

WELCOME TO OUR

Quarterly Newsletter

we're so glad you're here!

A MESSAGE FROM THE ADVISORY TEAM

ANDREW R. BEAUDRY, CFP® & RYAN T. CUMMINGS, CFP®

The U.S. economy is entering a very specific—and historically rare—phase.

Unemployment remains relatively low, around 4–5%, but job growth has essentially stalled. That combination has typically appeared late in economic expansions, just before conditions begin to turn. In past cycles—especially in 2000 and 2007—this kind of hiring stall showed up months before recessions officially began, as businesses quietly pulled back on adding workers even while layoffs had not yet surged.

Today's data, through early 2026, closely fits that same pattern, with multiple months of near-zero payroll growth alongside a still-solid unemployment rate.

Historically, this setup has been a meaningful warning sign. In a small but telling sample, roughly 87% of similar periods were followed by a recession within a year—well above the normal baseline risk. The logic is straightforward: hiring slows first, broader economic activity weakens next, and only later does unemployment rise.

That said, this is not a guaranteed outcome. It is better understood as a late-cycle risk marker than a prediction. What happens from here will depend on policy decisions, financial conditions, and whether demand weakens further or stabilizes.

What makes this period especially uncertain is that the post-pandemic labor market may behave differently than in the past—particularly with the effects of the Iran war still being worked through. After years of hiring difficulty, companies may be more inclined to hold onto workers, creating a slower adjustment where hiring freezes but layoffs remain muted.

That opens up an alternative path. Instead of a sharp downturn, the economy could drift into a sluggish, low-growth environment with only gradual increases in unemployment.

In other words, the next year likely hinges on a key turning point: whether flat job growth tips into outright job losses—or stabilizes into a drawn-out, slower expansion.

In our upcoming podcast, we'll break down what this could mean for your portfolio and your living expenses in the year ahead.

-Andrew

A MESSAGE FROM THE ADVISORY TEAM
ANDREW R. BEAUDRY, CFP® & RYAN T. CUMMINGS, CFP®

Economic turning points rarely announce themselves clearly—and this stage of the cycle is no exception.

When job growth slows but unemployment stays low, markets often bounce between optimism and concern. That push and pull can lead to sharper swings, shorter rallies, and sudden pullbacks as expectations shift. For investors, this is often one of the more challenging parts of the cycle—not because the news is uniformly bad, but because it's mixed.

Historically, late-cycle environments like this have highlighted the value of preparation over prediction. There are multiple paths forward: markets could move lower if economic weakness builds, or move higher if growth stabilizes and uncertainty fades. Positioning too aggressively for any single outcome can add risk at exactly the wrong time.

In periods like this, a few fundamentals tend to matter more:

- **Time horizon:** Short-term market volatility matters far more for near-term spending needs than for long-term assets.
- **Diversification:** When outcomes are uncertain, balance across strategies and asset types can help reduce reliance on any one forecast.
- **Liquidity and flexibility:** Holding a bit more cash or short-term reserves can provide breathing room—for both market volatility and unexpected expenses—without forcing reactive investment decisions.
- **Behavioral discipline:** Late-cycle markets often test patience and confidence more than long-term fundamentals.

At this stage, investing is often less about making bold moves and more about making sure portfolios remain aligned with personal goals, risk tolerance, and cash-flow needs—no matter how the next chapter unfolds.

-Ryan

2026 Tax Planning Opportunities for Business Owners

- **Use 100% Bonus Depreciation & Section 179**
 - Deduct the full cost of qualifying equipment, software, and machinery placed in service.
- **Plan Ahead for the QBI Deduction Sunset**
 - The 20% Qualified Business Income deduction for pass-through businesses is set to expire.
 - Consider timing income and expenses strategically before it's gone.
- **Revisit Your Entity Structure**
 - LLCs, S-corps, and partnerships may benefit from restructuring as tax rules change.
- **Maximize Retirement Plan Deductions**
 - Employer-sponsored retirement plans can reduce taxable income while benefiting owners and employees.
- **Account for 2026 Inflation Adjustments**
 - IRS inflation updates affect tax brackets and deduction thresholds.
- **Work with a Tax Professional Early**
 - Proactive planning helps capture deductions and avoid missed opportunities.

Planning for Smart, Sustainable Business Growth

- **Align Growth With Tax Efficiency**
 - Time expansions and investments to maximize deductions and cash flow.
- **Invest in Scalable Assets**
 - Prioritize technology, automation, and systems that support growth without significantly increasing overhead.
- **Strengthen Cash Flow Management**
 - Maintain adequate reserves to support expansion while handling tax obligations.
- **Evaluate Hiring vs. Outsourcing**
 - Compare tax and cost implications of adding employees versus using contractors.
- **Use Benefits to Attract and Retain Talent**
 - Retirement plans and fringe benefits can be both deductible and competitive advantages.
- **Set Growth Benchmarks**
 - Track profitability, not just revenue, to ensure growth improves long-term financial health.

Quarterly Things to Remember

April 3- CLOSED
for Good Friday

*Good
Friday*



May 25 - CLOSED
for Memorial Day



June 19 - CLOSED
for Juneteenth

Ryan workaversary
April 17 - 3 years with PFD!

Marissa workaversary
April 2 - 8 years with PFD!



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