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BRUCE T. BROWN

Financial News

2ND QUARTER 2026

UNDERSTANDING FINANCIAL GIFT-GIVING

Understanding Financial Gift-Giving: The Smart Way to Share Wealth

1. Tax-Free Gifting Up to \$19,000 Per Person In 2026, you can give up to \$19,000 per recipient tax-free. Stay under this limit to avoid filing with the IRS.
2. Unlimited Recipients Feel free to spread the love! There's no limit on the number of people who can receive an annual gift. Perfect for those looking to help make a difference in someone's life.
3. Married Couples: Double the Impact Married? You can gift up to \$38,000 per recipient annually, doubling your impact.
4. Lifetime Exemption: The Big Picture Beyond annual gifts, your lifetime exemption in 2026 is \$15 million.
5. Gifting Isn't the Only Approach Paying directly for qualified tuition or medical expenses? These don't count as gifts, but we would encourage you to speak with your tax, legal, or accounting professional if this approach is part of your strategy. Let's Make This Easy Gift-giving can be complex, but it doesn't have to be. Understand the rules and realities, and make sure your strategy aligns with your long-term goals.

What a \$5 Frappuccino Can Teach Teens About Building

THE \$5 THAT COULD BE WORTH HALF A MILLION

A daily \$5 Frappuccino costs \$1,825 a year. That's not a lecture. It's just math. Now show your teen what happens if they put even half of that into a Roth IRA starting at age 18. At a hypothetical 8 percent average annual return, \$1,000 a year grows to nearly \$500,000 by age 65. And because it's a Roth, the growth is tax-free, potentially \$233,568 more than the same money in a taxable account over that period.¹

You don't have to convince a teenager to give up coffee forever. You just have to make the invisible visible. Once they can see what small daily choices actually cost over time, something shifts. That's the foundation of financial literacy, and it doesn't require a textbook. It just requires real decisions with real consequences.

HERE'S HOW TO BUILD ON THAT

- **Skip the Lecture. Hand Them Cash Instead.** One of the most powerful teaching moments is also one of the simplest. Instead of heading to the store with a credit card, give your teen a fixed amount of cash for back-to-school or college shopping and let them keep whatever they don't spend. The dynamic changes instantly. Every purchase comes with a visible trade-off, and spending less offers a direct, personal reward. The Frappuccino math comes to life in real time: is this \$40 shirt worth it, or would I rather pocket the difference? The key is to stand firm and not pull out the plastic to cover a shortfall.
- **A Budget Is Not an Allowance. It's a Decision-Making Tool.** Try assigning a clothing budget that covers everything: shoes, athletic gear, formal wear, and even basics like underwear. Help them map out anticipated needs at the start, then step back. If they blow through the budget early and can't afford what they need later, that discomfort becomes the lesson. It's the same principle as the Frappuccino. Every dollar only gets spent once, and choosing where it goes is the skill that matters most.
- **Let Them Make Mistakes. On Purpose.** This is the hardest part for most parents. But a poor decision that leads to real inconvenience teaches more than any hypothetical warning ever will. The teen who runs out of clothing budget in October remembers that lesson in a way that no spreadsheet could replicate. As long as the consequences are manageable, resist the urge to step in. Mistakes build the emotional memory that shapes better judgment later.
- **Have "the Talk" Before They Buy the College Hoodie.** One of the best pieces of advice we've heard from a high school counselor: have the money conversation before your child falls in love with a school. Set expectations about costs, trade-offs, and what you can realistically afford before the emotional attachment forms. A teen who understands that choosing one school over another could mean \$100,000 in debt versus starting debt-free is making the same calculation as the Frappuccino, just with much bigger numbers.

Before They Leave for College, Make Sure They Understand. How money actually flows: paychecks, taxes, and how quickly it disappears. That credit card minimum payments are expensive traps that can linger for years. How to protect themselves from scams, identity theft, and overdraft fees. And that even small amounts invested early matter more than large amounts invested later, which is exactly where this conversation started.

THE REAL PAYOFF GOES BEYOND MONEY

Teens who develop financial confidence tend to carry it into career decisions, relationships, and life choices. While 30 states now require a personal finance course before high school graduation, there is no substitute for what kids learn through real experience at home.²

The most effective financial education is quiet and cumulative. It starts with something as small as a \$5 coffee and builds into a way of thinking that lasts a lifetime. It's not about perfection. It's about giving young people the space to make decisions, learn from the results, and build judgment over time.

REMOTE WORK SECURITY TIPS FOR PUBLIC WI-FI USE

Working from a café, airport, or shared space has become part of everyday life for many, but it can also entail additional privacy and security risks. Public Wi-Fi networks, especially those without passwords, may leave data vulnerable. Even in secured networks, not all data is fully encrypted, which can expose sensitive information. To help reduce risk, experts suggest a few simple precautions:

- Use a mobile hotspot instead of public Wi-Fi when possible
- Consider a VPN to help protect data
- Be mindful of your surroundings to avoid “shoulder surfing.”
- Position your screen carefully or use a privacy filter

It’s also a good idea to avoid discussing sensitive information in public spaces, where conversations may be overheard. Small adjustments like these can help make working outside the home more secure while staying connected on the go.



HOW GLOBAL CONFLICT IS IMPACTING THE U.S. ECONOMY

Recent global developments are beginning to show up in key areas of the U.S. economy, with energy costs leading the impact. Fuel prices have risen, with the national average reaching around \$4.10 per gallon, increasing costs for households and businesses. Broader inflation data has also reflected some upward pressure, particularly in energy-related categories. Despite these shifts, overall economic growth is still expected to continue, though at a slower pace. Some forecasts suggest growth may ease slightly while remaining positive. Consumer activity has shown mixed signals. Spending has remained relatively steady, even as sentiment surveys reflect lower confidence. Looking ahead, factors like energy prices, inflation trends, and central bank decisions may continue to influence the economic outlook.

KAREN'S & BRUCE'S NOTES

We hope this newsletter finds you all well as the greener and warmer days of Spring and early Summer are well under way. We are sending this quarterly update to provide our continued perspective on the stock market and economic situation. This past quarter has been marked by much turbulence both up and down with the most current distraction being the situation in Iran and the price of oil. This writing is taking place on Tuesday, the 5th of May, and amidst all the noise coming out of the middle east, all three major indexes have recently achieved new all-time highs. We are in the early stages of quarterly corporate profit announcements, and thus far, things are looking very promising. The Federal Reserve Board has kept interest rates unchanged, and lower rates make borrowing more cost-effective which helps everyone and tends to stimulate business. As stated in our last newsletter, a Republican-controlled House and Senate, which we now have, tends to be pro-business and tends to be good for the markets. 2026 is an election year, and time will tell whether that situation continues. The bottom line is that 2026 has been a good year thus far, and we are hopeful it will finish well.

As always, we thank you for your continued trust and confidence and encourage you to call or email us with any concerns or questions. We send you our sincere best wishes for a happy remainder of the year and appreciate you allowing us the opportunity of working with you.

Karen

Bruce

Resources:

<https://www.cnbc.com/2026/04/15/here-are-all-the-ways-the-iran-war-has-affected-the-us-economy-so-far.html>

<https://apnews.com/article/privacy-remote-working-wifi-vpn-b65f1a72025ebf8861a8992355b796ba>

1. Calculator.net, January 2026. Remember, to qualify for the tax-free and penalty-free withdrawal of earnings, Roth IRA distributions must meet a 5-year holding requirement and occur after age 59½. Tax-free and penalty-free withdrawals can also be taken under certain other circumstances, such as the owner's death. The original Roth IRA owner is not required to take minimum annual withdrawals.

2. Next Gen Personal Finance, October 9, 2025

The best investment you can make,
is an investment in yourself...

The more you learn,
the more you'll earn.

-Warren Buffett