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Hello to 2024

While 2022 was the year with the highest inflation rates in 4 decades, 2023 was the year with the highest interest rates in 22 years. The Federal Reserve’s interest rate hikes increased borrowing costs and rewarded savers, but created a challenging environment for credit in terms of homebuying, car buying, and extended use of credit cards. **Where can we expect to go in 2024?**



Inflation has still not subsided – with energy and food costs continuing to rise, and inflation (at 3.5% in October) well above the 2% target. Fed Chair Jerome Powell continues in December 2023 to assert that it’s too soon to be discussing interest rate cuts.

Wall Street volatility – Stock market investors can expect another bumpy ride in 2024.

Personal and business lending continues to be costly, at least in the early part of 2024. Continued high interest rates suggest that personal and business loans will continue to be costly and difficult to access in early 2024 at least.

General outlook – while unemployment remains low and GDP appears strong, consumer credit card debt

hitting the high point of \$1 trillion, and increasing loan and mortgage delinquencies could be a worrying signal. The Fed will have to walk a fine line to achieve its goal of a soft landing.

www.forbes.com/advisor/investing/fed-outlook-2024/

Little Known Facts about New Year's



New Year's Babies - a baby new year goes back to ancient Greece, where an infant in a basket was paraded around to mark rebirth of Dionysus, the god of wine and fertility. Paul Revere, J. Edgar Hoover, Lorenzo de Medici, Betsy Ross and Pope Alexander VI were all born on January 1.

Auld Lang Syne – Sung on New Year's Eve since the mid-19th century, Robert Burns is credited with adapting this Scottish folk song in the late 18th century. Guy Lombardo and the Royal Canadians' first New York radio broadcast at midnight on December 31, 1929 was repeated every year until 1976. This rendition continues to play each year at the ball drop in Times Square.

The Month of January - January was named after the Roman god Janus, who was supposed to have two faces: one that looks to the front and one that looks to the back.

[history.com/news/new-years-history-festive-facts](https://www.history.com/news/new-years-history-festive-facts)

Cultivating Better Money Habits in 2024

According to YouGov, the most common new year's resolution among Americans is to save more money. Basic changes to money habits can add up to a big difference in your bottom line this year.

Every action you take is a vote for the type of person you wish to become, so every investment and purchase choice is an opportunity to transform your economic circumstances. These money habits can make or break your personal outlook.

Pay attention to interest rates. The recent growth in interest rates suggests that keeping extra cash in your checking account might not be the best option in 2024.

Some banks have been offering high interest savings accounts, and competitive rates for Certificates of Deposit, and Multi Year Guaranteed Annuities are offering attractive rates for short term investments as well.

Eradicate expensive debt. In a high interest environment, variable rate debts can grow out of control. Variable rate loans can trigger catastrophic increases to payments. Carrying credit card debt in this environment is likewise a recipe for economic disaster. Make a habit of paying down the highest interest debt that you carry and avoid adding any more high interest debt to your balances. It may be worthwhile to restructure high balances under a lower rate if possible.

Cut Costs. Convenience is often behind excessive spending: eating out vs. preparing meals at home, flying vs. driving for trips, and contracting out jobs. Handling some inconvenience and DIY can pay dividends.



[cbsnews.com/news/money-habits-to-break-in-2024/](https://www.cbsnews.com/news/money-habits-to-break-in-2024/)

Supporting Backyard Winter Wildlife



Birds get hungry in fall and winter. Setting out bird feeders can help sustain them until spring and provide you with an entertaining live show.

Different birds have diverse dietary needs. Black oil sunflower seeds offer nutrition and fat for a wide variety of birds. Nyjer thistle attracts finches and several other small birds. Suet feeders, chunks of fruit, nut pieces, and mealworms are also popular.

Squirrels don't hibernate and may have small pups to care for, leading to a greater need for winter food. If you want to help them out, squirrels love unshelled sunflower seeds, acorns, walnuts and peanuts, dried corn on the cob, any unused avocado and pits, as well as chunks of carrots and apples.

gardeningknowhow.com/garden-how-to/beneficial/how-to-help-animals-in-winter.htm

2024 Tax Dates & Deadlines

Schedules can often take the edge off of stressful tasks like taxes.

Listed below are important tax related dates in chronological order, including some additional to-do-by dates that might apply to you.

January 16: 4th Quarter 2023 Estimated Taxes... Generally, you are required to pay estimated taxes if your unpaid tax liability when you file your tax return is \$1,000 or more.

January 31: W2 and 1099-NEC Forms Sent

February 15: W-4 Exemption Deadline

April 1: Required Minimum Distribution Deadline if you turned 73 in 2023 for owners of retirement plans like a 401(k) or 403(b) or traditional IRA

April 15: Tax Day - most individual income tax filers must file taxes or have filed an extension and pay their 2023 taxes. First Quarter 2024 Estimated Taxes are also due if you expect to owe \$1,000 or more in taxes for tax year 2024. IRA and HSA Contribution Deadline for 2023 Tax Year are also due on this day.

June 17: 2nd Quarter 2024 Estimated Taxes. Normally, the deadline for second-quarter estimated tax payments is June 15, but in 2024 June 15th is a Saturday, so you get an extra two days to pay your estimated taxes.

September 16: 3rd Quarter 2024 Estimated Taxes

October 15: Deadline To File Extended Tax Return

December 31: Last Day of the Tax Year and is also the last day to make contributions to your 401(k) plan or to incur expenses you expect to deduct when you file your 2024 taxes. Be sure to make any charitable contributions before December 31, 2024, if you want to deduct them in tax year 2024.

Adding the relevant deadlines to your calendar can improve your chances for a smooth 2024 tax season and free up your time for more enjoyable pursuits!



newsweek.com/vault/taxes/when-are-taxes-due

It Happened In ...



January 5th 1925 – Nellie Tayloe Ross of Wyoming became the first female governor inaugurated in the U.S.

January 7, 1782 – The Bank of North America in Philadelphia opened its doors as the first U.S. commercial bank.

January 13th 1990 – Douglas Wilder of Virginia became the first African American governor in the U.S. as he took the oath of office in Richmond.

January 21st 1976 – The Concorde supersonic jet began passenger service with flights from London to Bahrain and Paris to Rio de Janeiro, cruising at twice the speed of sound (Mach 2) at an altitude up to 60,000 feet.

January 25th 1959 – An American Airlines Boeing 707 made the first scheduled transcontinental U.S. flight, traveling from California to New York.

1 - [historyplace.com/specials/calendar/january.htm](https://www.historyplace.com/specials/calendar/january.htm)

Economic Risk Factors in 2024

The U.S. economy is ending 2023 with solid momentum and an unemployment rate below 4%, and inflation pressures easing.

Looking into 2024, the possibility of a soft landing remains, with slightly lowered economic conditions joined by small but real GDP growth, somewhat elevated job gains, and the continued decline of inflation.



The St Louis Fed's 15% projected risk of recession is based on several key factors:

Navigating changes to the real federal funds rate target range. Further increases in the policy rate or even holding the current rate for too long could slow real GDP growth further in 2024.

Geopolitical risks. Wars in the Middle East and Eastern Europe could affect oil production and trade routes to radically change crude oil

prices and increase costs of transportation globally. These changes can translate to higher inflation and jeopardizing the Fed's desired soft landing scenario.

Consequences of existing rates. Rising defaults and delinquencies in the bank and nonbank lending sector, are already raising the risk of financial instability.

Some sectors, such as commercial real estate will remain a concern in addition to the preliminary signs of increases in consumer credit defaults for auto loans, home mortgages, and credit cards.

Excessive losses in any category could create a need for interventions which have their own consequences.

[stlouisfed.org/publications/regional-economist/2023/nov/slower-gdp-growth-falling-inflation-us-economic-outlook-2024](https://www.stlouisfed.org/publications/regional-economist/2023/nov/slower-gdp-growth-falling-inflation-us-economic-outlook-2024)