Alliant Retirement Consulting

Quarterly Insights

FIRST QUARTER 2025

January is Financial Wellness Month – With the start of a new year and a fresh perspective, this month brings the opportunity to do an annual check-up on our financial wellness, revisit our financial goals and adjust them accordingly, and plan for the exciting year ahead!

Participants' Perspective – New Year Economic Outlook

Read the latest research regarding the state of the economy as we begin Q1 2025.

- The Federal Reserve met in December to discuss the economic outlook to finish the year strong and start the new year off on the right foot. December's meeting provided another rate cut of 25 basis points and a Summary of Economic Projections. The Fed's goal of keeping inflation stable while ensuring the unemployment rate stays low remains the same.
- According to the U.S. Bureau of Labor, payroll employment has increased by offering jobs to 227,000 employees in November 2024. This is a significant increase from the prior month, which only filled 36,000 new positions. Q4 and Q1 are generally opportune times to hire new employees for payroll positions and this is reflected in the data trends described here.
- Unemployment has remained steady at 4.2%, which is higher than it was in the prior year at this time (3.7%). However, the employment cost index (ECI) for Q3 2024 was down slightly, coming in at 0.8%, in comparison to Q2 2024, which provided a rate of 0.9%.

Participant Resources

January is Financial Wellness Month – The new year brings plenty of opportunities to improve financial wellness in 2025 and beyond! From updating your budget to establishing or replenishing your emergency savings, taking the time for a financial wellness check-up is a great way to start the year. Check out more financial wellness tips in the attachment, and feel free to share with participants.

Join us on **January 23rd** for our monthly "Financially Speaking" series – **Thrive Flex Match**, hosted by Silver Lion Student Loan Advisors and Alliant Retirement Consulting. If you need a copy of the invite, please reach out. Register here.

What Else Is New?

Other notable stories this month within our organization and beyond!

- **IRS Contribution Limits:** The IRS has increased contribution limits for 401(k), 403(b), and 457(b) plans for 2025, as well as the annual compensation limit, defined contribution plan combined annual contribution limit, defined benefit plan annual benefit limit, and more. Check out all the new contribution limits here.
- **Plan Fee Benchmarking:** According to RPAG (Retirement Plan Advisory Group), 80% of retirement plans overpay for fees. Alliant Retirement Consulting advisors annually complete fee benchmarking for all clients to keep recordkeeping and advisory fees competitive. Contact your retirement plan advisor with any questions!
- **DOL and IRS Provide Hurricane Relief Guidance:** The Department of Labor (DOL), in partnership with the Internal Revenue Service (IRS), released a statement in November detailing disaster relief measures for employee benefit plans, participants and sponsors affected by Hurricane Helene, Tropical Storm Helene and Hurricane Milton. They've provided guidance regarding extended ERISA deadlines, required forms, plan loans and contributions, and accessing FAQs for support. Read more here.
- **In an effort to provide you with the best possible service, please provide your thoughts on your current service provider here:** https://www.surveymonkey.com/r/XT9DXZZ.

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