

Quarterly Newsletter: Ending March 2025

The New Year started with America on top of the rest of the world. American exceptionalism was highlighted by a booming stock market that continued to make all-time highs. Unemployment remained near 4%, and GDP growth remained steady above 2%, despite a higher interest rate environment and sticky inflation. The newly appointed president, with the help of his supporters in Congress, is determined to levy a regressive tax on the American consumer by starting trade wars with 60-plus nations in a delusional and misguided effort to bring manufacturing jobs back to the United States. Reading between the lines, some speculate these actions are an effort to raise revenue to pay for the highly anticipated tax cuts and to reduce Government debt over time. Regardless of the strategy or intent, these tariffs are likely to slow the economy and potentially trigger a recession.

The administration argues that short-term pain is necessary to make America prosper. To implement policy, the executive branch implemented (1) DOGE (the department of government-efficiency) to cut the government workforce; (2) aggressive deportations, of illegal and legal immigrants with potential inflationary impact on the economy; (3) slapped significant tariffs on trading partners, including friends and neighbors, and (4) other drastic, and likely, unconstitutional actions. America is not perfect, but it does not lack wealth and prosperity. The US is 4.22% of the world's population but 26.11% of the global GDP. Every pound of this wealth is now in the hands of one man. We know that our financial system depends on the rule of law, trust, and transparency to thrive so the market's reaction to these swift and poorly executed policies should not be surprising.

Video Commentary

In this 3EDGE Week in Review video, [Trade War – Implications for the Markets](#), Fritz Folts, Chief Investment Strategist, and CEO/CIO, Steve Cucchiaro, discuss:

- How tariffs work;
- The Smoot Hawley tariffs of the 1930s;
- Trade deficits and their relationship to tariffs;
- Possible scenarios regarding tariffs and the potential for trade wars;
- How might investors think about positioning their portfolios in the current environment.

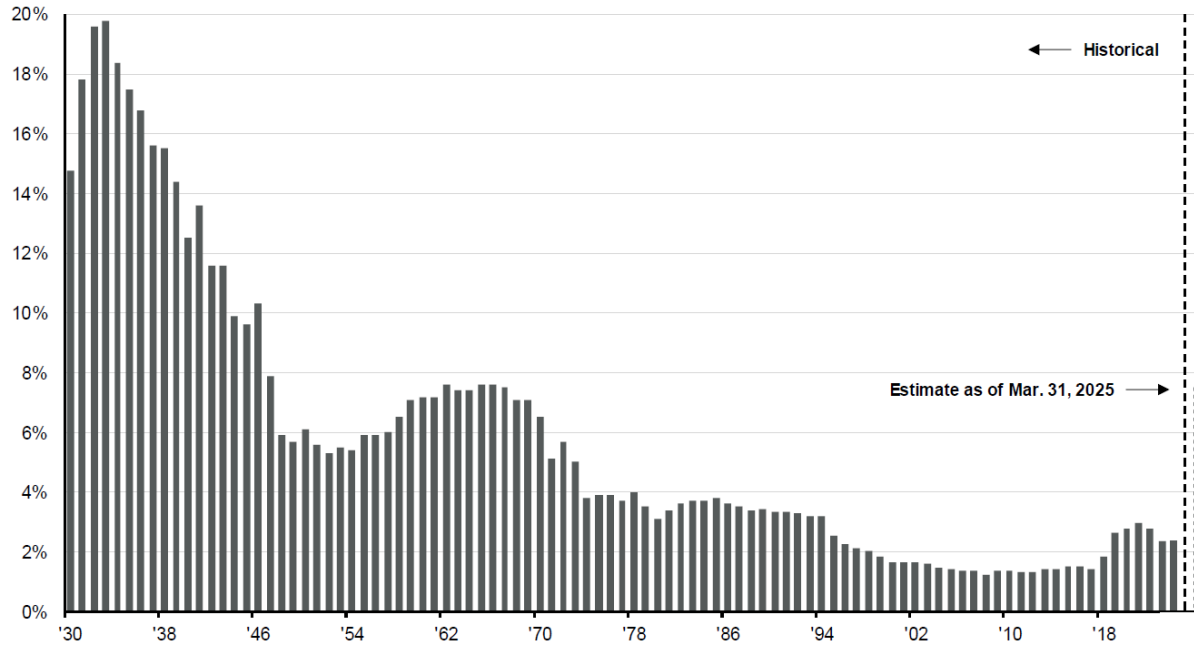
https://www.youtube.com/watch?v=-EpA555_Ax4

Tariffs on U.S. imports

GTM U.S. 31

Average tariff rate on U.S. goods imports for consumption

Duties collected / value of total goods imports for consumption



Source: Goldman Sachs Investment Research, United States International Trade Commission, J.P. Morgan Asset Management. For illustrative purposes only. The estimated weighted average U.S. tariff rate includes the latest tariff announcements (25% tariffs on steel and aluminum imports, an additional 20% tariff on Chinese imports, and a 25% tariff on non-compliant Mexican and Canadian imports). Estimates about which goods are USMCA compliant come from Goldman Sachs Investment Research. Imports for consumption: goods brought into a country for direct use or sale in the domestic market. The estimate does not consider non-tariff barriers, such as value-added taxes. Figures are based on 2024 import levels and assume no change in demand due to tariff increases. Forecasts are based on current data and assumptions about future economic conditions. Actual results may differ materially due to changes in economic, market, and other conditions. *Guide to the Markets – U.S.* Data are as of March 31, 2025.

J.P.Morgan
ASSET MANAGEMENT

Active management with the help of an advisor, incremental dollar cost averaging, portfolio re-balancing, and cash on hand for near-term needs are strategies that could be useful in these times. Consider investment alternatives - gold, 3-6 month treasury bonds, municipal bonds, and inflation protection bonds.

Closing out Tax Season 2024 and preparing for 2025:

Allianz chart below shows the 2025 contributions to IRA, 401(k), and other retirement plans. Note: Employees age 60-64 have an additional catch-up amount of \$11,250 [\$3,750 plus \$7,500] for a total of \$34,750.

IRA ⁴		Phase-out of Roth IRA contribution eligibility ⁴	
IRA contribution (under age 50)	\$7,000	Single phase-out	\$150,000-\$165,000
IRA contribution (50 and older)	\$8,000		
Single or HOH phase-out	\$79,000-\$89,000	Married, filing jointly	\$236,000-\$246,000
Married, filing jointly	\$126,000-\$146,000		
Married, filing separately	\$0-\$10,000	Married, filing separately	\$0-\$10,000
Spousal IRA	\$236,000-\$246,000		
Individual 401(k) ⁴		SEP ^{4, 11}	
Employer contribution	Up to 25% of compensation	SEP contribution	Up to 25% of compensation (limit \$70,000)
Employee salary deferral (under 50)	\$23,500	Minimum compensation participant	\$750
(50 and older)	\$31,000		
(ages 60, 61, 62, and 63)	\$34,750		
Total employer and employee (under 50)	\$70,000	SIMPLE ⁴	
(50 and older)	\$77,500	SIMPLE elective deferral (under age 50)	\$16,500
(ages 60, 61, 62, and 63)	\$81,250	(50 and older)	\$20,000
		(ages 60, 61, 62, and 63)	\$21,750
Other qualified plans ⁴			
401(k), 403(b), ⁵ governmental 457(b), ⁶ and SARSEP elective deferral (under age 50)			\$23,500
401(k), 403(b), ⁵ governmental 457(b), ⁶ and SARSEP elective deferral (age 50 and older)			\$31,000
401(k), 403(b), ⁵ governmental 457(b), ⁶ and SARSEP elective deferral (ages 60, 61, 62, and 63)			\$34,750
Limit on additions to defined contribution plans			\$70,000
Annual benefit limit on defined benefit plans			\$280,000
Highly compensated employee makes			\$160,000
Maximum compensation taken into account for qualified plans			\$350,000
HSA contribution individual coverage ^{12,14}			\$4,300
HSA contribution family coverage ^{12,14}			\$8,550
Federal gift and estate tax ¹		3.8% Medicare surtax thresholds ³	
Gift tax annual exclusion	\$19,000	Single or HOH	\$200,000
Annual exclusion for gift to noncitizen spouse	\$190,000	Married, filing jointly	\$250,000
Highest estate and gift tax rate ¹³	40%	Married, filing separately	\$125,000
Unified estate and gift tax credit amount ¹	\$13,990,000	Estates and trusts ^{1,3}	\$15,650
Generation-skipping transfer tax exclusion ¹	\$13,990,000	The tax is assessed on the lesser of the amount of income over the threshold or the amount of net investment income.	
Unused credit can pass to the surviving spouse if decedent spouse elects on Form 706.			

ZOOM SEMINAR:

- **Monthly Zoom Info:** Educated Zoom every 2nd Thursday of each month at 4 PM PST.
- **May 8th Topic:** Market Summary / Statement access and other administrative concerns

Zoom Archives - <https://www.labwealthmanagement.com/learning-center/>

My Travel Experiences: Pictured below: The 'Wave' Arizona in February 2025

Traveling with my brother and my sister-in-law to Thailand April 22 - May 13. They married last August in St. Martin.

I will be available via the business text number 510-694-1877 and

e-mail leon@labwealthmanagement.com

Know that I continue to monitor the markets and work a few hours per day to stay ahead of these dynamics.



Thank you for your continued support.

Warm regards,

Leon Augustine Boirard, MBA, CFP®, ChFC®

President/Owner

LAB Wealth Management, LLC

www.labwealthmanagement.com

Office: 1130 Wood Street, Oakland, CA 94607

Mail: PO Box 70974, Oakland, CA 94612

Phone: 510-735-9854 (office) / 373-2449 (fax) / 925-354-4769 (cell)

Email: leon@labwealthmanagement.com

Disclosure: These are the opinions of Leon Augustine and not necessarily those of Cambridge. They are for informational purposes only and should not be construed or acted upon as individualized investment advice. Securities are offered through Registered Representatives of Cambridge Investment Research, Inc., a broker-dealer and member of FINRA/SIPC. Advisory services are offered through Cambridge Investment Research Advisors, Inc., a Registered Investment Adviser. Cambridge and LAB Wealth Management, LLC are not affiliated.