

IN TOUCH



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As we turn the page to a new year, it's a time for reflection, renewal, and setting meaningful goals.

At Ellenbecker Investment Group, we believe that financial planning is more than numbers — it's about creating a life of purpose, security, and legacy for you and your loved ones. The start of a new year offers the perfect opportunity to revisit your financial plan, align it with your aspirations, and take proactive steps toward the future you envision.

This year is especially significant for us. We are proud to celebrate our 30th anniversary — three decades of guiding families through life's milestones, market changes, and personal dreams. From our simple origins to becoming a trusted partner for generations, our mission has remained steadfast: to provide thoughtful, family-focused financial planning that stands the test of time.

The new year brings a sense of possibility. Whether your goals include retirement readiness, funding education, charitable giving, or building a lasting legacy, clarity and planning are key. A well-structured financial plan helps you navigate uncertainty, seize opportunities, and stay aligned with what matters most—your family and your future.

As we mark 30 years, we're reminded that true wealth isn't just measured in dollars—it's reflected in the values you pass on, the security you provide, and the impact you make.

Legacy planning ensures that your hard work benefits generations to come, while honoring your priorities today. Our team is here to help you craft strategies that protect your assets, minimize tax burdens, and preserve your family's story for years ahead.

The next chapter of your financial journey begins now. Let's make 2026 a year of intentional progress. Schedule a review with us to update your plan, explore new opportunities, and reaffirm your goals. Together, we'll ensure your financial strategy reflects both your present needs and your long-term vision.

Thank you for being part of our story. Here's to a new year filled with growth, peace of mind, and enduring legacy.

Cheers to the last 30 years — and to the future we'll continue to build together. 🍷



You Deserve EIG®

Julie Ellenbecker-Lipsky,
CFP®, CDFA®
President and Senior Wealth Advisor
Ellenbecker Investment Group



The Power of Positive Disruption:

My Personal Reflection

In 2022 I had the honor of stepping onto the TEDx stage, during COVID, to share something that's been quietly guiding my life for decades.

I called it "The Power of Positive Disruption." It is a bold title, but what it really means is learning to listen deeply to that voice inside that whispers (or sometimes yells).

A voice that didn't just say, "There is more in it for you"—it said, "There is more you can do, more lives you can touch, a better way to lead, serve, and grow."

Hearing that voice is one thing, but following it hasn't always been easy. It has always been worth it.

My Journey

I never set out to disrupt anything. In fact, I just wanted to find stability for myself and my three children after a divorce. I didn't have a college degree. I had never owned a stock.

But something told me to walk into Robert W. Baird, a local brokerage firm, and explore my options. It was a nudge—what I now understand as the first sign of positive disruption: a moment that shakes you just enough to move.

It wasn't easy. I failed the securities test twice before passing. But that struggle planted a seed. I started to notice that the financial world was focused on numbers, not people. And deep down, I knew I was here to do something different.

I didn't want to just help clients manage their money—I wanted to help them understand what their money was for. I wanted to create a space where people could talk not only about wealth, but about life, values, and purpose.

Founding Ellenbecker Investment Group

That idea of doing things differently, with heart at the center, led to the founding of **Ellenbecker Investment Group** in 1996. And the truth is, it was disruptive—not just for me personally but for the entire industry.

I will never forget my former boss yelling at me: *"No one will pay you a fee to manage their money. You will be back."*

I knew in my gut there was a better way. That was 30 years ago, and today we have assets under management of over **\$2 billion**.

From the very beginning, EIG was built on a different philosophy—a fee-based model rooted in education, transparency, and relationships both for our clients and our employees.

I believed that compassionate personal connections could stand shoulder to shoulder with smart, strategic investing. That belief still sets us apart today.

People don't just come to us for financial planning—they come to us because they want to feel heard, valued, and supported through life's most meaningful moments and hardest decisions. They want to know someone cares.



Karen J. Ellenbecker
Founder & Senior Wealth Advisor
Ellenbecker Investment Group

Eight Key Messages

In my talk, I share eight key messages that I have come to believe define the power of positive disruption. I would like to share them with you. My hope is that you will reflect on them, and maybe even see your own journey a little more clearly:

- 1 Don't ignore the whisper.**
That inner voice nudging you toward something new deserves your attention. It often speaks before you even realize you are ready to listen.
- 2 Your past does not define your future.**
Circumstances, mistakes, or missed chances don't get the final say. You do.
- 3 You don't have to know everything to start.**
Begin anyway. Curiosity and courage are more powerful than credentials.
- 4 Discomfort is often a sign of growth.**
If it feels unfamiliar, that might be because you are stepping into something bigger.
- 5 Failure isn't fatal, it's feedback.**
What looks like a setback is often just a redirection.
- 6 You are allowed to change.**
Your values, career, relationships, and priorities can evolve. That is not failure, it's wisdom.
- 7 Don't separate the personal from the practical.**
In both life and finance, numbers only gain meaning when they are tied to the things that matter most to you.
- 8 Be a disruptor for good.**
Use your voice, your heart, and your gifts to challenge what is broken and build something better.

The Heart of Positive Disruption

The heart of positive disruption isn't chaos—it's courage. It's about seeing the opportunity hiding inside discomfort and letting it lead you somewhere greater.

You don't need to blow everything up to disrupt your life in a meaningful way. Sometimes, it is one decision, one conversation, or one change in perspective.

Your Own Positive Disruption

These messages aren't just mine—they belong to anyone willing to pause, reflect, and act with intention.

If you've been feeling unsettled, uncertain, or stuck, maybe you're standing right on the edge of your own positive disruption. That can feel daunting—it is also one of the most promising places to be.

I invite you to **watch my TEDx Talk**, spend a few moments thinking about what a positive disruption might look like in your life.

I never imagined that over **768,000 people** would view mine, or that hundreds would take the time to leave comments sharing how it moved them, engaged them, or gave them the nudge they needed to make a change.

That kind of connection to perfect strangers is humbling. It reminds me that no matter where we are in life, we all want to feel seen, supported, and inspired.

I am so grateful that you are a part of the EIG family. Whether you have been with us for years or are just beginning your journey, know this: you are not alone.

The power to shift your path, to find clarity, and to create something meaningful is already within you. Sometimes all it takes is one positive disruption to bring it to life. 🍷



Search "**Karen Ellenbecker**"
to view her TedTalk

Wisdom Worth Sharing

Timeless Advice for the Next Generation

Words to Live By

Stay curious.

Babies see every day as an adventure. We live in a vast, ever-changing world. Challenge yourself to keep learning.

Build relationships, not just résumés.

The way you treat people will have a longer-lasting and greater impact on your life than any career success ever could.

Accept the failures that come your way.

Get comfortable feeling uncomfortable. See challenges as opportunities to learn and grow.

Save early, spend wisely.

The compounding of time is your greatest gift. The earlier you start saving, the fewer dollars you'll need to save over your lifetime.

Protect your integrity.

Be honest. Be kind. Do what is right—even when no one is watching.

Health is wealth.

You talk to yourself more than anyone else—so be kind. Exercise, stretch, and keep your body moving. Mental and physical health are your lifelong companions.

Be charitable.

Look at your resources—whether time or talent—and bring meaning to a cause that touches your heart or the world.

Be patient.

There will be times when you know your direction in life, and other times when you feel lost. Breathe and sit in the moment. Then map out your next step... one step at a time.

You are enough.

You possess inherent self-worth without needing to prove anything or seek validation from others.

A Few Quotes to Carry With You

"It's not what you achieve, it's what you overcome. That's what defines your career."

— Carlton Fisk

"The best way to predict the future is to create it"

— Abraham Lincoln

"The only place where success comes before work is in the dictionary"

— Vidal Sassoon

"Formal education will make you a living; self-education will make you a fortune"

— Jim Rohn

If you're reading this article, I'm going to assume you're very familiar with EIG's trademark: **Before We Advise, We Listen®**. It's through listening to my clients and their families that I've personally learned so much. I hope to share some of that hard-earned wisdom with you today.

A Walk Down Memory Lane

Think back to the days when you filled a jukebox full of quarters, or when the jingle "Schlemiel! Schlimazel! Hasenpfeffer Incorporated!" (think Laverne & Shirley) would randomly dance through your head. If you're smiling and reminiscing about "the good ole days," maybe you'll see how these reflections can offer guidance to the young professionals of today.

Now, if you're jumping onto an AI site to find out who Laverne & Shirley are, perhaps you'll carry these words of wisdom with you as you begin your working career.

Jean Range, CFP®
Senior Wealth Advisor
Ellenbecker Investment Group



Retirement Savings Strategies: *Setting Yourself Up for Success*



Planning for retirement is one of the most important long-term financial decisions you can make. A well-constructed savings strategy not only grows your wealth over time but also gives you flexibility and control when it's time to fund your spending goals. One of the most effective ways to set yourself up for success is to build a portfolio that takes advantage of multiple account types, each having with unique tax treatments and benefits. We often refer these as "buckets".

Understanding the Three Core Tax Categories

A strong retirement strategy begins with understanding how different accounts are taxed. Most savings opportunities fall into one of three categories:

Tax-Deferred (Pre-Tax) Accounts

These include traditional 401(k)s, 403(b)s, and Traditional IRAs. Contributions reduce your taxable income today and grow tax-deferred until withdrawn in retirement. For many individuals, especially those in higher tax brackets, this can have some current tax benefits. However, because withdrawals are taxed as ordinary income, it's important to consider how your future income and tax rate may change. Many retirees find they benefit from mixing tax-deferred savings with other options to maintain flexibility later in life.

Tax-Free (Roth) Accounts

Roth IRAs and Roth 401(k)s are funded with after-tax dollars. While you don't receive an immediate deduction, the long-term benefits can be significant: tax-free growth and tax-free withdrawals in retirement. This can be especially powerful for people just getting started when their income may be lower now but likely to grow, individuals expecting higher future tax rates, or anyone wanting greater tax flexibility in retirement. Roth assets also provide strategic advantages for estate planning since they can pass to as legacy to Hiers income-tax-free under current IRS guidelines.

Taxable Accounts

Brokerage account often held individually, jointly, or in a trust offer the much flexibility. There are no contribution limits, and investors can take advantage of preferential capital gains rates, loss harvesting, and step-up in basis at death. Adding a Transfer on Death (TOD) or Payable on Death (POD) designation ensures smooth transition to beneficiaries. These accounts also serve as an excellent complement to retirement accounts by providing liquidity for short-term needs or bridging income gaps.

Expanding Beyond Traditional Options

Health Savings Accounts (HSAs) offer triple tax benefits; tax-deductible contributions, tax-free growth, and tax-free withdrawals for qualified medical expenses. Donor-Advised Funds (DAFs) can support long-term charitable goals while providing immediate tax deductions and strategic gifting flexibility.

Ultimately, the most successful retirement plans are those built with intention using a balance of tax strategy, investment discipline, and personal goals. Doing this thoughtfully can provide the enjoyment of financial confidence both today and in the decades ahead. Work with your Wealth Management team to construct a strategy that is the best fit and approach for you.

Building a Thoughtful, Purpose-Driven Strategy

Your investment approach should reflect your goals, time horizon, and risk tolerance. A diversified mix of account types allows you to draw income in a tax-efficient manner, adapt to changing circumstances, and support estate or legacy wishes. Consistent saving is equally important; whether you automate contributions, dollar-cost average, or maximize accounts early in the year. And by "paying yourself first," you prioritize long-term financial security before discretionary spending.

Taxes will likely be your single highest lifetime expense... planning helps!





Kristina Schnuckel, CFP®, AIF®
 Director of Client Experience
 & Wealth Advisor
 Ellenbecker Investment Group

A Smarter, Safer Way to Stay Connected to Your Financial Life

Our goal at Ellenbecker Investment Group has always been to provide you and your family with unmatched personal attention and planning, while providing you with the best tools to provide the insights and peace of mind that you need.

We are excited to share some upcoming enhancements to both our EIG Total View Portal and our client reporting, coming in this first quarter!

Our new portal will be a secure, interactive hub that goes beyond traditional account viewing, offering a more immersive, customizable, and communication-rich environment—ensuring our clients have clarity, control, and confidence in their financial plan.

Key Enhancements with the new EIG Portal

EIG Total View Portal App:

Our Portal will now have an app available in your app store for easy access on your phone or tablet.

360-Degree Wealth View:

While our current EIG Total View Portal focuses primarily on account balances, the new portal will provide a comprehensive picture of your financial life.

Dynamic Portfolio Dashboard: Performance cards, allocation, gain/loss tracking, and projected income snapshots give you real-time insights into your portfolio, allowing for deeper customization.

Relationship Timeline: A unique feature of our new portal, this timeline memorializes interactions and updates between you and your EIG Client Care Team, strengthening communication and transparency.

Document Vault: Securely store, organize, and share important financial and legal documents. We will continue depositing your quarterly EIG reports into the portal, but this enhanced Vault adds the ability to drag-and-drop uploads, shared folders, and additional reporting, making collaboration seamless.

Why Security Matters

At EIG, protecting your financial information is paramount. Traditional mailed reports can be lost, delayed, or intercepted. By contrast, our new portal uses encrypted access, password protection, and secure document sharing, ensuring sensitive data stays private. As an EIG client, you can log in from any device, reducing reliance on physical mail and ensuring you always have the most up-to-date information. Our new portal will also offer built-in secure messaging and notifications, meaning you can connect directly with your financial team without exposing personal details through email or mail.

In addition to these portal enhancements, we are also excited to roll out a new, revamped Consolidated Asset Summary report in the first quarter. Our new reporting will include:

Asset Allocation – Additional details into your asset allocation breakdown in an easy-to-interpret summary.

Enhanced Portfolio Performance Details – We are expanding upon the portfolio data you already received, with more in-depth metrics on beginning value, income, contributions, withdrawals, net gain, and return percentages for each account.

Visual Enhancements – Other enhancements include charts for portfolio allocation, a breakdown between your taxable, tax-free and tax-deferred assets, and meaningful performance trends.

We will be offering training opportunities in the first quarter to help you access your new portal, navigate the site, and get the most out of your EIG reports. Look for those dates to come soon!

You Deserve Advisors Who Listen®

Peace of Mind Starts With Engagement

Financial planning isn't just about numbers—it's about relationships and preparedness.

At EIG, we believe that true peace of mind begins with engagement. As an advisor, I'm honored to work closely with clients, building trust through listening, planning, and problem-solving. When clients are married, it's a privilege to work with both spouses to help them reach their goals and navigate life's changes together.

Often, one spouse naturally takes the lead in financial conversations and decision-making. This "divide-and-conquer" approach can work well when managing a household or raising a family. However, over time, it may result in one spouse becoming less engaged in the financial planning process. That disengagement can create a gap—especially when the financially active spouse is no longer able to manage things or is no longer present.

Why Engagement Matters

When an emergency strikes or a gradual decline occurs, the surviving spouse may face confusion around:

- Account access
- Cashflow and bill payments
- Investment strategies
- Financial goals

This uncertainty can be overwhelming. Not knowing how bills are paid or how investments are allocated can feel paralyzing. If finances are spread across multiple banks or custodians, the complexity only adds to the stress.

Building Shared Understanding

To avoid this, couples should work toward a shared understanding of their financial goals and priorities. While one person may still take the lead, the other should be involved at a level that feels comfortable and provides a baseline of confidence. This proactive engagement helps ensure smoother transitions during life's big changes.

Your Advisor Is Here for Both of You

An advisor is a trusted resource for both spouses. Every meeting should be a space where both partners feel welcomed, respected, and heard. In times of transition, that established relationship becomes a pillar of support.

Here are a few simple steps to strengthen engagement:

- Attend meetings together regularly
- Review cashflow and plans as a team
- Ask questions—there truly are no stupid ones
- Participate in seminars and educational events

At EIG, we take special care to meet each client where they are and understand where they want to be.

A New Year, A New Goal

As we begin the new year, consider setting a goal to attend a joint review with your advisor. Discuss topics that matter to both of you. These small steps toward proactive engagement are acts of love and security—preparing you for whatever lies ahead. 🏠

Heather Deaton CFP®, CSRIC™
 Wealth Advisor
 Ellenbecker Investment Group



Is the Housing Market in a Holding Pattern?

Is the Housing Market in a Holding Pattern?

Right now, the U.S. housing market feels like it's taking a breather. Buying or selling a home is never just about numbers—it's about dreams, timing, and finding the right fit for your life. Right now, the U.S. housing market feels like it's taking a breather. With mortgage rates still hovering around 6–7%, many buyers are waiting for better conditions, while homeowners locked into low pandemic-era rates are staying put. This has slowed activity—only about 2.8% of homes have sold this year, which is well below the usual pace.

That said, there are glimmers of movement. Inventory is slowly building, and while homes may take longer to sell, this could create opportunities for buyers who've been waiting for more choices. Prices remain high, but experts believe that as rates ease and more listings hit the market, momentum could return. For now, affordability remains the biggest challenge.

50-Year Mortgages: Expanding Possibilities in Homeownership

As affordability continues to shape the conversation, the idea of a 50-year mortgage is gaining attention. Extending the term can make monthly payments more manageable, potentially opening doors for first-time buyers or families looking for more space. For example, a \$400,000 loan at 6.5% could see a noticeable drop in monthly payments compared to a traditional 30-year mortgage.

Still, it's important to weigh the trade-offs. A longer-term means paying more interest over time and building equity much more slowly—after 10 years, you might own only 4% of your home versus 16% with a 30-year loan. Plus, if demand rises without more homes being built, prices could climb even higher.

A Thought to Leave You With

The housing market can feel uncertain, but it's also full of possibilities. Whether you're exploring new mortgage options or simply waiting for the right time to make a move, the best decisions are the ones that fit your life and your long-term goals. Homeownership isn't just about interest rates or inventory—it's about creating a place where your future can unfold.

If you're considering your next step, take the time to reflect on what matters most to you and your family. And when you're ready, be sure to talk through the numbers with your EIG wealth advisor so you can move forward with confidence.

Tammy Niemann, ChFC®
Wealth Advisor
Ellenbecker Investment Group

Navigating the 2026 Tax Landscape: Key Changes You Need to Know

As we approach 2026, several major tax law changes and regulatory updates will reshape planning strategies.

Retirement Plan Catch-Up Contributions: SECURE 2.0

Starting January 1, 2026, high earners (those with prior-year wages above \$145,000, indexed for inflation) must make all catch-up contributions to 401(k), 403(b), and 457(b) plans on a Roth (after-tax) basis. Pre-tax catch-up contributions will no longer be allowed for this group. Additionally, workers aged 60–63 gain access to "super catch-up" limits, up to 150% of the standard catch-up amount, which could mean an extra \$11,250 for 401(k) plans. Employers without Roth features must amend plans or suspend catch-up contributions for high earners.

OBBBA Provisions: Updates for the New Tax Year

The One Big Beautiful Bill Act (OBBBA), signed in July 2025, introduces new benefits in 2026: • Standard deduction: \$32,200 for joint filers; \$16,100 for singles in 2026 • Expanded SALT cap: Raised to \$40,400 (1% increase each year though 2029) for 2026.

Charitable Giving Changes Under OBBBA: • Above-the-line deduction for non-itemizers: Starting in 2026, taxpayers who take the standard deduction can claim up to \$1,000 (\$2,000 for joint filers) for cash contributions to qualified charities. This deduction excludes gifts to donor-advised funds and private non-operating foundations • 0.5% floor for itemizers: Itemizers can only deduct charitable contributions that exceed 0.5% of their adjusted gross income (AGI) • 35% cap on deduction benefit: For taxpayers in the highest brackets, the tax benefit of charitable deductions is capped at 35%, even if their marginal rate is 37% • 60% of AGI limit for cash contributions: OBBBA makes permanent the TCJA rule allowing cash contributions to public charities up to 60% of AGI.

ACA Subsidy Cliff: Shutdown Ends, but Subsidy Extension Still Uncertain

By mid-November 2025, when this article was being written, Congress ended the historic government shutdown, but the fate of Affordable Care Act (ACA) premium subsidies remains uncertain, as they were not included in the resolution's bill.

Lawmakers have agreed to revisit the issue in mid-December with a separate vote. If no action is taken, these enhanced subsidies will expire on December 31, 2025, creating a sharp "subsidy cliff" in 2026.

What does this mean for consumers? • ACA premiums could rise dramatically, in some cases doubling or tripling for the 24 million Americans currently receiving enhanced subsidies • A 60-year-old couple earning just above the eligibility threshold (\$84,600 of household income based on 2025 data) could face annual costs increasing by \$20,000 or more, consuming up to 25% of household income • Experts warn that younger, healthier individuals may drop coverage, worsening risk pools and driving premiums even higher.

Other Notable 2026 Updates

Inflation adjustments: IRS brackets and deductions rise about 2.7% • Estate tax exemption: \$15 million per decedent • Annual gift exclusion: \$19,000 per recipient (remains the same as last year) • Retirement contribution limits: 401(k) employee contribution limit projected at \$24,500; IRA contribution limit increases to \$7,500, with catch-up contributions increase to \$1,100 • Roth IRA phase-out ranges: Single filers \$153,000–\$168,000; Married filing jointly \$242,000–\$252,00 • Social Security wage base: Increases to \$184,500 for 2026.

Planning Ahead Proactive planning is key to navigating these changes. Prioritize: • Reviewing retirement plans to ensure Roth catch-up compliance • Assessing ACA premium projections and exploring coverage alternatives • Maximizing new OBBBA deductions.

As always, consult with your EIG Tax Advisor to see how these provisions apply to your unique situation and to explore strategies that align with your financial goals.

Ed Henning, CPA
Tax Planning Advisor
Ellenbecker Investment Group

Digitizing Your Visual Legacy

Preserving the stories, moments, and meaning that define your life

At EIG, we often talk about creating or leaving a legacy. Paraphrased from Karen Ellenbecker, a legacy encompasses the values, traditions, and impact we have on others and the world. It's how we wish to be remembered. It's our stories, our heritage, our history—and how our most memorable moments have touched others.

What Is a Visual Legacy?

Through photos, film, or video, the recording of your life events and stories becomes your visual legacy. This created media of shared experiences allows you and your family to relive the important events that have shaped your lives. It's an opportunity to develop a sense of stewardship—but have you thought about preserving your visual legacy?

Janet Otten

Client Relations Specialist
Ellenbecker Investment Group

Why Digitizing Matters

Technology has come such a long way, and those VHS tapes, Hi8, Super8 reels, slides, prints, and negatives are aging every day. The quality of historical media may not match what we're accustomed to on a phone or HD TV, but by digitizing your memorable moments, they can be preserved through modern technology.

Honor your visual legacy by bringing it into the future.

Getting Started

Several companies—both online and in brick-and-mortar stores across the Metro Milwaukee area—can help you digitize your visual legacy. Start with a search for "digitizing services near me" or "transferring VHS tapes to digital."

A friend of mine recommended a company called Legacybox, which made the process very easy. I've also worked with EdiTran Multimedia Services in Brookfield for video conversion.

More Than Just Media

As Julie Ellenbecker-Lipsky shared in our last newsletter, "True wealth is more than financial success—it's about living a life of purpose, connection, and fulfillment." Preserving your visual legacy is part of that purpose. These stories and connections are just as important as the other parts of your financial plan.

Take some time to explore the preservation of your own digital legacy. Because the moments that define your life deserve to be remembered.

BIG NEWS:

Money Sense and Milwaukee's Philanthropic Community (MPC) Are Now Podcasts!

(and have a fresh new look!)

Money Sense

presented by EIG Ellenbecker Investment Group



Karen J. Ellenbecker

Milwaukee's Philanthropic Community



Jill Economou

After more than 35 years on the radio, Money Sense has moved to podcast, and we've brought Milwaukee's Philanthropic Community (MPC) along with us! Now, you can enjoy both shows anytime, anywhere.

Where to Listen:



Love listening in the car? Great news; you still can! Just open one of these apps on your phone and press play.

Prefer listening at home? That works too. On your phone, tablet, or computer.

No more waiting for a specific day or time. Take these conversations with you and listen when it's most convenient.

How to Start Listening (Step-by-Step):

Choose an app

- If you have an iPhone, open the Apple Podcasts app (it's already on your phone).
- If you have an Android phone, download Spotify from the app store.
- Or simply go to YouTube.com on any device.

Search for our shows

- Type Money Sense Ellenbecker or Milwaukee's Philanthropic Community in the search bar.

Tap "Subscribe" or "Follow"

- This makes sure new episodes appear automatically for you.

Press Play and Enjoy!

- Listen in the car, at home, or on the go. Whenever it works best for you.

NEW EPISODES

- Money Sense releases every Tuesday
- Milwaukee's Philanthropic Community (MPC) releases every Thursday

And stay tuned... we'll be adding video soon, so you can watch as well as listen.

Thank you for tuning in all these years. We're excited to keep bringing you the real-life financial conversations you trust and sharing how local nonprofits are making a difference in our community.

For more details and easy links, visit ellenbecker.com/podcasts.

Looking Ahead To 2026 Through A Fixed Income Lens



Richard Schiller, CFA®, CPA
Portfolio Manager & Wealth Advisor, Pavlic Investment Advisors, Inc.

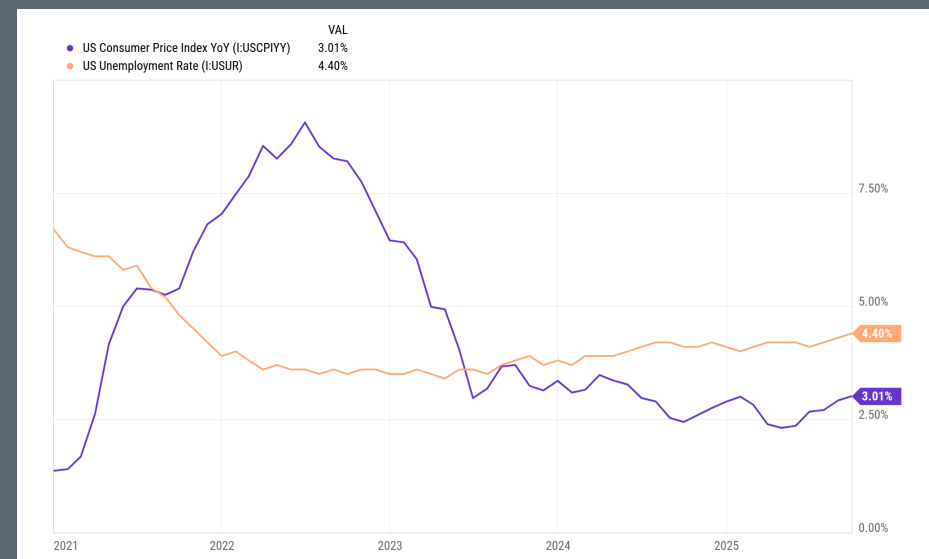
The final quarter of 2025 has been a pivotal period for bond investors, marked by continued Federal Reserve interest rate cuts, evolving inflation dynamics, and a labor market that continues to show signs of cooling. After a summer of heightened volatility, the U.S. bond market entered autumn and ended the year with relative calm. Treasury yields, which had trended lower through September, stabilized in the fourth quarter with the 10-year Treasury yield hovering between 4.1% and 4.2%. This environment supported positive principal returns across our widely held bonds in addition to continuing to collect interest payments for bond holders.

The Federal Reserve's response to moderating inflation and a weakening labor market has been central to recent bond market performance. The Fed delivered another 0.25% rate cut at its December meeting bringing the federal funds rate to a range of 3.50%–3.75%. This move follows two previous cuts in September and October, as policymakers seek to safeguard against further deterioration in employment. Looking ahead to 2026, consensus among economists and market participants points to two to three additional rate cuts, with the federal funds rate settling near 3.0% by year-end. The potential appointment of a new, more dovish Fed Chair in May 2026 could tilt policy toward further easing, but the bar for additional cuts compared to forecast remains high.

Despite the Fed's bias toward easing, longer-term Treasury yields have remained relatively elevated, resulting in a steepening yield curve. This phenomenon has been driven by continued fiscal concerns combined with the prospect of persistent inflation above the Fed's 2% target. As a result, the intended benefits of rate cuts—such as lower mortgage rates and broader economic stimulus—have yet to fully materialize. Investors should be mindful that short-term rates may fall while longer-term rates remain sticky.

The outlook for 2026 remains positive. Fixed income yields remain historically attractive, and coupon payments we expect to continue to drive the bulk of investor returns as they did in 2025. High-quality bonds continue to offer diversification, regular income, and capital preservation, making them a valuable component of a balanced portfolio.

We also believe high-quality investment-grade corporate bonds provide an excellent hedge to any stock market volatility, all while achieving satisfactory rates of return. For context, the far majority of bonds we have rolled to 2035 down our traditional 10-year ladder have been at annualized yields to maturity over 5.0%. As rates of return on cash continue to fall, extending duration away from cash-like investments allows investors to lock in higher yields for longer periods. This strategy can help reduce portfolio volatility and support long-term financial objectives at the expense of higher liquidity constraints. Your EIG advisor remains committed to helping you navigate these market changes, ensuring your portfolio is aligned with your goals, risk tolerance, and lifestyle.



Source: Pavlic Investment Advisors, YCharts. As of 12/09/2025

Resilience in Action: The US Economy's Path Forward



Barry Mendelson
CEO
Capital Market Consultants, Inc.

Recap: The longest US government shutdown in history ended after 43 days, bringing relief to federal workers and the broader economy. The deal includes full-year funding for three out of twelve annual spending bills, with the rest funded only through January 2026. Therefore, a new round of negotiations in Congress including considering the Affordable Care Act subsidies is on the immediate horizon.

With official readings on the economy only now starting to be released, private-sector data has been used to fill the gaps in recent months for policymakers, forecasters and investors alike. This data reveals the US economy is still growing but Americans are facing pressure points. That pressure has shown up in recent low consumer confidence and sentiment readings. Inflation, for example, has dropped from the highs that it reached three years ago, to three percent; it has now remained elevated for almost half a decade. Meanwhile, the labor market has cooled down. Job searches are taking longer, with more than a quarter of out-of-work people hunting for more than six months.

All that said, Q3-2025 real GDP growth is expected to exceed 3.0 percent, close to the strong pace registered in Q2. However, the government shutdown will likely affect Q4 economic growth. The full economic impact is uncertain, but it could shave around 1.5 percentage points from fourth-quarter real GDP growth. Therefore, Q4 growth is expected to slow to around 1 percent.

Outlook: The near-term outlook for the US economy remains positive but uneven, with moderate growth expected alongside ongoing inflationary pressures and other concerns.

GDP growth in 2025 is expected to be below 2.0 percent. Productivity improvements, particularly from the adoption of artificial intelligence (AI), should help support continued modest economic expansion over the next few years. AI could replace many task-oriented positions which will have a yet unknown impact on the labor market.

After a solid third-quarter performance, consumer spending remains a pivotal driver since it is such a large part of economic activity in the US. Still, growth is expected to slow toward year-end and into 2026 as higher prices squeeze lower-income households and some fiscal support from the federal government wanes.

Job growth has moderated, and the unemployment rate has edged up slightly of late but remains relatively low at around 4.4 percent. Announced layoffs at major firms and declining federal employment pose headwinds which could increase that number next year.

The Federal Reserve has started a rate-cutting cycle to support the economy, easing borrowing costs. Nevertheless, there is concern about persistent inflationary pressures from energy, food, and housing, as well as ongoing uncertainty from tariffs and shifting trade policies.

In the face of this uncertainty, the Federal Reserve is likely to cut interest rates by 1% by mid- 2026 to stimulate the economy and support the labor market.

At Ellenbecker Investment Group, we see change not as a setback, but as a chance to adapt and thrive. The economy may shift, policies may evolve, and markets may cool or accelerate—but with thoughtful planning and a steady perspective, our clients are prepared to move forward with confidence. The path ahead holds challenges, but also opportunities, and together we are ready to navigate it with clarity and purpose.

A Sweet Collaboration, Fresh from the Oven

Our signature chocolate chip sea salt cookie is all new—and better than ever! After nearly a year of sampling (a delicious challenge we gladly accepted), we teamed up with the beloved, family-owned O&H Danish Bakery to create something truly special.

Crafted from scratch and entirely gluten-free, this cookie was made for Ellenbecker Investment Group with care, intention, and a whole lot of heart. It's more than a treat—it's a reflection of the meaningful connections we strive to create with every visit.

We're proud to share it with you as part of your experience at our office.

We hope you enjoy every bite.



WELCOME: New Team Members



Amy Bremmer, CFP® joined Ellenbecker Investment Group in October 2025, bringing over 15 years of experience in financial services. Her background spans national and regional wealth management firms, supporting clients across Milwaukee, Chicago, and Waukesha. This diverse experience informs her holistic approach to financial planning and client care.

Amy holds dual degrees in Finance and French & Francophone Studies from UW–Milwaukee, earned her MBA from Alverno College in 2012, and became a CERTIFIED FINANCIAL PLANNER™ professional in 2020.

Outside of work, Amy enjoys cultivating native Wisconsin flowers to support pollinators, SCUBA diving, and traveling with her husband, Matt. She volunteers at Green Power Garden in Waukesha, runs a small soap-making business, and spends her free time quilting and playing fetch with her five-pound poodle, Penny.



Haley Fuhrmann joined Ellenbecker Investment Group in October 2025 as a Wealth Advisor Associate, bringing over six years of experience in financial services and assurance accounting. She offers clients a thoughtful, well-rounded approach to financial planning and is passionate about building meaningful relationships that support financial clarity and confidence.

Haley holds a bachelor's degree in Accounting with a minor in Data Analytics from the University of St. Thomas and has passed the FINRA Series 7 and 66 exams, qualifying her to provide comprehensive investment guidance.

Outside of work, she enjoys strength training, yoga, experimenting with new recipes, and exploring local farmers and makers markets. She also values quality time with friends and family.

ICYMI (IN CASE YOU MISSED IT)

Explore Our New Education Hub

We've launched a new page on our website designed to support financial learning for every age and stage. At ellenbecker.com/education, you'll find a thoughtfully curated collection of resources—including podcasts, books, and shows—for adults, college students, teens, and even young children. Whether you're looking to deepen your own financial knowledge or share tools with your family, there's something here for everyone.

Do you follow EIG on Facebook and/or LinkedIn? If not, you don't want to miss this!

Stay up to date on EIG's upcoming events, radio shows, and other important news by following us on social media.

facebook.com/EllenbeckerInvestmentGroup

linkedin.com/Ellenbecker-investment-group

THE WEALTH SEED
A short podcast to grow your financial confidence.

Ellenbecker Investment Group



Adults
A curated collection of insightful reads that explore money, business, and personal growth with depth and clarity.
BOOKS FOR ADULTS

Teens
Engaging books that make finance, entrepreneurship, and smart decision-making feel relevant and empowering.
BOOKS FOR TEENS

Tweens
Fun and accessible stories that introduce key money concepts and spark curiosity about how the world works.
BOOKS FOR TWEENS

Little's
Playful picture books that plant the seeds of financial understanding through relatable characters and simple lessons.
BOOKS FOR LITTLES

CALENDAR OF EVENTS

To register and view the most current list of events, visit: ellenbecker.com/events

To receive our weekly emails, please email: info@ellenbecker.com

JANUARY

21	Wisconsin Windows Connected (WWC)	5:30 PM
28	Women's Bible Study	5:30 PM

FEBRUARY

11	Women's Bible Study	5:30 PM
25	Women's Bible Study	5:30 PM
26	Webinar: Common Fraud & Scams	12:00 pm

MARCH

11	Women's Bible Study	5:30 PM
12	Webinar: Travel Insurance	12:30 PM
18	Wisconsin Windows Connected (WWC)	5:30 PM
25	Women's Bible Study	5:30 PM

HR UPDATE

Core Values Ambassadors

Congratulations to these team members for reflecting our culture and bringing our core values to life.

Pam Peterson
Gina Tegge
Justin Bertzyk

Employee Anniversaries

October

Heather Deaton - 9 years
Breanna Jones - 3 years
Tammy Niemann - 3 years
Janet Otten - 2 years
Shelly Jones - 1 year

November

Debbie Just - 7 years
Marina Ziolkowski - 4 years

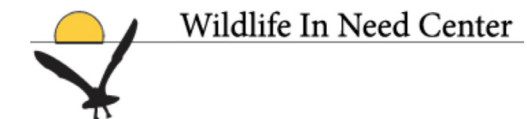
December

Karen Ellenbecker - 29 years
Julie Ellenbecker-Lipsky - 29 years
Kate Murphy - 8 years
Ryan Fritz - 4 years

Employee Donations

Bernie Powers Band Foundation
Bridges of Hope
Dousman Elementary PTO
Fondy Food Center
Franklin Middle School Band Department
Golf Fore Wolfe & A Cure
HAWS - Humane Animal Welfare Society
Hope Children's Home in Tampa, FL
Hunger Task Force, Inc.
Little Lambs Academy
Midwest Australian Shepherd Rescue
Pewaukee Lake Sailing School

Quarterly Charity Partner



The Wildlife In Need Center is dedicated to wildlife rehabilitation and environmental education. WINC rehabilitates injured and orphaned wildlife and releases healthy animals back into their natural habitat. WINC also delivers educational programming to area elementary schools and to residents of all ages including scout groups, civic groups and senior citizens. The overall message of the programs is to encourage an understanding and appreciation of Wisconsin wildlife and to provide practical, real life applications on the best way for humans to interact with wildlife.

Items of greatest need include:

- Essential Values Peroxide Cleaner 5%
- Whole Nuts (Unsalted)
- Exam/Nitrile Gloves (Sizes S-XL)
- Disinfecting Bleach
- Liquid Laundry Soap
- Paper Towels

To view their full wishlists, visit helpingwildlife.org/get-involved/winc-wishlist/



Ellenbecker
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presented by  Ellenbecker Investment Group

The Voice of EIG®

Conversations that share financial perspectives and connect local insights with global viewpoints, all grounded in the philosophy of "True Wealth," where health, family, friendships, and values matter just as much as money.

New Episodes on Tuesdays



The Heart of Milwaukee Philanthropy®

MPC spotlights the changemakers, nonprofit leaders, and everyday heroes shaping our city through generosity and purpose and explores ways for each of us to make a difference.

New Episodes on Thursdays

Find our podcasts here:   

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