



KINSEY
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The Kinsey Report

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The markets have been climbing higher the beginning of 2024, after recovering nicely in 2023 from the 2022 lows.

THE MARKET

The S&P 500 finished 2023 at 4769.83* up slightly from the 2021 close of 4766.18*. Remember, 2022 finished at 3839.50*, down 19.44% for the year. As of this writing, the S&P 500 stands at 5241.53*, up approximately 9.89%* in approximately the first 12 weeks of 2024. That being said, it has moved so high, so quickly, that we expect a more choppy ride in coming months. It now appears to us, that the market may be acting as if rate cuts beginning near the middle of 2024 are likely. We are not as certain this will be the case, as in our opinion, further bumps up in the rate of inflation are possible. We also feel, that perhaps rates staying steady for a while may be the best scenario.

*Source: Standard & Poor's Financial Services Company rate of return does not include reinvested dividends
**Source: Fitch ratings—London—August 1, 2023.

THE ECONOMY

According to the U.S. Labor Department in a statement released March 12, 2024, the Consumer Price Index (CPI) rose 3.2%, in February over the last 12 months before seasonal adjustment. The increase was slightly larger than the 3.1% increase reported in January.

The "core" CPI, which does not include food and energy, was up 3.8% vs. a year ago, according to the Labor Department.

The energy index decreased 1.9% over the past 12 months while the food index increased 2.2%. Indexes that increased include shelter, airline fares, motor vehicle insurance, apparel and recreation. This rate of inflation, although much better than the 9.1% peak, is still much higher than we have grown accustomed to over the past 10 years.

That being said, we continue to expect inflation will likely be with us for a few more years. We hope we're wrong.

AT THE FED

The Federal Open Market Committee (FOMC) released a statement January 31st, holding the Fed Funds target rate at 5.25%-5.50%. This rate has been held steady since their last increase July 26th. Additionally, they seek to achieve maximum employment and inflation at the rate of 2% over the longer term. In our opinion, the Fed will hold rates steady until at least June of this year, and likely increase rates no more than 3 times.



We are still of the opinion this situation is improving, but we feel many areas of the economy are still somewhat overheated.

The FED has an enormous challenge to manage inflation while maintaining a 'soft landing' with the economy. We feel a recession is still possible by year-end, but if it does occur, we expect will likely not be a very deep or long recession.

We hope recession will be avoided, but we remain smart enough to know, that we are not smart enough to know.

INVESTMENT COMMENTS

Markets have taken off like a 1st grader at recess this year, but like the young student, we expect they will take a rest and be quiet at some point.

We further expect the Presidential election will cause some pause for the markets, as we Americans are drawn into the extreme political divisiveness we are subject to at present.

But as we look to the future, we remain true believers in this great country and the future we have.

As we meet with clients, we have been shifting asset-allocation somewhat due to the change in interest rates.

We are scheduling review meetings each week, but as always...

Please call us at 309-683-8951 if you have any questions.

Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns.

The 'Grand' in Grandparent

After Kristen and Kim were born, my Dad often said: "if I knew grandkids would be so much fun, I would have had them first." Sure he plagiarized the concept from Lois Wyse, but admittedly, I was never completely certain how to take the comment.

Then Oliver and Tobias came along. Now I get it. It goes like this:

- Wind them up...
Send them home.
- Sugar them up...
Send them home.
- Spoil them completely...
Send them home.

Not a bad gig!

It's difficult to express the joy when Tobbe first called me Grandpa, or when Ollie insisted on helping me with a project. **An electric drill assist at age 3!** Sorry Kristen and Chris. *(please note: no grandchildren were injured during this event).*

But I think my favorite time is when these two little guys climb into my lap, book in hand, as an attempt to stay with us just a little bit longer. We usually sneak in two or three before Kristen and Chris take them home. They're actually teaching me to enjoy reading children's books!

It appears Lois Wyse, and my Dad, were right. Grandchildren are amazing. They do put the 'Grand' in Grandparent.

Tax Time

We are now in the final month of tax season. It always gets very busy for a couple of months prior to tax day. To make things a little more convenient, instead of closing at 4:30 PM, we remain open until 5:00 PM, Monday through Thursday - from late February until April 15th.

Please let us know if we can help you with gathering your tax information from us.

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Happy Investing!
May God Bless!

The Consumer Price Index (CPI) is a measure of the cost of goods purchased by average U.S. household. It is calculated by the U.S. government's Bureau of Labor Statistics.

The S&P 500 index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market value weighted index with each stock's weight in the index proportionate to its market value.

Stocks offer long-term growth potential, but may fluctuate more and provide less current income than other investments. An investment in the stock market should be made with an understanding of the risks associated with common stocks, including market fluctuations. The opinions expressed in this report are those of the authors and are not necessarily those of Wells Fargo Advisors Financial Network or its affiliates. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy.

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The Kinsey Report



The "Silly" Gift

by Keith Kinsey

In my opinion, it is hard to beat an occasional Belgium waffle for breakfast. In fact, from the time we got married, it was my "go to" when we stopped for breakfast while on the road. And we seemed to be on the road many weekends back then.

Knowing my passion for this delectable delight, more than 25 years ago, Karen discovered a "Mickey Mouse" waffle maker at Bergner's department store in Peru. It seemed to her that would be a great, but silly, Christmas gift for Kristen and Kim to give me that year. She recently told me, confidence was not high that I would actually use it. Suffice it to say, I did... and I do!

Never making Belgium waffles prior to that time, the months that followed were filled with several recipes, several types of flour mixes, and even a sifter! Unfortunately, the perfect Belgium waffle remained elusive. Nonetheless, the mission remained.

A couple of months later, after ordering a very tasty Belgium waffle at a family run restaurant in Peoria, I decided to ask the waitress if she could find out the secret to making such a great treat. She came back with a label from a box - F. S. Carbon's Golden Malted Waffle Flour - Buchanan, Michigan. (*This flour mix was created by Fred Carbon in 1937.*)

I contacted the company and was told they didn't sell retail. After explaining my mission, they finally allowed me to open an account and order my first box of flour. About four days later it arrived. The following weekend, the mission would finally be accomplished! After pulling out the newly acquired 8-cup batter mixing bowl, the 4-cup measuring cup, and the 12" wooden handle stainless steel wire whisk, it was time to study the directions on the side of the box. They began with the list of other ingredients: a) One-dozen eggs. b) 60-ounces of water. c) 3/4 pound of butter. Blend the eggs and water, add the entire box of the malted waffle flour and mix thoroughly. Melt the butter and mix into the batter. Followed by this comment: makes 55 to 60 waffles. After employing some finely tuned skills in mathematics, the mixing began. Suffice it to say, the mission was successful.

From that day forward, when the girls had friends for a sleep-over, breakfast was "Mickey Waffles." My folks came over for Saturday breakfast... "Mickey Waffles." Neighbors get together for weekend breakfast... "Mickey Waffles." Fourth of July family reunion... "Mickey Waffles." And now with the grandsons, you guessed it... "Mickey Waffles."

The production equipment has increased, we have acquired 3 "Mickey" waffle makers over the years. The vintage Italian made Vitantonio Mickey Mouse Waffle Iron hasn't been made for decades. But shortly after we were introduced to them, the flour company added a retail version and now can be found very easily.

It truly amazes me that this "silly" gift, ended up beginning a family tradition that has lasted more than 25 years, touched well over 100 people, and spanned four generations of our family. It continues to be a fan favorite of family, friends and neighbors.



Maybe this "Silly" gift wasn't so silly after all. The memories it has created are a treasured part of our lives.

Birthday Cake

by Kristen Kinsey - Gordon

As some of you may know, my husband, Chris is a St. Patrick's Day baby. With Ollie now 3.5 years old and Tobbe 1.5 years old, the birthday celebrations are becoming very memorable.

When Ollie woke up on the 17th, we discussed how today was Dad's birthday (*somehow he had kept it a secret that he had gotten his Dad a lego set for them to build together*). He replied, "Can I come?". I said, "Where, Ollie?". Flabbergasted, Ollie replied, "To eat cake, Mom. It is Dad's birthday, so I get to eat a slice of cake!"

This led to me quickly realizing that I did not have a cake. We do not always have cake on each other's birthdays, but to Oliver, a birthday IS cake. We continued on with the day and went to the Peoria - St. Patrick's Day Parade (*If anyone is interested in a large bag of candy, please give me a call.*) Afterwards, we said we had to go to a few places before we went home. Ollie kept asking if the cake store was next. He was the most excited 3-year old to be able to pick out a cake for his Dad's birthday. He decided we needed one for about 12 people (*I did require him to get his Dad's favorite white cake with vanilla frosting- otherwise I think we would have ended up with his favorite- all chocolate*). He then wanted to pick out number candles to put on the cake, because his cousin, Izzy, got number candles on hers. Next, he picked out a box of orange (*Oliver's favorite color*) candles to complete the cake.

After dinner (*which Oliver wanted to skip just to eat cake*), we went to Grandma and Grandpa's to share our very large cake. Oliver put all of his orange candles on the cake and we were ready to sing. Tobbe, our little singer, hummed along. Both boys were very excited to blow out the candles.

After the candles were out, Tobbe reached over to help himself to a handful of frosting and Ollie requested the largest piece. Both with ice cream of course. So I learned that according to the book of Ollie... cake for your birthday is a requirement. I will not make that mistake again.



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