Snyder Report

SnyderWealthGroup
INVEST | PLAN | RETIRE | PROSPER

Mark J. Snyder was selected to attend the Forbes Magazine top Wealth Advisor Event held April 26th at the Hilton in Midtown Manhattan.

The Forbes ranking of America's Top Wealth Advisors, developed by SHOOK Research, is based on an algorithm of qualitative and quantitative data, rating thousands of wealth advisors with a minimum of seven years of experience and weighing factors like revenue trends, assets under management, compliance records, industry experience and best practices learned through telephone and in-person interviews. Portfolio performance is not a criteria due to varying client objectives and lack of audited data. Neither Forbes nor SHOOK receive a fee in exchange for the rankings. Past performance is not an indication of future results. Requirements to qualify include: seven years as an advisor; minimum of one year at current firm, with exceptions (acquisitions, etc.); advisor must be recommended, and nominated, by their firm; completion of an online survey; over 50% of revenue/production must be with individuals; and an acceptable compliance record. Quantitative factors that are reviewed include: revenue/production, with weightings assigned for each; assets under management (and the quality of those assets) both custodied and a scrutinized look at assets held away; client-related data, such as retention; portfolio performance is not a factor as audited returns among advisors are rare and differing client objectives provide varying returns. Qualitative factors that are reviewed are telephone and in-person meetings with advisors; compliance records and U-4s; advisors providing a full client experience that includes their service model, investing process, fee structure, and breadth of services; credentials; use of team and team dynamics; community involvement; and discussions with management, peers and competing peers.

Introducing Snyder Wealth Group

A New Chapter For Our Trusted Firm

I hope this message finds you well. As we enter a new chapter in the life of our firm, I wanted to personally share some exciting news with you. It is with great pride and enthusiasm that I announce our firm, formerly known as Snyder Capital Management, will now be known as Snyder Wealth Group.

Firstly, I would like to express my heartfelt gratitude for the trust you have placed in our team over the years. When I founded the firm in 1971, my vision was to provide clients with the highest level of service in financial planning and investment management. Over the past 50 years, we have pursued this vision together, and your continued support has been the driving force behind our success.

We have been carefully considering the future of the company. We have an incredible team and will be building on that over the next few years.

The decision to change our name to Snyder Wealth Group is more than just a rebranding exercise. It is a reflection of our commitment to providing the same exceptional service you have come to expect from us, while also giving well-deserved recognition to the outstanding team that has been instrumental in our success. As Managing Partner, with Boyan Doytchinov as Director of Financial Planning, Chris Ippolito as Director of Portfolio Management, and a host of other talented professionals, I am confident that the firm is in extremely capable hands.

As Snyder Wealth Group, we will continue to uphold the values that have defined our firm since its inception: trust, equality, and transparency. We believe that every client is unique, and we will always strive to customize and devise each plan in your best interest to exceed your expectations.

In conjunction with the name change, we are excited to unveil our new logo and launch a brand new website. These updates will offer a fresh, contemporary look that represents our continued dedication to innovation and excellence in financial planning and investment management. We invite you to explore our new website to learn more about our services and the team behind Snyder Wealth Group.

As we embark on this exciting new journey, I want to personally assure you that our mission statement remains steadfast. We will continue to prioritize your financial goals and provide personalized, tailored solutions to meet your needs. Our commitment to our team and our clients has never been stronger, and we look forward to serving you with the same integrity, honesty, and professionalism that have defined our firm for the past half-century.

On behalf of the entire Snyder Wealth Group team, I would like to extend our sincere appreciation for your continued trust and loyalty. We are excited about the future and look forward to sharing this new chapter with you.

MARK SAYS

“The Financial Landscape in 2023: Bright Spots Amid Stormy Economic Skies”

We are halfway through 2023, and there are reasons to be optimistic for the future. Upward market movement coupled with stabilizing inflation, steady economic growth, encouraging employment data, the recent debt ceiling deal, and other factors are coming together to create positive conditions for investors. While we continue to urge caution, it does appear that there are plenty of silver linings that are beginning to shine through the clouds of uncertainty that swirled at the beginning of the year.

Overall Economic Situation

The market is moving in the right direction. Year to date, the S&P 500 is up about 15% as of late August, mostly due to a handful of tech stocks that have had a robust recovery. Over the same period, the DOW Jones was only up about 4%. While March was a rough month, the market has shown remarkable resilience and the ability to weather and recover from doubts and dips.

That said, we advise caution going forward. Lofty stock valuations, high interest rates, concerns over a possible recession, lower than expected earnings, and weaknesses within the banking sector are lurking in the shadows. These factors will weigh the market down until resolved, and investors should be prepared to see volatility as situations and circumstances change in the months ahead. While we urge caution, we also know these conditions create plenty of opportunities for investors.

Bonds

Bond yields remain strong, and we expect potential returns on bonds over the next 1-3 years to remain appealing. Not only are they delivering higher yields, those bonds trading at discounts should return to face value over time and we expect healthy returns for investors from these safe assets within their portfolios.

Indeed, bonds have attracted more attention from investors than they have in the past decade. While high-yield bonds present greater risk, investors holding quality bonds should expect positive returns. Should the country slip into a recession later this year, bonds should provide a valuable ballast against possible declines in stocks.

Fed’s Interest Rate Increases

Year over year inflation dropped from 6.41% in January to 3.2% in July. This is a remarkable improvement, in line with the 60-year average of 3.8%. While considerably lower than the 9.06% recorded last June, it is still higher than the Fed’s target rate of 2% so we expect the Fed to keep interest rates high for the time being.

Globally, inflation is falling. Both headline and core inflation rates have dropped dramatically in the US, Japan, OECD, and Eurozone, with forecasts predicting this downward trend continuing into next year. While growth remains slow, the impact of the pandemic, war in Ukraine, supply chain disruptions, etc. is subsiding as businesses find new solutions and enhance their resiliency and ability to successfully navigate an evolving market. Naturally, this trend will positively influence the domestic economy and is likely to help drive domestic inflation lower as the year progresses.

In July, the Federal Reserve made the 11th rate increase since March 2022. This round of rate increases happened nearly twice as fast as those seen in 1989, and a resulting target rate not seen since before the financial crisis in 2008. With the federal funds rate at 5.25 to 5.5%, the Fed may take a “wait and see” approach over the coming month.

While the Fed slowed down the pace of rate hikes lately, they have suggested rate increases up to 5.6% by the end of the year. Should inflation continue its downward trend, it is likely the Fed would leave rates unchanged in the near term. However, should the trend slow or even show a slight tick upwards, the Fed may raise rates again later this year.

Recession?

A mild recession looms over the horizon. Of course, the potential for a recession is ever present and forecasters have long predicted a recession that has yet to materialize. However, there are signs emerging that the early forecasters are not wrong, just off on their timing.

Notably, the inversion of the US yield curve is the highest it has been since March. And, for the past 50 years this “bad penny” has shown up as a prescient warning that a recession is brewing.

Further, the European Union fell into a mild recession over the winter. While slowly recovering, the reality is that the old adage of “when Europe catches a cold, the world sneezes” is ringing in the ears of investors and regulators alike. Fortunately, with economic output across the EU dropping just .1% in both 4th quarter 2022 and again in the 1st quarter of 2023, this cold appears very mild. While the Eurozone continues to grapple with high food and energy prices, GDP resumed positive, albeit, anemic growth of 0.3% in the 2nd quarter. Thus, while there are still many concerns with the overall economic health of the EU, it does appear that proactive responses by European governments have reduced the risk of ripples spreading throughout the global economy.

That said, the US economy added 187,000 jobs in July, and unemployment is largely stable at 3.5%. Indeed, over the past year unemployment rates have followed a pattern of gradual declines over several months, followed by a short increase, followed by several more months of declines.

Moreover, increases in permanent, full-time positions are up considerably, with the strongest gains in professional/business services, government, healthcare, construction, and transportation/warehousing. Growth in these sectors indicates that while a recession may occur, some sectors of the economy continue to hold up even as economic headwinds swirl to slow them down.

But...the fly in the ointment is the banking sector. The banking crisis has shaken consumer sentiment and spooked legislators and the Fed. It may have prompted regulators to hold off on a rate increase in June while warning of a mild recession later this year. While the Fed is confident in the soundness of the banking sector, the collapse of Silicon Valley Bank, Signature Bank, First Republic Bank, has created lingering concern that others could follow.

While regulators and banking institutions have stepped in to contain the crisis, small and mid-sized banks remain considerably exposed as rates remain high, the commercial real estate market continues to soften, and consumers pull back auto, home, and other big-ticket purchases.

Debt Ceiling Negotiations

We are encouraged by the recent compromise over the debt ceiling. After a painstaking back and forth, President Biden and speaker McCarthy agreed to raise the limit through the 2024 election. This will keep the federal government in operation and satisfies obligations for Social Security and Medicare.

However, the partisanship that hovered like a dark cloud over the negotiations has fueled concerns and Fitch downgraded the country's credit rating. It is never beneficial when politicians use the debt ceiling to extract concessions and the ratings agency is adamant that the politically polarized environment is incompatible with the pursuit of sound fiscal policy.

Thus, while a crisis was averted in the short-term, the battle isn't over. Republican bills in the House pursue spending cuts amounting to more than $4 trillion over the next decade; much greater than those agreed to by President Biden and Speaker McCarthy.

To achieve their $4 trillion goal, House Republicans are proposing immediate cuts to the tune of tens of billions from Medicare, Medicaid, Social Security, and other critical social programs. Such a move could force a government shutdown by the end of the year. While government shutdowns have historically had little impact on the stock market, persistent budget disagreements could cause significant drops.

However, the recent compromise indicates a growing acknowledgment in Washington that voters are tiring of partisanship and eager for bipartisan solutions. This could positively shape and influence the progress of future negotiations.

The Bottom Line

While there are storm clouds over the horizon and we urge caution, we are positioning portfolios to absorb any shocks or shifts that may occur. Moreover, any shocks and shifts that do occur are likely to be relatively mild and short-lived.

Globally, the war in Ukraine could evolve in a positive direction. America's relationships with China, India, and other trading partners is finding new footing. The global economy is slowly, but steadily emerging from the pandemic as supply chains stabilize and businesses get back to business.

While not in the immediate future, high interest rates will recede, inflation will subside, and other challenges will find resolutions. When that happens, there is every indication that the stock market will make a strong recovery. In the interim, our team will help guide you through the months ahead so that your portfolio is in the right position for your needs and financial objectives.

Here's to a Job Well Done

Happy Retirement Elaine Stahl

We would like to take a moment to acknowledge a cherished member of the Snyder Wealth Group family, Elaine Stahl, who is stepping into a well-deserved retirement. Elaine's steadfast dedication, exceptional expertise, and friendly demeanor have been invaluable over the last two decades. Her nearly twenty years of service have left an indelible mark on our team and clients alike. We extend our heartfelt thanks to Elaine and congratulate her on this new chapter of her life. We will miss you, Elaine, and we wish you nothing but joy and relaxation in your retirement years.

And to our readers, we invite you to look forward to our next issue, where we will be introducing new faces joining our operations team. Stay tuned to meet the newest members of the Snyder Wealth Group family.

Referral Corner

Unraveling The Annuity Mystery With Snyder Wealth Group

At Snyder Wealth Group, we understand the importance of building trust and relationships with our clients. One of the best ways to demonstrate our expertise and commitment to helping people achieve their financial goals is by sharing real-life success stories. In this edition of Referral Spotlight, we'll focus on a client who was referred to us, struggling with understanding her annuity and how we helped her navigate the complex world of annuities, resulting in improved financial health.

When a client recommends Snyder Wealth Group to a friend or family member, it speaks volumes about the level of service and expertise we provide. Referrals are a crucial part of our business, enabling us to extend our network and help more people achieve their financial goals.

In this edition of Referral Spotlight, we're featuring a story of a client named Jane, who was introduced to us by her sibling, one of our valued clients. Jane had purchased an annuity a few years ago, but she didn't understand the details of her investment. The annuity had been presented to her with promises of a guaranteed 7% growth, but she was struggling to see the value in her investment and was concerned about the high fees she was paying.

Her sibling suggested that Jane seek a second opinion from Snyder Wealth Group to better understand her annuity and explore her options. After meeting with our team, we analyzed Jane's annuity, explained the complex terms and conditions, and assessed the fees she was paying. We discovered that her annuity was invested in overpriced mutual funds and the growth guarantee was not as straightforward as she had been led to believe.

With Jane's best interests in mind, we developed a customized plan to help her transition from her current annuity to a more suitable investment strategy. Through careful planning and guidance, we were able to minimize any potential losses and tax implications, ultimately leading to a more cost-effective and appropriate financial plan for her future.

Jane's journey with Snyder Wealth Group highlights the importance of understanding one's investments and seeking expert advice to ensure that they align with one's financial goals. By providing a second opinion on Jane's annuity, we were able to help her make more informed decisions and improve her overall financial health.

At Snyder Wealth Group, we're committed to providing our clients with the highest level of service in financial planning and investment management. We're honored to help people like Jane take control of their financial futures by offering expert guidance and support.

If you or someone you know has an annuity that may be underperforming or causing confusion, we'd be delighted to provide a second opinion and help evaluate the best course of action. By sharing these success stories in our Referral Spotlight, we hope to inspire others to take control of their financial future and trust the expertise of Snyder Wealth Group. Together, we can create a community of financially empowered individuals who are well-prepared for whatever life has in store.

Case studies presented are not indicative of all client experiences with Snyder Wealth group. Each client has unique circumstances and the case studies presented are only meant to illustrate common errors individuals make when handling their investments. Case studies presented should not be interpreted as a guarantee of future performance or success.

Did You Know?

The Rollout Of The SECURE Act 2.0 And What You Need To Know

In December 2022, the U.S. House of Representatives passed the Consolidated Appropriations Act of 2023, also known as the SECURE Act 2.0. This update to the original SECURE Act of 2019 introduces numerous changes to retirement savings plans. To help you stay informed, we've simplified the key updates and outlined them in bullet points below.

Key Updates of the SECURE Act 2.0:

1. Changes to Required Minimum Distributions (RMDs) - RMD starting age extended based on birth year:
   • Born 1950 or earlier: RMDs start at age 72
   • Born 1951-1959: RMDs start at age 73
   • Born 1960 or later: RMDs start at age 75

2. Reduction in penalties for missing RMDs
   • Penalty reduced from 50% to 25%; can be lowered to 10% if remedied timely

3. Elimination of RMDs on designated Roth accounts
   • Pre-death RMDs no longer required for employer-sponsored Roth plans starting in 2023

4. Addition of SIMPLE and SEP Roth IRAs
   • Roth contributions now allowed for SIMPLE and SEP plans from the 2023 tax year

5. Addition of Emergency Savings Linked to Retirement Accounts
   • For non-highly compensated employees, $2,500 Roth-based emergency savings accounts can be added to employer-sponsored retirement plans

6. Changes to Employer Matching and Nonelective Contributions
   • Participants can treat employer matching and nonelective contributions as pre-tax or Roth
   • Qualified student loan payments can be used for matching purposes

7. Changes to IRA Catch-Up Contributions
   • Inflation adjustment added to catch-up contributions starting in 2024
   • Higher-income individuals ($145,000+) must make catch-up contributions on a Roth basis
   • Increased catch-up contribution limits for individuals aged 60-63 starting in the 2025 tax year

8. Addition of 529-to-Roth Rollovers
   • 529 plan beneficiaries can roll funds into a Roth IRA tax-free and penalty-free, subject to annual limits and a lifetime maximum of $35,000

9. Updates to Insurance Products
   • Increased contribution limits for Qualifying Longevity Annuity Contracts (QLACs) to $200,000 (indexed for inflation)
   • ETFs can now be included in variable annuities and variable universal life (VUL) policies

10. New Exceptions to 10% Withdrawal Penalty on Retirement Accounts
    • Exceptions apply for certain individuals, including private-sector firefighters, public safety officers, state and local government corrections employees, and survivors of domestic abuse

The SECURE Act 2.0 introduces numerous changes designed to make it easier for individuals to prepare for retirement. As a valued Snyder Wealth Group client, we encourage you to discuss these updates with your financial advisor to understand how they may impact your retirement planning strategy. Together, we can help you make the most of these new provisions, changes, updates, and expansions.

In The News

Celebrating Connections And Vision at Flowerfield

Clients Enjoying The Evening at Flowerfield (From Left) Boyan Doytchinov, Mark J. Snyder, Chris Ippolito

As an ongoing appreciation to our clients, we hosted a fantastic event this past April at Flowerfield. This year's event was hosted at Flowerfield in St. James with a cocktail hour, live music, dinner, dancing, prizes and more!

As part of our commitment to providing our clients and readers with valuable insights and news, we're thrilled to announce the launch of our new website. Here, you'll find a wealth of information, including in-depth case studies, engaging blog posts, and regular updates from the Snyder Wealth Group team. We invite you to visit us at snyderwealthgroup.com.

In this edition of the Snyder Report, we want to whet your appetite with a glimpse into one of our recent case studies, emphasizing our client-first, personalized approach to wealth management.

This case study centers on a couple preparing to enter an assisted living facility. Their transition presented a complex tax decision involving several deduction options. A conventional numerical approach suggested one course of action, but at Snyder Wealth Group, we believe in going beyond mere calculations to consider our client's unique personal and financial circumstances.

In this instance, the couple enjoyed substantial pensions and held an IRA that would soon compel them to make mandatory, potentially tax-hiking withdrawals. Our innovative solution not only saved the couple over $100,000 in Federal income taxes but also ensured a secure, tax-efficient legacy for their children. Intrigued? We welcome you to visit our website to explore the full case study.

This case is just one example of Snyder Wealth Group's integrated wealth management approach. We collaborate closely with our client's chosen professionals, such as accountants, estate attorneys, and tax preparers, ensuring a holistic financial management strategy.

Keep checking our website for exciting content, case studies, and news from Snyder Wealth Group and in future editions of the Snyder Report. Your financial landscape is as unique as you are, and we're here to help you navigate it effectively.

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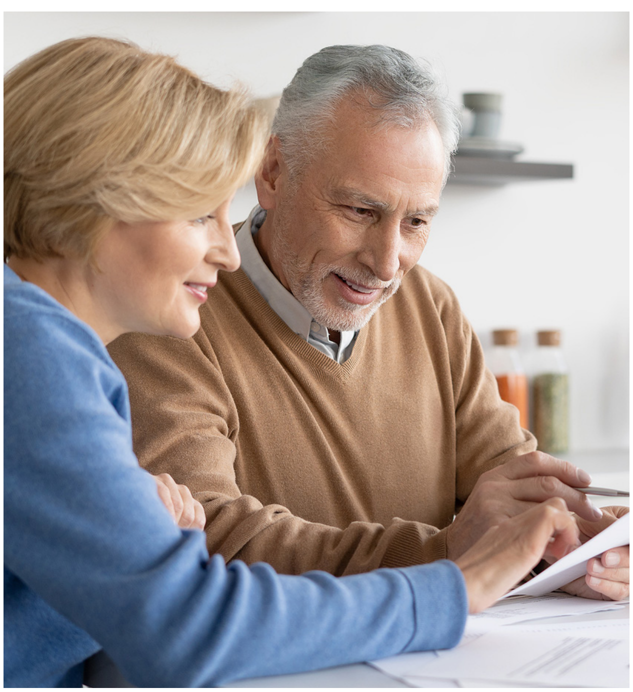

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Stony Brook Cancer Center

Since 2012 Gloria and Mark Snyder have sponsored a Symposium for Cancer Medicine at Stony Brook Cancer Center. Through their generous support, each year a group of exceptional internal and external speakers with expertise in a number of exciting areas of cancer research speak and inspire fellow cancer researchers. This year's focus was on machine learning and artificial intelligence as well as novel cancer system biology approaches to immunotherapy.

(From Left) Dr. Yusuf A. Hannun, MD Director, Stony Brook Cancer Center, Dr. Peter Igarashi, Dean of Renaissance School of Medicine and Mark J. Snyder, Gloria Snyder