more companies are rising in value at the same time. This indicates a healthier market. Earlier in the year, market breadth was narrowing – a bad sign. In recent weeks, however, that trend has started to reverse.[5] More shares have been rising compared to those falling.

Another scenario is that things continue as they have. That's probably not sustainable, however. Either more companies will catch up, or at least some of the Magnificent 7 will come back to earth.

There's a third scenario we must always be on the lookout for: That the hype around AI represents a bubble. Remember the dot-com bust around the turn of the century? The rise of the internet created so much excitement that many net-based companies exploded in value… only to *implode* when it became clear their value was based more on hype than anything real. Right now, AI is an exciting new frontier. Only time will tell, however, whether that frontier is a real horizon or just a mirage.



6. So why is it important to know about all this?

For two reasons. First, it reminds us that the "squiggly line" we see representing the stock market *doesn't* always tell the full story. In this case, the line for 2023 and into 2024 looks impressive. But when you zoom in, you see the *breadth* of that line is remarkably skinny. While the stock market has undoubtedly done well, the *majority* of the market isn't quite as impressive as it seems on the surface.

Second, it reminds us not to get caught up in the hype…or in headlines. The Magnificent 7 represent a group of exciting companies propelling the markets. That's the story today. A story we definitely want to participate in. But what will the story be tomorrow? That is something we must never forget to consider…and always be prepared to face.

In *The Magnificent 7* film, a group of gunfighters are hired to protect a small town from bandits. By the end of the movie, some of the group survived; others didn't. As the survivors prepare to leave, the town leader tells them: "You're like the wind…blowing over the land and passing on."

In my experience, stocks are also like the wind. They blow over the land…and then they pass on. Our job is to track which way the wind is blowing and then move *with it* rather than trying to fight it. By doing that, we will continue to help you work toward your long-term goals while avoiding any "squalls" or "hurricanes" the markets may send our way. That is what we'll continue to do!

Please let us know if you have any questions – or if there is ever anything we can do for you!

1 "Magnificent 7 profits now exceed almost every country in the world," CNBC, www.cnbc.com/2024/02/19/magnificent-7-profits-now-exceed-almost-every-country-in-the-world-should-we-be-worried.html

2 "Magnificent 7 Lead Domestic Large Cap Outperformance," Forbes, www.forbes.com/sites/greatspeculations/2024/01/22/2023-in-review/?sh=6d37f2fd690b

3 "Will the Magnificent 7 Keep Carrying the Market?" Morningstar, www.morningstar.com/markets/magnificent-seven-earnings-whats-ahead-biggest-players-stock-market

4 "S&P 500 finishes 2022 down nearly 20%," CNBC, https://www.cnbc.com/2022/12/29/stock-market-futures-open-to-close-news.html

5 "Fear & Greed Index – Stock Price Breadth," CNN Business, www.cnn.com/markets/fear-and-greed

NelsonCorp Nuggets

More than half of millennials (57%) spent over 30% of their income on housing in 2023. Housing that costs over 30% of income is considered unaffordable by the Department of Housing and Urban Development.

Source: listwithclever.com - 99 key statistics for 2024

ESSENTIAL TASKS FOR Q2

Did you know that trees have checklists?

Okay, so maybe they're not written checklists attached to a clipboard, but it's true all the same. Every year, when winter slowly makes way for spring, there are several criteria that trees must "check off" before they start to bloom.

The first item on their checklist is more sunlight. Trees can actually detect when spring is near because the days get longer, meaning they receive more sunlight each day. Sunlight, of course, is what trees store and convert into sugars via photosynthesis.

The second is moisture. This isn't a problem in most parts of the country, where spring rains or melting snow contribute plenty of water. But if the area is going through, say, a massive drought, then trees will often delay blooming.

Finally, trees wait for the temperature to rise. Even if the day is longer, trees know that a sudden blizzard or even overnight frost can wreak damage to any new growth. So, they wait until the average temperature is high enough before dazzling the world with a riot of color.

Why am I telling you all this? As a financial advisor, I love checklists, too. After all, if they're good enough for nature, they're good enough for us! And with spring – and a new quarter –arriving, it's time for us to make like a tree and leaf through our own checklist. These are the steps we must take to keep growing closer to our financial goals.

The tasks on this list are all things that should be taken care of in the second quarter. Don't worry –they're not difficult! In fact, some may be completed already. But each is important in its own way.

If you need help or have questions about any of these, please let me know. In the meantime, I hope you have a great second quarter…and a wonderful spring!

Review *All* Your Holdings

These days, many investors adopt a "set it and forget it" mentality with their investment portfolio(s). That's certainly better than stressing about the markets on a daily basis, but it's critical to review your holdings at least once or twice a year to make sure everything is in order. Is your allocation still where it should be? Is your portfolio still in line with your tolerance for risk? Are your holdings providing the kind of return you need to reach your financial goals? Do you understand everything you own and why?

If the answer to any of these questions is "No" or "I don't know," then it's time for us to sit down and take a closer look at things. And by the way, when I say, "review your holdings," I mean all of them. That includes any and all institutions you do business with! (Many investors sometimes forget where all their assets are kept and thus fail to review them. Or they review them separately and don't ensure they work together.)

Review Your Exposure to Volatility

At the same time, it's important to be sure that you are prepared to weather any market volatility that may happen in 2024. As you know, we're in an election year. We're also still contending with higher-than-normal inflation and much higher-than-normal interest rates. All these factors can contribute to increased turbulence in the markets. For that reason, we need to be sure you are not overexposed to certain sectors that may be particularly vulnerable to volatility this year. If you would like a second opinion on investments held in other places, I would be happy to provide one.

Determine Your Insurance Needs

In many parts of the country, the return of spring means the imminent return of storm season. It also means new opportunities for outdoor recreation. While it may be unlikely, that means an increased chance of both property damage and/or personal injury. While you don't need to go out and start buying more insurance, this is the time when you should review where you are covered and where you are not. That way, you can determine if there are any critical gaps that are simply too risky to leave unfilled. For example, while most mortgage lenders require customers to have home insurance, few people have property insurance. For those with property in areas where major storms, wildfires, hurricanes, or tornados are common, that's a type of gap that really should be filled.

Budget For Your Summer Vacation Plans

This one's more fun. If you have plans for a big cross-country road trip, a long-awaited tour of Europe, or family fun in Disneyland, take time now to set a budget, purchase tickets, and make reservations. It can save you a lot of money if you do it early. Money you can use for further adventures in the future!

Decide What to Do With Your Tax Refund

If you're getting a tax refund this year, think about how you want to use it. Approximately 1/3rd of Americans use their refund to pay off debts; others stick it in a savings account. One underrated and oft-underused option: Invest it instead. It can help you catch up on saving for retirement, pay for a loved one's college expenses, or enable you to achieve one of your long-term goals even sooner.

Get Your Tax Planning Done Early

Finally, once your taxes are filed and the rush is behind you, consider pivoting from tax preparation to tax planning. While tax prep is the process of filing taxes you already owe, tax planning is the process of minimizing taxes you will owe in the future. By doing this early, you can potentially reap great rewards in the near future.

PRISONER OF WAR

Name, rank, service number, and date of birth. That was the only information Donald Cook ever told his captors. Donald Gilbert Cook. Captain, U.S. Marines. August 9, 1934. Even when he was beaten, even when he was starving, even when he was sick, it was all he'd ever say.

Cook joined the marines in 1956. A gifted linguist, Cook taught himself Vietnamese and Chinese and made a point of learning how to conduct himself if he were ever captured and interrogated. He even wrote a pamphlet based on the experiences of American POWs during the Korean War and taught resistance techniques to other marines in case they were ever imprisoned.

In 1964, Cook went to Vietnam for a 30-day assignment. But only 18 days after arriving, Cook found himself embroiled in the Battle of Binh Gia. Wounded and captured by the Viet Cong, his superiors thought he was dead and declared him killed in action.

But Cook was very much alive – and about to put his training to use.

First, Cook established himself as the senior officer among nine other POWs, even though he technically wasn't, knowing this would cause him to be singled out by his captors for especially brutal attention. As the senior officer, he had the authority to demand better food, medicine, and care, which he did so constantly. Often, this only resulted in harsher treatment for himself, but sometimes, his efforts paid off.

Next, Cook began giving away his food and water rations, not to mention what little medicine he had, to prisoners in worse condition. As the prisoners were forcibly marched from one camp to another, Cook personally carried his comrades' belongings if they were too weak to do so themselves, knowing those same belongings were often what kept the men alive.

As the senior officer, Cook was always first to be interrogated – and first to be punished whenever his fellow POWs resisted. But, drawing on his years of training, Cook never relented. Even when offered the chance to negotiate his own freedom, Cook refused. He would not abandon his post, his duty, his men, or his country.

At one point, his interrogator pushed a pistol against his forehead and threatened to fire. It was probably the only time Cook indulged his captors with a different answer.

"You can't kill me," he said. "Only God can decide when I die."

After over three years in captivity, Cook finally passed away. Not from torture, or starvation, or a Viet Cong bullet, but from malaria. His fellow prisoners, the same men he had inspired, protected, and saved, buried him in the jungle themselves.

Donald Cook was posthumously promoted to colonel and awarded the Medal of Honor "for conspicuous gallantry and intrepidity at the risk of his life above and beyond the call of duty...and for personal valor and an exceptional spirit of loyalty in the face of certain death." Fifteen years later, his daughters found a box containing letters he had written to them before leaving for Vietnam.

"Do what is right and just," he had written, "no matter what the personal cost."

THIS MONTH'S FEATURED CHARITY IS SPEAK OUT AGAINST SUICIDE

Speak Out Against Suicide was developed to eliminate the stigma of suicide and depression. We intend to increase awareness and create and safe environment in which community members know they are not alone and can feel free to ask for help.

To achieve this mission, Speak Out Against Suicide recognizes that suicide prevention is a process involving many community resources. As a group that does not have licensed professionals, Speak Out Against Suicide believes its role within the suicide prevention process works best when volunteers left behind by suicide and other volunteers step forward.

2024 Goals:

- Expand out H.O.P.E. program which currently partners with Clinton, Jackson, Whiteside, and Scott County Schools. This program is free to all schools.
- Work to eliminate the stigma associated with the topic of suicide prevention and grief support.
- Continue to provide funding for therapy services, transportation and medication needed for mental health services.
- Advocate for programs and services that enhance public awareness, and community service in direct support of those who are lonely, depressed, and suicidal or grieving the loss of someone by suicide and greater mental health services for everyone affected by suicide.

If you'd like to donate to this organization, checks can be made payable to Speak Out Against Suicide and mailed to their office, 1805 S. Washington Blvd. Camanche, IA 52730.

JEANS FOR CHARITY

Every Friday, the team at NelsonCorp Wealth Management wears "Jeans for Charity". In exchange for getting to wear jeans to work, we each pay a $5 weekly fine. At the end of the month, the fines are donated to a charity. NelsonCorp will match the fines that are collected, up to $250.

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