



Inside This Issue:



IRS Considers Changes to "Donor-Advised" Charitable Funds

..... 1

Health Benefits from Infrared Light

..... 2

Providing for Long-Term Care Needs in Retirement

..... 2

How Long Does Your Money Live?

..... 3

Bank of America: The Housing Market May Be Stuck Through 2026

.....3

It Happened In July

.....4

FED Pauses, Promises Future Rate Hikes

.....4



IRS Considers Changes to "Donor-Advised" Charitable Funds (DAFs)



Created by President George W. Bush in 2006, DAFs are a \$230 billion industry that’s gone largely unnoticed by most Americans. Donor-advised funds have become one of the most popular ways to donate to charitable organizations. DAFs currently account for over 13 percent of individual charitable giving in the United States. In 2019, DAFs contributed around \$27 billion to charities.

With DAFs, donors have a simplified way to do their long-term philanthropic giving, and gain access to tax advantages – up to a 60% reduction for cash

Contributions and up to 30% of AGI for securities. Donors

may also be able to avoid capital gains taxes as well.

One concern for the IRS is the amount of money flowing to financial advisors. One advocacy group noted around 41 percent of all individual giving goes into DAFs used to “warehouse” wealth rather than to nonprofits serving critical needs.

Concerns of potential abuse led the IRS to hold hearings regarding its proposals to clamp down on DAFs. One proposal involves broadening the definition of the kinds of accounts that qualify as DAFs and possibly applying a 20% tax to those accounts.

The IRS has suggested expanding the definition of donor advisors to include “registered investment advisors” (RIAs) who help select DAF assets and perform ongoing management duties.

The proposals would also penalize advisors and donors who abuse DAFs, imposing a 20% excise tax.

irs.gov/charities-non-profits/charitable-organizations/donor-advised-funds

Health Benefits from Infrared Light



We are immersed daily in infrared radiation from the sun, which we sense as heat. In addition to a growing collection of Infrared saunas and other devices on the market, your standard campfire or woodburning fireplace are also sources of infrared light.

Infrared radiation can penetrate through the layers of the skin, to the muscles and bones, enhancing circulation to bring oxygen and nutrients to injured tissues, promoting healing, pain relief, and reducing inflammation. It stimulates action in cell mitochondria, triggering the growth and repair.

Infrared light increases nitric oxide production, a molecule important for the health of blood vessels. This molecule helps relax the arteries and prevents blood from clotting and clumping.

healthfitnessrevolution.com/to-p-10-health-benefits-of-infrared-light-therapy/

Providing for Long-Term Care Needs in Retirement

A Genworth financial services study concluded that rates for assisted living facilities in the United States increased by an average of 1.4% to a national median cost of over \$64,000 per year, and there are no signs that these increases will stop.



Experts expect the median yearly nursing home cost for a private room in 2050 to be nearly \$257,000!

Meanwhile, more people than ever need these services.

According to the government agency ACL (Administration for Community Living), someone turning 65 today has a nearly 70% chance of requiring some kind of long-term care service or support during their remaining lifetime. Women tend to need care longer (3.7 years) than men (2.2 years).

While much of such care comes from loved ones, 48% of people turning 65 will need some form of paid long-term care during their lifetimes.

Several companies now offer annuities that provide LTC benefits with less stringent

underwriting and some other benefits:

A fixed premium. Traditional LTC policy premiums can and do increase, but premium does not increase with a long-term care annuity.

Return of premiums. Unlike the traditional "use it or lose it" proposition, some LTC or "hybrid" annuities allow you or your heirs to recoup the principal, with interest, if you don't use your LTC benefit.

investor.genworth.com/news-events/press-releases/detail/972/genworth-releases-cost-of-care-survey-results-for-2023#

How Long Does Your Money Live?



Money doesn't last forever, but some US dollar bill denominations have a longer life cycle than others.

According to the U.S. Currency Education Program, a \$10 bill has the shortest lifespan while a \$100 bill has the longest. Here's the estimated lifespan of the different denominations:

- \$1 bills live an average of 5.8 years
- \$5 bills live an average of 5.5 years
- \$10 bills live an average of 4.5 years
- \$20 bills live an average of 7.9 years
- \$50 bills live an average of 8.5 years
- \$100 bills live an average of 15 years

sofi.com/learn/content/fun-facts-about-money

Bank of America: The Housing Market May Be Stuck Through 2026

Economists at Bank of America warned this week that the US housing market is “stuck and we are not convinced it will become unstuck” until 2026 — or later.

mortgage during the pandemic when ultra-low rates were available. Buying now at current rates would require them to pay hundreds of dollars more per month on interest alone. Plus, home prices have gone up.



Home prices spiked during Covid-19 and then the Fed's war on inflation sent mortgage rates surging. The median price of a previously owned US home climbed in May for the 11th month in a row to a record \$419,300 — up 6% from a year earlier.

One major problem hurting supply is the “lock-in effect.” People who already own their home are effectively locked into their property after refinancing or getting a

Because those homeowners are not moving, the supply of existing homes on the market is limited.

Bank of America warns the lock-in effect could persist for another six to eight years, keeping a lid on supply during that time and expects housing starts to also remain flat for the coming years.

cnn.com/2024/06/27/economy/housing-market-prices-inflation/index.html

It Happened In ...



July 1, 1862 – President Abraham Lincoln signed the first income tax bill, levying a 3% income tax on incomes between \$600 and \$10,000 annually and a 5% tax on incomes above \$10,000.

July 6, 1885 – Louis Pasteur successfully inoculated a boy who had been bitten by a rabid dog against the rabies infection.

July 14, 1789 – The Bastille fell, marking the beginning of the French Revolution.

July 19, 1799 – The Rosetta Stone is discovered by a French soldier stationed in Egypt. The black stone was found in the town of Rosetta about 35 miles from Alexandria.

July 22, 1934 – Bank robber John Dillinger, the first criminal labeled by the FBI as "Public Enemy No. 1," was shot and killed by FBI agents as he left Chicago's Biograph Movie Theater

<http://www.historyplace.com/specials/calendar/july.htm>

The FED Left Interest Rates Unchanged in June, Lowered 2024 Rate Cut Expectations

The Federal Reserve's June meeting wrapped up on the 12th with a decision to hold the key borrowing rate in a target range of 5%-5.25% and penciled in just one rate cut this year, down from the three expected in March.

Federal Reserve Chair Jerome Powell said the central bank does not yet have the confidence to start lowering interest rates, even after May's consumer price index came in cooler than expected.

Some key points to consider:



The federal funds rate is a benchmark for deposit account annual percentage yields (APYs), so earnings on savings accounts, checking accounts, certificates of deposit (CDs) and money market accounts can rise higher.

Consumer credit vehicles like personal loans, lines of credit and credit cards will respond gradually to Fed rate increases.

Bonds are more sensitive to interest rate changes.

New fixed-rate loans can see higher interest rates, but existing ones do not change with the federal funds rate.

Variable rate loans respond quickly to Fed rate changes as their interest rates are based on benchmarks that reference the federal funds rate.

Investors, especially those close to retirement, must handle environments of rising rates with care. Managing debt exposure and striking the right asset allocation can help mitigate rate impacts.

[cnbc.com/2024/06/12/fed-meeting-today-live-updates-on-june-fed-rate-decision.html](https://www.cnbc.com/2024/06/12/fed-meeting-today-live-updates-on-june-fed-rate-decision.html)