

THE LIGHT



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HELPING INDIVIDUALS NAVIGATE THEIR FINANCIAL LIVES

END OF YEAR REVIEW: WHERE DID 2023 LEAVE US?



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Well, that escalated quickly! The stock market was slowly chugging along for almost 80% of the year. The Dow Jones was -2.35% at the end of the day on October 27. There were some bright spots before then, but it was largely the Magnificent Seven (Apple, Microsoft, Google, Amazon, Nvidia, Meta, and Tesla) that was doing almost all the heavy lifting for the broader indices. Since October 27, the Dow has climbed 16% and the S&P 15%. What changed? It's always a challenge to pinpoint why the market does what it does, but there appears to be a couple of themes at play for this most recent reversal. The Federal Reserve had been maintaining a firm stance that they were going to continue to raise rates and do whatever it took to ensure that inflation was under control. With the most recent inflation report at 3.1%, the Fed has softened its stance on raising rates and has shifted towards discussing when rate cuts will begin. Currently, the market is pricing in three rate cuts of 0.25% each for 2024. The stock market generally cheers this on because lowering the cost of financing for businesses will help improve their earnings, typically sending their stock price higher.

The elusive soft landing is now more of a possibility than most experts predicted going into 2023. Unemployment is still hovering under 4%, the 10-year treasury is at 3.9% versus the 5% it was in October, retail sales were up 0.3% in November, and the latest GDP forecast for the U.S. in the fourth quarter is at 2.7%. All of these are encouraging signs for our economy and the stock market. Is it time to celebrate? We don't think so quite yet. As usual, there is a plethora of issues that could serve as obstacles to future market growth. Inflation is still above the 2% target mandated by the Fed and could get stickier or reaccelerate. The Fed could change



course and raise rates further, or leave rates higher for longer. Neither scenario would be loved by the market. Ukraine and Russia are still at war and the threat of another world war looms in the background. The same can be said for Israel and Hamas. These are just some of the known threats. As any long-term investor knows, it is the stuff that nobody sees coming that catches you off guard.

I don't share this to scare you. Actually quite the opposite. Most market pundits coming into 2023 didn't project that the S&P was going to go up 23%. There were a slew of headwinds the market was facing, most notably the December 2022 inflation reading of 6.5%. Mark Twain may have said it best when he stated, "Prediction is difficult, particularly when it involves the future." That being said, when watching your financial network of choice or reading your favorite news source, take predictions and forecasts with a grain of salt. Most importantly (and this is where I'll beat my same boring old drum), stay invested, stay diversified, and stay disciplined. Your future self will be thankful.

IRS LIMITS	2023	2024
IRA Contribution Limit	\$6,500	\$7,000
IRA Catch up Contribution Limit (Age 50 and over)	\$1,000	\$1,000
401(k) Elective Deferrals	\$22,500	\$23,000
401(k) Catch up Deferrals (Age 50 and Over)	\$7,500	\$7,500
HSA Family Contribution Limit	\$7,700	\$8,300
HSA Individual Contribution Limit	\$3,850	\$4,150
HSA Catch up Contribution (Age 50 and Over)	\$1,000	\$1,000
Income subject to Social Security Tax	\$160,200	\$168,600
Max earned income before SS benefits are reduced for those collecting benefits before full retirement	\$21,240	\$23,320
Annual Gift Exclusion	\$17,000	\$18,000
Standard Mileage Rate	\$0.655 per mile	\$0.67 per mile
Social Security Cost of Living Adjustment	8.7%	3.2%
Medicare Part B Premium	\$164.90 per month	\$174.70 per month

STANDARD DEDUCTIONS FOR 2024

Single/Married Filing Separate:

\$14,600

Married Filing Joint:

\$29,200

Head of Household:

\$21,900



“ISH-ING” FOR ANSWERS? DON’T BE CAUGHT BY THESE TACTICS



BY KATIE BROWN



Computer lingo has added a bevy of words to our ever-evolving English language. Maybe by now you have heard of phishing, smishing, vishing, and, more recently, even quishing, but what does this all mean? All of these “ish-ings” are the methods by which scammers collect personal, sensitive information from unsuspecting victims.

Phishing occurs when a scammer sends a malicious link through an email. To be sneaky, these scammers purport to be from reputable businesses, corporations, and organizations such as PayPal, Amazon, UPS, the IRS, or even the Social Security Administration, to name a few. These phishing emails or malicious links attempt to redirect the unsuspecting recipient to a fake website, which then proceeds to gather personal data such as a legal name, address, driver’s license number, date of birth, social security number, credit card information, etc. Sometimes, the fake website will appear legitimate, complete with a company logo. The site may even provide the unsuspecting victim with a place to log in using a username and password, again with the intention of collecting sensitive data. A caveat to clicking on any link from a phishing scheme is that these links can also unknowingly download malware and viruses that collect personal data or hold data for ransom. Odds are that you have received a phishing email at some point. It is estimated that there are over 3.4 billion phishing emails sent per day by cyber criminals and over one-third of all data breaches are a direct result of phishing attacks.

So what is the deal with the other “-ishings”? Smishing is similar to phishing; however, instead of scammers sending emails, smish-ers send messages or links via a text message (SMS). Oftentimes, the text message reads: “Click here to unlock your account,” “respond to suspicious account activity,” or “verify your account.” Don’t be fooled! These messages will appear to be from seemingly trusted sources, but in reality, someone just wants to get easy access to your sensitive data.

Vishing occurs when a scammer calls or leaves a pre-recorded voicemail for the victim, with the intention that the victim will provide personal information over the phone or return the phone call. Quishing, which is a bit newer to the scene, attempts to use QR codes (that pixelated box you scan with your smartphone camera lens), to redirect people to a scam website.

Unfortunately, fraud is a lucrative business. To protect you and your sensitive data, here are some best practices we recommend to consider the next time you think you might be a victim of an “-ishing” scheme.

1. Slow down. Scammers often use fear tactics to trick our logic and to get us to act without taking time to think. The most important advice is to slow down. Approach urgent notifications and emails with caution. A threat of locking your account, serious fines or any threats of extortion is a huge red flag. Consider what information is being requested.

2. Be suspicious. Is this coming from a reputable company that should already have the requested data? Do you even conduct business with the company? When questioning the validity of a notification stating that your online account is locked or suspected of fraudulent activity, always go to the direct source in a separate browser window, preferably in a private browser. Visit the company or institution’s website and log in as you normally would to ensure your due diligence. Never enter your username and password in the provided link. To be sure, a secure website will begin with “https” rather than “http” and is generally considered a safer site.

3. Be cautious of links. Use caution when clicking on links or attachments included in a social media feed or those found in your email or text messages. If your grandson appears to be sending you a link via Facebook Messenger that doesn’t make sense, then contact your grandson to make sure it was intended to be opened. If unsure of a link, you can also hover over it with your mouse to read the full URL address and to note any suspicious redirects or other oddities.

4. Do not answer calls from numbers you do not recognize. If you feel pressured to give a caller personal information or to send money, then hang up! Remember that no reputable company or organization would request that you send cash or prepaid gift cards.

5. Keep your technology up-to-date. Always update your web browser and operating systems to ensure you have the most up-to-date security settings enabled on your device.

If you are still unsure, then ask a third party. Get a second opinion by calling an advisor, family member, or friend.

Rest assured that Lighthouse Wealth Management takes measures to keep your sensitive data and financial accounts protected. It is our practice to verify any electronic client requests to trade, move money, or update account information. If you ever have any questions about an email you have received from Schwab or concerns over any personal information you entered after clicking an email link, call us immediately. You can also contact the **Schwab Alliance team at 800-515-2157**. As a further step to safeguard your sensitive information, we have implemented client portals. This is a secure method to share statements and other sensitive documents with you. Contact us today if you need help setting up or accessing your client portal.

MARKET RECAP

How the major indices performed in the 4th Qtr. 2023:

DOW JONES INDUSTRIAL AVERAGE

4th QTR. RETURN:	12.5%	YTD RETURN:	13.5%
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S & P 500 COMPOSITE

4th QTR. RETURN:	10.8%	YTD RETURN:	23.7%
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RUSSELL 2000

4th QTR. RETURN:	15.4%	YTD RETURN:	15.1%
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BARCLAYS AGGREGATE BOND

4th QTR. RETURN:	5.7%	YTD RETURN:	1.9%
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NASDAQ COMPOSITE

4th QTR. RETURN:	10.5%	YTD RETURN:	40.8%
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**All indices are reported Total Return which includes Dividends*



At our core, we are givers, plain and simple. In 2023, we supported some amazing local and national charities who all work tirelessly to make this world a better place. By giving back, we hope to help spread some much-needed hope and positivity. In fact, over 10% of our profits went straight to our community and beyond. It's all about taking one step at a time, and we're just happy to be part of the journey. So from us at Lighthouse Wealth Management, we thank you for joining us on this journey!



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Our Part 2 of Form ADV: Firm Brochure, which provides information about the qualifications and business practices of Lighthouse Wealth Management, as well as our ADV Par 3: Client Relationship Summary are both available on our website. Paper copies are available upon request.

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