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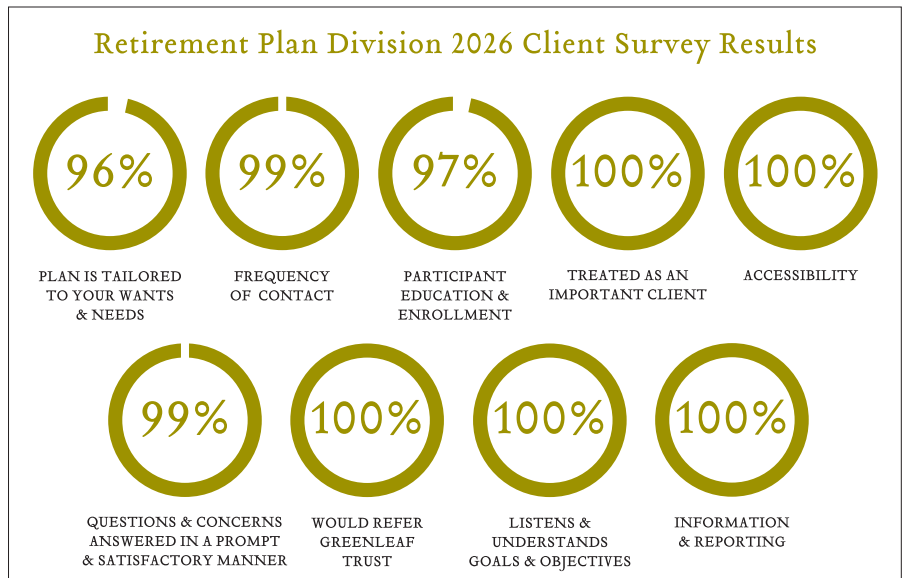
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## Feedback Is a Gift: Insights from Our Retirement Plan Clients

One of our mantras at Greenleaf Trust is “feedback is a gift.” Feedback is not always easy to receive, nor is it always easy to give. But continuous improvement requires it. That’s why we repeatedly ask our clients - how are we doing? Then, we listen.

Our Retirement Plan Services division provides administrative, fiduciary and investment management solutions for 159 employer sponsored retirement plan clients and over 18,000 plan participants across the country. Our full-service offering includes plan design consultation, back-office recordkeeping, participant education and support and independent investment management. We handle the complex administrative and regulatory requirements, allowing plan sponsors to offer a premier benefit without the operational headache. We recently asked those plan sponsor clients how we were doing and below is the feedback we received.



With over \$1.5 billion in plan assets under advisement, we value the trust our clients place in us. Their feedback helps us celebrate what we are doing well while identifying opportunities to serve them even better. 



*Nicholas A. Juble, CFA®  
Chief Investment Officer*

**“Inflation has moved higher in recent months, driven largely by rising energy costs tied to the conflict in Iran and the ongoing closure of the Strait of Hormuz.”**

## Economic Commentary

As we approach the midpoint of the year, we are reminded of Mark Twain’s famous observation: “Prediction is difficult - particularly when it involves the future.” Many of the events driving global capital markets this year were not widely anticipated. Yet despite geopolitical turmoil, inflation concerns and shifting interest-rate expectations, one overarching theme has continued to support markets: robust corporate earnings fueled by business investment in artificial intelligence, a resilient consumer and a balanced labor market.

With that backdrop, let’s take a closer look at how the year is unfolding, while also touching on several broader themes shaping investor sentiment including the war in Iran, and the Federal Reserve’s evolving policy outlook.

The U.S. economy remains on relatively stable footing, although some unanticipated headwinds have emerged. Inflation has moved higher in recent months, driven largely by rising energy costs tied to the conflict in Iran and the ongoing closure of the Strait of Hormuz. April’s Consumer Price Index (CPI) showed year-over-year inflation rising to 3.8%, the highest annual reading since May 2023. Energy prices increased 17.9%, while gasoline prices surged 28.4% over the prior year. Core CPI - excludes food and energy - rose 2.8%, remaining above the Federal Reserve’s long-term 2% target.

Market participants are increasingly concerned that elevated energy prices could begin spilling over into other areas of the economy, creating broader inflationary pressure. As a result, expectations for monetary policy have shifted meaningfully. At the start of the year, investors were anticipating two quarter-point rate cuts in 2026. Today, expectations favor the possibility of a rate increase as the more likely next move.

Despite these pressures, the U.S. consumer has remained remarkably resilient. Retail sales rose 4.9% year over year on a nominal basis, which still reflects healthy real growth after adjusting for inflation. While gasoline station sales understandably accounted for a large share of the increase (+20.9%), spending also remained robust at brick-and-mortar retailers (+12.8%) and online merchants (+11.1%). While higher earners have greater flexibility in the face of rising fuel costs, above-average tax refunds likely provided a temporary cushion for lower earning consumers.

The labor market has also continued to provide important support for the economy. April unemployment remained at 4.3%, still near historically low levels, with 115,000 jobs added during the month. Combined job gains over the past two months totaled approximately 300,000. Unemployment insurance claims have also remained low and stable.

To this point, strong consumer spending and a balanced labor market

have largely offset the negative effects of higher inflation. That said, we will continue to monitor incoming economic data closely for signs that elevated prices or tighter financial conditions are beginning to weigh more meaningfully on growth.


Meanwhile, the conflict in Iran is unresolved. At the time of this writing, the Strait of Hormuz continues to face disruptions while diplomatic negotiations remain ongoing. We have discussed the broader economic implications of a prolonged closure in prior newsletters, but the key takeaway remains straightforward: a sustained disruption to global energy flows would create meaningful headwinds for economic growth while simultaneously placing upward pressure on inflation. While the conflict represents an unforeseen geopolitical shock - and a near-term drag on growth - the broader long-term investment backdrop remains intact.

Beyond the economic data, the confirmation of a new Chairman of the Federal Reserve caught investor's attention last month. In one of the most contentious Federal Reserve confirmation votes in history, the U.S. Senate confirmed Kevin Warsh as the next Fed Chair by a 54-45 margin, replacing Jerome Powell. Warsh assumes leadership during an especially delicate period for monetary policy. While the Trump administration has advocated aggressively for lower interest rates to support borrowing and economic growth, a 3.8% inflation environment makes immediate cuts difficult to justify for many members of the Federal Open Market Committee (FOMC).

Warsh has argued that advances in artificial intelligence and productivity-enhancing technologies could allow the economy to sustain lower interest rates without reigniting inflationary pressures - a framework somewhat reminiscent of the productivity boom of the late 1990s under former Fed Chair Alan Greenspan. Whether that thesis gains broader support within the Fed remains an open question and could become one of the defining policy debates over the coming year.

Ultimately, the first half of the year has served as another reminder that markets rarely move in a straight line - and that even well-established forecasts can quickly be disrupted by unforeseen geopolitical events. Yet through it all, the core engine of the U.S. economy has remained surprisingly durable.

As we move into the summer months, our attention will remain focused on three key areas: incoming retail and labor market data, developments surrounding the Strait of Hormuz, and the Federal Reserve's next policy decisions. For now, the broader market continues to demonstrate that strong corporate fundamentals can still overcome significant macroeconomic uncertainty.

On behalf of the investment research team, thank you for your continued trust and confidence. 

“Market participants are increasingly concerned that elevated energy prices could begin spilling over into other areas of the economy, creating broader inflationary pressure.”



*Thomas A. DeMeester, J.D.  
Managing Director - Grand Rapids*

“Tax planning works best when viewed not as a series of isolated tactics, but as part of a broader, integrated strategy.”

## Tax Planning for Closely Held Businesses: Not Just a Year-End Exercise

Tax planning for many closely held business owners frequently occurs through a series of independent decisions. It typically looks like a conversation with an accountant near year-end, an isolated retirement contribution analysis, a discussion about succession planning that gets deferred until “later,” or an eventual consideration of what a sale might look like. Individually, those decisions may be sound. But over time, even thoughtful choices can become less coordinated than intended - particularly as a business grows, ownership structures evolve and family wealth becomes more complex. That is precisely where opportunities are missed.

Tax planning works best when viewed not as a series of isolated tactics, but as part of a broader, integrated strategy. While taxes constitute one of the largest ongoing erosions of business and estate wealth, planning is too often reactive rather than strategic. For owners of closely held businesses, moving to a coordinated approach can materially influence cash flow, succession outcomes and long-term wealth preservation.

### The Shifting Planning Landscape

Today’s financial and regulatory environment is highly dynamic. Shifting legislative policies, evolving estate tax thresholds and sophisticated wealth structures have created meaningful advantages for business owners willing to take a proactive stance.

The exact strategy an owner deploys - and its overall effectiveness - depends heavily on how several core factors intersect:

- **Corporate Structure:** Navigating the unique tax implications of an LLC, S-Corp, C-Corp, or partnership.
- **Compensation Strategy:** Balancing W-2 salary, distributions, and specialized executive benefits.
- **Family & Estate Objectives:** Aligning business growth with personal generational wealth transfer goals.
- **Succession & Exit Plans:** Structuring the business long before an eventual sale or leadership transition.

In other words, effective tax planning is rarely about a single, isolated move. It is about understanding how multiple, moving financial decisions interact over time.

### The Structure of the Business Matters

Closely held businesses possess unique characteristics that create both planning complexity and opportunity. Unlike publicly traded companies, ownership is typically concentrated among family members, founders, or key employees. Owners often serve simultaneously as executives, managers and board members. Transfers of ownership are frequently restricted and long-term succession considerations tend to be deeply personal. Those dynamics create planning opportunities that may not exist in larger corporate environments.

For pass-through entities such as LLCs, S-Corporations and partnerships, provisions like the Qualified Business Income (QBI) deduction may allow eligible owners to deduct up to 20% of qualified business income, reducing the tax on business earnings.

Other strategies can immediately improve cash flow and optimize an owner's tax profile, including:

- *Section 179 Expensing*: Allowing businesses to immediately deduct qualifying investments in equipment, technology, software and certain vehicles in the year placed in service rather than depreciating them over multiple years.
- *Pass-Through Entity Tax (PTET)*: State-level elections that provide distinct federal planning advantages depending on the owner's specific tax situation and jurisdiction.
- *Research & Development Incentives (Sections 174A and 41)*: Combining current-year deductions for domestic innovation costs with dollar-for-dollar tax credits to substantially reduce income tax or startup payroll tax liabilities.

While these concepts are not new, the true value comes from how and when they are coordinated within the broader financial picture.

### Sophisticated Planning Extends Beyond the Business

For many successful business owners, the business eventually becomes intertwined with broader family wealth planning. Questions naturally begin to shift:

- How should wealth transfer to the next generation?
- What happens if the business is sold?
- How can future estate tax exposure be managed?
- How can liquidity events be handled efficiently?

These are not purely tax questions. They are strategic family decisions with significant tax implications.

Advanced planning structures - including Grantor Retained Annuity Trusts (GRATs), Intentionally Defective Grantor Trusts (IDGTs), Family Limited Partnerships (FLPs) and Family LLCs (FLLCs) - may help

“Closely held businesses possess unique characteristics that create both planning complexity and opportunity.”

*Tax Planning for Closely Held  
Businesses: Not Just a Year-End  
Exercise, continued*

“For closely held business owners, developing a coordinated, forward-looking tax strategy is ultimately about creating clarity and making better decisions over time.”

families transfer future appreciation, maintain control structures, and manage estate tax exposure over time. Similarly, for certain qualifying C-Corporation owners, Qualified Small Business Stock (QSBS) provisions under Section 1202 can create substantial tax advantages upon the eventual sale of a business interest.

These strategies are highly nuanced and not universally applicable. But for families who may benefit, the long-term impact can be significant.

#### The Greatest Risk Is Lack of Coordination

In our experience, the biggest challenge for many closely held business owners is not a lack of available strategies. It is that tax, investment, estate, retirement and succession decisions are frequently addressed independently rather than in concert.

A retirement strategy may not align with ownership transition goals. Estate planning documents may no longer reflect current asset values or business realities. An entity structure that made sense years ago may no longer be optimal today. Over time, those disconnects can compound – and that is why integrated planning matters.

The goal is not to pursue aggressive tax avoidance or chase short-term tactics. It is to ensure that financial decisions are aligned thoughtfully and intentionally with long-term objectives for the business, the owner and future generations.

For closely held business owners, developing a coordinated, forward-looking tax strategy is ultimately about creating clarity and making better decisions over time. If you have accumulated significant business and personal wealth and have not recently revisited how your tax strategy integrates with your broader financial plan, it may be worth a conversation. ☑

# The Overlooked Business Risk Every Owner Should Plan For – Cognitive Decline

Having recently attended a panel discussion on cases involving cognitive decline and vulnerable adults hosted by our local estate planning council, I came away with a heightened awareness of how many of us are affected at some point in our lives by our own declining mental fitness or that of a family member. Whether the decline is sudden, or gradual, diminished capacity can leave a person vulnerable, and this vulnerability is especially significant for business owners.

As advisors, we encourage clients to plan for the possibility of mental incapacity because cognitive decline is a foreseeable part of aging. Public health agencies such as the *Centers for Disease Control and Prevention* (CDC) and the *National Institutes of Health* regularly track data on dementia and cognitive health in the United States. Although estimates vary, research generally suggests that approximately 10% of Americans age 65 and older are living with dementia, and one third have mild cognitive impairment.

First of all, it is important to distinguish between cognitive decline, dementia, and legal incapacity. Cognitive decline is a broad clinical term describing changes in memory, reasoning, judgment or decision-making that may occur gradually over time. Dementia is a more advanced medical condition involving significant cognitive impairment that interferes with daily functioning and independence. Not all cognitive decline progresses to dementia, and a person may experience measurable decline for years before meeting the clinical criteria for dementia or the legal standard for incapacity.

In Michigan, legal incapacity is not determined by a medical diagnosis alone. The legal standard is whether the individual lacks sufficient understanding or capacity to make or communicate informed decisions. As a result, cognitive decline often exists in a gray area where a person may appear competent while struggling with complex financial, operational or strategic decisions. This distinction is critical because vulnerability to poor judgment, exploitation or undue influence frequently emerges long before clear legal incapacity exists.

For business owners, risks are substantially magnified. Closely held business owners often serve as the central decision-maker and repository of institutional knowledge controlling banking relationships, financial accounts, payroll, contracts, tax and customer relationships. In many



*Karen A. McNish, J.D., CTFP  
Vice President, Senior Trust  
Relationship Officer*

“As advisors, we encourage clients to plan for the possibility of mental incapacity because cognitive decline is a foreseeable part of aging.”

*The Overlooked Business Risk Every Owner Should Plan For – Cognitive Decline, continued*

“Effective planning should involve the owner’s core professional advisory team, including a business attorney, estate-planning counsel, CPA, financial advisor, insurance professional and key operations personnel.”

cases, critical procedures and information exist only in the owner’s mind rather than in formal systems or in documented processes.

As cognitive decline progresses, the owner may become increasingly vulnerable to undue influence, fraud and financial exploitation. Employees and vendors may recognize these vulnerabilities before family members do, and in some cases, may exploit the owner’s declining capacity.

How does the business owner prepare for gradual cognitive decline before it rises to the level of legal incapacity?

Planning should begin well before any signs of impairment appear. Proactive preparation allows the business owner – not a court or a crisis – to determine how business operations will continue if judgment or decision-making becomes impaired. The objective is to establish systems that protect the owner and family, preserve business continuity and value and reduce the risk of exploitation, litigation or disruptive guardianship and conservatorship proceedings.

Effective planning should involve the owner’s core professional advisory team, including a business attorney, estate-planning counsel, CPA, financial advisor, insurance professional and key operations personnel. Business continuity documents should align with the owner’s personal estate-planning documents, such as durable financial power of attorney, patient advocate designation or medical power of attorney, advance directive, HIPAA authorization, last will and testament and revocable living trust.

#### **Governance Documents and Decision-Making Structure**

Business owners who want their companies to operate smoothly during periods of cognitive decline should begin by reviewing their existing governance documents, including shareholder agreements, operating agreements, partnership agreements, bylaws and related corporate records. These documents form the legal framework for how the business operates and should clearly define management authority, succession procedures and who may legally bind the company if the owner’s decision-making capacity becomes impaired.

The specific documents required will vary depending on the type of business entity, but well-drafted governance documents help reduce ambiguity and operational disruption during periods of transition. At a minimum, the documents should address banking authority, delegation of operational responsibilities, procedures for determining incapacity, buyout or succession provisions and mechanisms for transferring institutional knowledge to key employees or successors.

### Business Continuity Plan

In addition to establishing strong governance documents, business owners should maintain a written continuity plan describing how the business will function during disruptions that will impair or interrupt normal operations. For closely held businesses, this plan should specifically address how authority will work in practice during diminished judgment or gradual cognitive decline. A good continuity plan serves as a roadmap for maintaining contractual performance, preventing fraud or undue influence and transitioning authority in a controlled and documented manner.

### Delegation of Authority with Oversight

Business owners may consider implementation of a formal system for delegating operational responsibilities to trusted individuals while maintaining appropriate oversight and accountability. Delegation should clearly define the scope of each person's authority and may include banking access, vendor contracts, payroll administration, financial management and other essential operational functions necessary to maintain business continuity.

Delegation, however, should be paired with safeguards designed to reduce the risk of error, abuse or financial exploitation. Appropriate protections may include dual-signature requirements for significant transactions, segregation of financial duties, spending limits, periodic reviews by outside accountants, regular reporting obligations and ongoing monitoring of account activity and contracts. Owners should also periodically review and update delegated authority to reflect personnel changes or evolving business needs.

Business owners should be aware that banks and financial institutions often require specific documentation before adding authorized signers or granting account access, including board resolutions, corporate authorizations, signature cards and personal identifiable information for each authorized individual. Internal resolutions and governance documents should clearly identify authorized officers or managers, their titles, the scope and duration of their authority and any limitations on their decision-making powers.

### Decentralization

In closely held businesses where the owner may control most aspects of the business, decentralization can further reduce risk. Segregating duties - for example, separating contract negotiation, approval authority, and payment authorization - helps protect the owner from undue influence and from fraud and embezzlement in the company.

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*The Overlooked Business Risk Every Owner Should Plan For – Cognitive Decline, continued*

“Business owners should regularly engage their trusted advisors – such as CPAs, attorneys, financial advisors and insurance professionals – to help guide important business decisions and reduce the risk of costly mistakes.”

### Standard Operating Procedures

It is a best practice to formally document critical procedures in writing for activities such as payroll, vendor payments, pricing approvals, compliance requirements and any other task essential to ongoing operations.

### Centralized Document Repository

Business owners should consider establishing a secure physical or electronic repository for critical organizational records and clearly define who should have access to them. Important documents may include customer contracts, insurance policies, leases, tax returns and essential corporate records.

### Business Password Management Systems

Business operations can quickly be disrupted if critical system passwords are known only by the owner. Owners should establish a digital access and continuity plan that identifies essential systems and clearly designates who is authorized to access them. A centralized enterprise password manager is one of the most effective safeguards, supported by a primary and back up administrator with defined recovery roles. Whenever possible, authentication should be tied to company-controlled systems rather than the owner’s personal device or biometric credentials to ensure continuity and reduce operational risk.

### Independent Oversight

Business owners may also benefit from independent oversight, such as an annual CPA review, establishment of an internal audit committee, or implementation of an advisory committee or board. These structures help detect irregular transactions or operational concerns, especially when the owner exercises broad control. They may also strengthen the company’s position with lenders, insurers and other outside stakeholders.

### Buy/Sell Agreements

If the business has multiple owners, or key employees are already involved in operations, a buy/sell agreement may be an important planning tool. This document will outline triggering events for purchase rights, valuation method, voting control and the exit mechanics. This strategy is particularly useful when continuity and preservation of the business are top priorities.

### Rely on Trusted Advisors

Business owners should regularly engage their trusted advisors – such

as CPAs, attorneys, financial advisors and insurance professionals - to help guide important business decisions and reduce the risk of costly mistakes. Each advisor brings a distinct perspective on tax implications, legal exposure, financial structure and risk management that can be difficult for a single decision-maker to fully evaluate alone. Involving a coordinated advisory team helps ensure decisions are well-informed, properly documented to support business continuity and protection goals.

In closing, no business owner expects cognitive decline to factor into risk management, but it is a real possibility that can affect any family or business. Proactive steps taken early can help reduce the risk of exploitation, and protect the owner and their family, as well as employees and customers who rely on them. ☑

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## The Gobbler

Once upon a time in Traverse City, Michigan, there existed the most delicious sandwich on the face of this planet. Dubbed “the Gobbler” by locally owned restaurant, Mary’s Kitchen Port, it was an unfussy but delectable culinary creation. It consisted of stacked layers of sliced roasted turkey, romaine lettuce, finely shredded cheddar cheese and real Hellman’s mayonnaise, all on freshly baked homemade focaccia bread, laced daintily with sea salt. I first experienced this perfect ratio of ingredients in 2014. I remember its \$5.99 price at the time. When the store sadly closed its doors on August 1, 2025, the Gobbler cost \$8.49. In eleven years, the price of the sandwich had slowly increased over time by \$2.50.

Over the years, the price of this cherished sandwich had inched up, mainly due to what economists refer to as creeping inflation. Inflation can nibble or even “gobble” away at the purchasing power of our hard-earned dollar, making the things we buy more expensive over time.

Economists typically categorize inflation into four types or stages based on speed: creeping, walking, galloping and hyperinflation. If we continue with the use of a mouthwatering sandwich as our example, we can examine each of these stages of inflation in turn.

First, we must begin with the concept of “fair price,” which is the reasonable cost for the sandwich, balancing value for the buyer with profitability for the seller. The hungry buyer finds worth in the seller’s ability to cover costs and earn a reasonable profit. In this symbiotic sale, the consumer is satisfied (happy stomach) and the seller is financially



*Suzanne Stepan, CFA®, CFP®  
Vice President, Senior Wealth  
Management Advisor*

“Inflation can nibble or even “gobble” away at the purchasing power of our hard-earned dollar, making the things we buy more expensive over time.”

*The Gobbler, continued*

“The above-illustrated sandwich story is merely intended to help demonstrate the four types of inflation... and to show how shifts in the stages of inflation can impact our daily lives along with the simple things we enjoy.”

successful (happy business wallet). This results in a win-win transaction where both buyer and seller mutually benefit from the exchange.

**Stage 1: Creeping Inflation (Slow: Less than 3% Annually)**

Now imagine, a gentle rise sets in. The flour for the focaccia becomes slightly more expensive, requiring more “dough” on the part of the seller to purchase the ingredients that go into making the sandwich. Thus, to maintain its ability to make a profit, the sandwich shop puts up a new price sign, and the seller explains with a quick shrug that the sandwich now costs just a slightly bit more. The hungry consumers seeking happy stomachs still come and buy their lunch without too much worry. The negligible rise in cost is the “yeast” of their worries.

**Stage 2: Walking Inflation (Moderate: Between 3-10% Annually)**

Now suppose, due to extreme drought, the entire wheat crop is damaged. And then fuel prices climb based on mounting fears of supply disruptions. The shop owner cannot cover the cost of flour without raising prices. Flour is not the only thing that “got a rise”, so too does the price of the sandwich. So, once again a new and higher price sign is posted. People still came in and buy the sandwich, but with a “bite” of hesitation. Now, they check their purses and wallets and even order water instead of the raspberry lemonade. The line for the sandwiches at lunchtime gets shorter and money does not stretch as far.

**Stage 3: Galloping Inflation (High: 10-1,000% Annually)**

Yikes! Now assume that suppliers of the sandwich ingredients start calling regularly with new prices. In turn, the owner stops printing the price on the sign because it quickly becomes outdated. The owner begins to make the portions of bread for each sandwich smaller, and the formerly formidable stack of turkey shrinks as well. Wide-eyed customers notice: it is not the same sandwich. People still interested in the sandwich start to come when the shop opens first thing in the morning, fearing additional price increases throughout the day.

**Stage 4: Hyperinflation (Extreme: 1,000% or More Annually)**

Finally, imagine chaos comes knocking on the sandwich shop door. In one week, the price of the sandwich rises by 75%. The store owner buys a chalk board and erases and rewrites the price of the sandwich almost hourly. As soon as workers receive their paycheck, they run to the shop to buy a sandwich before the price goes up even more. Cash feels useless because what it can buy changes so quickly. Prices are rising faster than people can imagine and desperation sets in.

Now, returning to reality, Mary's Kitchen Port, home of the legendary "Gobbler," did not actually close its doors due to creeping, walking, galloping or, thankfully, hyperinflation. Rather, the owners of Mary's Kitchen Port shut their doors last year in order to set out on their retirement journey. The above-illustrated sandwich story is merely intended to help demonstrate the four types of inflation with a mouth-watering real-life story of an exemplary sandwich; and to show how shifts in the stages of inflation can impact our daily lives along with the simple things we enjoy. In reality, the Gobbler's price increase from \$5.99 to \$8.49 over eleven years represents a compound annual growth rate of just 3.22% - indicative of creeping to slightly walking inflation. While the concept of inflation can be quite complex, I hope this sandwich parable was able to give you a "taste" of the four stages of inflation - creeping, walking, galloping and hyperinflation. ☑

## When the Match Disappears: What Employers' Quiet Benefit Rollbacks Mean for Retirement Planning

Workplace benefits can play a significant role in attracting and retaining talent. Nearly half (49%) of U.S. job seekers selected "better benefits" as an important attribute in a new job, according to the 2025 Indeed Workforce Insights Survey. Those benefits also shape major aspects of employees' lives, including access to healthcare, parental leave and long-term financial security in retirement.

Recently, however, a growing number of employers have begun scaling back benefits as they navigate rising costs tied to AI investments, inflation, tariffs and broader economic uncertainty. Sherwin-Williams announced a suspension of certain matching benefits in late 2025, citing weak housing demand and rising material costs. TTEC suspended its discretionary 401(k) match for 16,000 U.S. employees beginning in 2026, while the U.S. Postal Service announced a suspension of contributions to the Federal Employees Retirement System (FERS).



*Robenson Jean-Baptiste  
Participant Services Specialist*

**"...a growing number of employers have begun scaling back benefits as they navigate rising costs tied to AI investments, inflation, tariffs and broader economic uncertainty."**

*When the Match Disappears: What Employers' Quiet Benefit Rollbacks Mean for Retirement Planning, continued*

“...a clearer-eyed understanding on all sides of how much retirement security has quietly been outsourced to employer goodwill, and what happens when that goodwill contracts.”

### Consider the Longer-Term Impact

While these decisions may provide employers with short-term financial flexibility, employers and employees alike should also consider the longer-term impact these changes may have on retirement planning and the administration of workplace retirement plans.

For many employees, employer contributions serve as the primary incentive to participate in a workplace retirement plan. When that incentive is reduced or removed, some employees may lower their contributions, stop participating altogether, or redirect retirement savings into IRAs or other personal investment accounts outside the plan.

Those behavioral shifts can create challenges for plan sponsors. Lower participation rates and declining employee deferrals may increase pressure on nondiscrimination testing, create corrective distribution issues for highly compensated employees, or force employers to reconsider plan design strategies such as safe harbor provisions.

There is also a psychological component that employers should not overlook. Retirement planning is long-term, and employees often view workplace retirement benefits as a stable part of their overall compensation. Even temporary suspensions can weaken employee confidence in the reliability of employer-sponsored plans. Once employees disengage from saving within the plan, rebuilding those habits can become difficult, even if employer contributions are later restored.

### Individual Versus Employer Engagement in Retirement Planning

What is emerging from the accumulated weight of these benefit changes is a retirement planning environment that demands more active individual engagement than most people have been accustomed to. For years, the implicit understanding was that employer benefits (retirement matches, healthcare coverage, HSA contributions) were reliable features of employment that could be planned around with confidence. That confidence is worth revisiting.

For individuals, this means treating their benefits package not as a fixed input to their financial plan, but as a variable - something to review annually, quantify carefully and plan around with contingencies in mind. The total value of benefits is as important as base salary in understanding actual compensation, and the erosion of benefits is as consequential as a salary reduction, even if it does not appear that way on a pay stub.

For employers and plan sponsors, the implications are broader. The decisions being made today about benefit levels will shape retirement plan participation rates, nondiscrimination test outcomes and ultimately the retirement readiness of the workforce, which carries its own set of long-term organizational costs. The business case for maintaining strong

retirement benefits, even under financial pressure, includes not only retention and recruitment, but also the administrative integrity of the plans employers are legally required to administer fairly.

What this moment calls for, perhaps, is a clearer-eyed understanding on all sides of how much retirement security has quietly been outsourced to employer goodwill, and what happens when that goodwill contracts. ☑

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## Stock Market Pulse

Index	5/29/2026	Total Return Since 12/31/2025	P/E Multiples	5/29/2026
S&P 1500 .....	1,698.60 .....	11.46%	S&P 1500 .....	27.2x
Dow Jones Industrials.....	51,032.46 .....	6.86%	Dow Jones Industrials.....	24.5x
NASDAQ.....	26,972.62 .....	16.34%	NASDAQ.....	36.7x
S&P 500.....	7,580.06 .....	11.25%	S&P 500.....	27.9x
S&P 400 .....	3,725.13 .....	13.27%	S&P 400 .....	21.1x
S&P 600 .....	1,684.54 .....	15.55%	S&P 600 .....	21.6x
NYSE Composite .....	23,292.17 .....	6.80%		
Dow Jones Utilities.....	1,109.57 .....	5.16%		
Barclays Aggregate Bond .....	2,357.70 .....	0.38%		

## Key Rates

Fed Funds Rate .....	3.50% to 3.75%
T Bill 90 Days.....	3.64%
T Bond 30 Yr.....	4.97%
Prime Rate .....	6.75%

## Current Valuations

Index	Aggregate	P/E	Div. Yield
S&P 1500 .....	1,698.60 .....	27.2x .....	1.08%
S&P 500.....	7,580.06.....	27.9x .....	1.06%
Dow Jones Industrials.....	51,032.46.....	24.5x .....	1.53%
Dow Jones Utilities.....	1,109.57.....	19.8x .....	2.87%

Spread Between 30 Year Government Yields and Market Dividend Yields: 3.89%

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