



“The secret of change is to focus all of your energy not on fighting the old, but on building the new.” - Socrates



A Message from Sean Budlong, CFP®, CEO, Majestic Financial, Financial Consultant, RJFS

Just as many of you will look back at the past year in reflection, so do we at Majestic Financial. The year 2024 had its share of positives, negatives, and unknowns. I would like to take a moment to examine Majestic's 2024 and what we have planned for 2025.

This year started off with a bang – the Lions won two home playoff games (and Josh flew in to attend the first home playoff game in over 40 years) and Michigan won the National Championship. Brandon and I were celebrating the market finally exiting a two-year bear market. Becky was recovering from surgery, and Isiah was celebrating his daughter being just over 1 year old.

There were many unknowns. What would happen with inflation? When would interest rates get cut and by how much? Who will be the Republican nominee to take on the sitting President Biden? How will wars in

Israel and Ukraine end? How will the market respond to these situations?

Over the course of 2024, Majestic celebrated some wonderful milestones. Brandon earned his Certified Kingdom Advisor marks. Kendra passed her Series 7 exam to become an advisor. Jaime's son graduated from high school. We attended some wonderful client weddings and retirement parties. We also had some difficult times. Many employees had their dogs pass away during the year. Both Alyx and Laurie underwent surgeries. Michigan and Michigan State both had rebuilding years (I am fully aware that some people do not consider this to be the same level of concern as the dogs and surgery...). Through all the good and bad, Majestic Financial has grown thanks to the trust given to us by our clients.

As 2024 ends and 2025 begins, there are still many unknowns. What will happen with inflation?

When will interest rates get cut and by how much? How will the wars in Israel and Ukraine end? One thing we do know is that President Trump ended up defeating VP Harris and the Republicans won both the House and Senate, but how will the market react to the policies of the new (old?) administration? At Majestic Financial, we spent the last 12 months making sure clients' portfolios were prepared for volatility, and we don't see that changing any time soon. Our holdings and strategies have shifted but we don't have complete confidence that one strategy will be the key to financial success. So we go to work every day to make sure we are on the same page as our clients to meet financial goals.

We wish every client and their families and friends a Happy New Year. Thank you for your trust.

Beyond the Mountain Range

A blog written by Sean Budlong, CFP®



Post Election Views

Heading into November's election, I repeatedly wrote about the fact that while pundits always create fear, nothing seems to really change in the world. So, what should we expect now that Donald Trump was elected President with a Republican Congress?

First, to sound like a broken record, we have seen this before. When Trump was elected President in 2016, he had a Republican House and Senate. He promised to shake things up, and immediately took on Obama Care and tax cuts. While tax rates were cut for the first time since the mid 1980's (taxes have changed many times, but the brackets very seldom go down), the elimination of Obama Care never materialized. The S&P 500 rose from 2195 in November of 2016 to 2911 in August of 2019 - a 33% increase. By December of 2019, the S&P was at 3226 (47% gain). Tax cuts and lower regulations were having a positive effect on the economy. However, not all was wonderful. Tariff battles created issues in sectors of the economy such as agriculture and manufacturing. Most of the tariffs that were imposed by Trump were kept in place by the Biden Administration. While the over-

all economic conditions were strong during the first Trump Administration, they could have been better if not for the effects of the tariffs. The pandemic created the chaos that drove the economy down, and I won't go into the politics of that situation.

As Ronald Reagan once said, "here we go again." President-elect Trump is threatening to levy 25% tariffs on both Canada and Mexico as well as an additional 10% tariff on all Chinese imports. He is insistent that he will lower taxes, reduce inflation, eliminate government waste, and end the wars in Ukraine and the Middle East. Let's be honest, this is a lot to do in January. Even with Elon Musk helping, some of this may not get completely done.

So, if we assume a similar strategic plan as his first term, we can assume that regulations will not increase even if the bureaucrats in DC fight to keep current ones in place. Inflation is already easing, and while interest rates are not declining quickly, they are moving in a downward direction. All of this is positive news for the business community and the markets. Does this mean that we should

expect a jump in the S&P 500 so we should buy in? Well, the S&P 500 is up 26.54% YTD as of the writing of this blog (9% since election day) so if you have been sitting on the sidelines in cash you may have already missed a little of the ride.

Just like Obama Care stymied Trump, so will his tax promises. The 2017 tax cuts are still in place, and he's promised to eliminate taxes on tips and social security. If those pledges are honored, the best we could hope for would probably be an extension of the 2017 tax cuts, not new reductions. While Canada and Mexico have already started negotiating with Trump, China has not. A new trade war could dampen any short term gains we have seen in the market.

What is the plan, then? We will invest in quality companies in sectors least likely to be affected by the whims of politicians. We will continue to look for opportunities that help clients achieve their financial goals. And we won't over-react to situations we have all seen before.

Catch up on past blog posts and stay up to date with future posts at [InvestMajestic.com](https://www.investmajestic.com).

Brandon's Office Trivia

What was God's sign to Noah that he would never destroy the Earth again?

Who holds the record for the most goals in a single NHL season?

Which two Native American leaders led Lakota Sioux and Cheyenne warriors in the Battle of Little Bighorn?

Who directed the 1983 movie "Trading Places"?

How many brothers did Joseph have?

Letter from Chief Investment Officer

“Come On Down! The Ten Themes for 2025”

Written by Lawrence V. Adam, III, CFA, CIMA®, CFP®, Chief Investment Officer, [Raymond James](#)

The past two years have been favorable for investors, with the economy and financial markets delivering all the right answers. As we step into 2025, it's a new round, and this one might be more challenging. For inspiration, we're looking to classic game shows. While financial markets are certainly not a game, these shows provide a fitting analogy for the high stakes and strategic thinking required for successful investing. Will the economy and financial markets maintain their momentum? That's the Million-Dollar Question! Our answer is yes, but portfolio decisions will need to be more discerning in the year ahead. As we clear the board going into a new year, here are our 10 themes for investors and advisors:

1. Optimism Overload: *Family Feud* May Steal the Show

As we move into 2025, optimism abounds—from DC policy to the economy to earnings growth. Consumer confidence, business confidence, and investor confidence have soared, particularly since the election. However, this confidence masks some underlying risks. The sequence, timing, and magnitude of new policies will directly impact the economy.

Some policies, like deregulation and border enforcement, can be implemented immediately. But others, such as taxes and broad tariffs, will require Congressional approval. With a thin margin in the House, potentially as little as a one-vote Republican majority, policy passage could be contentious, much like a round of *Family Feud*. For example, when the Trump tax cuts were passed in 2017, twelve Republicans in the House voted against it. For equity investors, confidence is at a record high, leaving little room for error regarding economic disappointments, a Federal Reserve (Fed) unable to cut rates if inflation picks up, or earnings disappointments. Volatility, historically low, is likely to increase in the

upcoming year.

2. Economic Enigma: *Deal or No Deal*

While economic growth is likely to moderate in 2025, we expect it to achieve its fifth consecutive year of positive growth (RJ 2025 GDP forecast: 2.4%). In the game show *Deal or No Deal*, contestants choose from briefcases containing hidden amounts ranging from a penny to \$1 million. We think the recessionary 'bad cases'—such as a Fed-induced over-tightening cycle, a crash in consumer spending, and plummeting business spending—have been taken off the board.

What remains are the 'good cases' that should support economic growth: resilient consumer spending as job growth remains healthy, fiscal spending from programs like the Inflation Reduction Act and CHIPs Act, and continued investment in transformative areas like artificial intelligence. Just as contestants on the show weigh their options and hope for the best outcomes, we anticipate that these positive factors will help sustain economic growth. Assuming the Fed cooperates, the US should remain a standout compared to other developed market economies.

As in the game, though, the outcome is never certain until the last briefcase is opened. Investors must stay vigilant and strategic, ready to adapt to whatever surprises the economic and policy landscape may hold.

3. Monetary Policy: *The Newlywed Game*

The Fed has a dual mandate—keeping inflation contained and maintaining full employment. While this is not a new relationship, the post-pandemic world has made it feel like they are newlyweds—especially given the surge in inflation that we are hopefully beyond. Just like a couple on *The Newlywed Game*, the important thing is that this 'couple' will need to live in harmony for the Fed to be able to cut interest rates and maintain the current expansion.

Read the full article and the rest of the Investment Strategy Quarterly by Raymond James [here](#).

Seasonal Recipe

By: Becky Sharp

Crepe Puff

Ingredients:

- 1 Cup water
- ½ Cup margarine
- 1 Cup flour
- 4 eggs

Cooking Directions:

- Preheat oven to 350*
- Bring water and margarine to a boil, turn off heat and mix in flour.
- Using electric mixer, add one egg at a time until well mixed.
- Spread mixture into a greased 10x15 greased pan. You may need to grease the spatula to help spread evenly.
- Bake for 25 minutes, should be puffy and lightly golden. Remove from oven and cool.

Topping Ingredients:

- 8 oz cream cheese, room temp
 - 2 (4oz) boxes vanilla instant pudding*
 - 2 Cups cold milk
 - 8 oz Cool-whip, thawed
 - Hershey's chocolate bar, frozen
- *Can substitute pudding flavor. I used cheesecake.

Topping Directions:

- In 2 quart mixing bowl, beat cream cheese until smooth.
- Add pudding mix and milk and mix well.
- Spread on cooled crust.
- Top with Cool-whip.
- Garnish with finely grated chocolate.
- Refrigerate.



Majestic Coworker Spotlight

Here at Majestic Financial, we know we have some of the best employees around and we are constantly looking for new ways to showcase that. In past editions of our newsletter, we have highlighted our employees with fun facts that came straight from them. This time around we are flipping the script and praising our amazing staff members with comments from their peers. We have gathered feedback from the rest of the Majestic team and want to share it with you all to show how important each member of our team truly is.

Laurie Budlong, Senior Client Service Manager

1. What is your favorite thing about working with Laurie?

• She is very thoughtful! • She focuses on what's important for clients and the firm. • She is a great listener. • That she cares about me and the team, not just from a professional standpoint but also from a personal standpoint.

2. What do you think is Laurie's best trait?

• Her willingness to help, wherever it is needed. • She always keeps things fair and equal. • She is able to juggle multiple situations at the same time. • She's very versatile, she wears many hats! • She's a great friend, she takes a real interest in her friend's lives and is always available to listen. • Her honesty.

3. What makes Laurie a great addition to Majestic Financial?

• She does so many things behind the scenes to make other people's jobs easier even if they don't know it. • She keeps everyone calm and collected. • Her dedication to the clients and co-workers. • She makes sure everything is flowing day to day.

4. If Laurie were an animal, what do you think she would be and why?

• She is a chameleon. She helps in so many different areas and can adapt to what she needs to be at the time. • She would be a Sea Turtle because she loves to travel and enjoys water. Sea Turtles will travel thousands of miles and love the water. • A mamma Bear. • A teddy bear that can turn into a grizzly bear. She's wonderful until she's had enough, then look out.

5. If Laurie became famous, what would you guess that she became famous for?

• World Beverage Taste Tester. • Running on stage at a Thoma Rhett concert. • DANCING • Traveling the world! • Breaking a reading world record.



Miscellaneous comments:

• She is the Glue that holds us all together. Her quick problem-solving skills and ability to see each side of a situation is admirable. We wouldn't be where we are without her. • She is incredibly strong. She has a good heart and cares for people around her. • I am always very thankful for Laurie because I know that she does many things that helps Majestic grow. She is able to be pulled in many different directions and still finds a way to make things happen. The position that she covers is a tough one because you can never fully make everyone happy in that position including clients, staff, and owners. She is caught in the middle in many ways and she handles that responsibility very well.

Trivia Answers from page 2 (left to right, top row first)

1) A Rainbow; 2) Wayne Gretzky; 3) Crazy Horse & Sitting Bull; 4) John Landis; 5) Eleven (11)

Life Update from Majestic's Laurie Budlong



Written by Laurie Budlong, Senior Client Service Manager, Majestic Financial, on 12/19/2024

I've been thinking about this post for a while, some people know and others may not, but this is my update for all to read...I have breast cancer, and working through this process is challenging. Lots of people before me have been through this and are helping me and unfortunately many others will follow. Everyone's journey is different and that's ok.

I have been diagnosed with

invasive ductal carcinoma, which they caught early. I have had surgery now and am beginning my recovery. Things went well and I should have results in about a week and my surgical follow up is January 7, 2025 (weird to write). My treatment plan as of now is radiation and then the hormonal therapy (1 pill/day for 5 years). We know plans can change and I will roll with the punches.

Thank you to everyone who has reached out, offered food and sent goodies. Everything is appreciated and I am up for calls and visits, but just let me know ahead of time to make sure it's a good time.

Economy

- The Pending Home Sales Index increased a larger than expected 2.2% MoM (vs. expectations of 0.8%) and 6.9% YoY, pushing the Index to the highest level since February of 2023. The jump was driven by a strong increase in the largest region of the US, the South.
- Home prices (FHFA Home Price Index) in 2024 increased by 4.5% despite elevated mortgage rates. The inventory of homes for sale remains low, and homebuyers, no longer expecting mortgage rates to drop much, are moving forward with their home purchases.
- The ISM Manufacturing In Decem-

Weekly Headings

Written by Larry Adam, Chief Investment Officer, [Raymond James](#)

ber was stronger than market expectations, but it nevertheless remained in contraction territory for the ninth consecutive month and 25 of the last 26 months. The Employment Index went further into contraction during the last month of the year while the Prices Index was also higher, meaning that price pressures remain a concern.

- Focus of the Week: Next week will see multiple employment indicators, starting with the Job Openings & Labor Turnover Survey on Tuesday. Expectations are for the number of job openings to decrease from 7.7 to 7.5

million. Next is the weekly jobless claims report on Thursday, followed by the all-important Employment Report on Friday. We expect to see a slowdown in the number of jobs added to the US economy, from 227,000 down to about 160,000, with the unemployment rate kept unchanged at 4.2%.

Equity

- Welcome to 2025! The S&P 500 officially closed 2024 up 23% (in price terms) which puts 2024 in the 75th percentile of annual returns since 2000. While returns were positive...
Read the rest of the article [here](#).

Upcoming Local Events

[Majestic Financial Post Election Market Update](#)

Walldorf Ballroom
Jan. 9th

[Kalamazoo Chili Cook Off](#)

Downtown Kalamazoo
Jan. 25th

[Ice Breaker Festival](#)

Downtown South Haven
Jan. 31 - Feb 2nd

[Majestic Financial Quarterly Webinar: Options](#)

Online - Zoom
Jan. 27th

[Disney's The Lion King](#)

Miller Auditorium
Jan. 29th - Feb. 9th

[Grand Rapids Griffins Hockey](#)

Van Andel Arena
Jan. - April

[Winter Beer Festival](#)

LMCU Ballpark,
Comstock Park
Feb. 22nd

[The Chocolate Stroll](#)

Downtown Plainwell
Feb. 8th

The Majestic Team



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Financial Consultant, RJFS
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