



2025 Outlook

© 2025 Pawleys Investment Advisors, LLC. All rights reserved.

www.PawleysAdvisors.com



Kathryn E. Schwartz
Chief Executive Officer
kschwartz@PawleysAdvisors.com
February 26th, 2025



The quality of our research relies on the accuracy of data and information provided by companies and third parties. Pawleys does not guarantee completeness or accuracy. Future results cannot be guaranteed.

2025 Outlook

- Economic Conditions
- Market Landscape
- Wildcards – Policy and Tariffs
- 2025 Considerations
- *invest right, live right™*



The quality of our research relies on the accuracy of data and information provided by companies and third parties.
Pawleys does not guarantee completeness or accuracy. Future results cannot be guaranteed.

Economic Conditions

- Q4 2024 GDP rose +2.4%
- Consumers continue to spend: 2/3's of the economy
- Inflation has abated, Dec 2024 CPI = 2.9%
- Slow path of Federal Reserve rate cuts
- US oil production hovers at all-time high at 23.1M barrel/day
- US consumes 20.5M barrels/day – net exporter
- Long-term consideration – slowing population growth
- Be realistic in stock market return expectations



Market Landscape

- AI will drive efficiencies & enhance productivity
- Corporate earnings continue to exceed expectation
- Diversification remains key – biggest 5 companies constitute almost 1/3 of the S&P 500
- Late 2024 returns shifted away from big tech to smaller companies and blue-chip value
- S&P 500 earning estimated at +14% for 2025 & 2026
- Mag 7 -0.3% versus +2.7% S&P 500 ytd 2025



Wildcards – Policy & Tariffs

- Taxes – extension of 2017 TCJA
- US deficit and debt
- Debt ceiling – spring/summer 2025
- Deregulation & Department of Government Efficiency
- Tariffs – Williams-Sonoma example
- Avoid letting policy drive larger investment decisions, markets do well regardless of political configuration in DC – don't be overly optimistic or pessimistic based on politics



2025 Considerations

- Stay invested – from 2005-2024 if you missed the best 10 days (just 10 days for the entire period) your annualized return would drop from +10.4% to just +6.1%
- Keep a high-quality, well-diversified portfolio
- Maintain an emergency savings account for the unexpected
- Avoid debt, update budget, keep savings rate high if you are still working, and avoid unnecessary spending



Source: Charles Schwab. The quality of our research relies on the accuracy of data and information provided by companies and third parties. Pawleys does not guarantee completeness or accuracy. Future results cannot be guaranteed.

“A dream doesn’t become reality through magic; it takes sweat, determination and hard work.”

- Colin Powell



Pawleys Investment Advisors, LLC

- Website: www.PawleysAdvisors.com
- Email: kschwartz@PawleysAdvisors.com
- Follow Us On:



LinkedIn



Honored to have been Featured by:



The quality of our research relies on the accuracy of data and information provided by companies and third parties.
Pawleys does not guarantee completeness or accuracy. Future results cannot be guaranteed.



Pawleys Investment Advisors

invest right, live right™



The quality of our research relies on the accuracy of data and information provided by companies and third parties.
Pawleys does not guarantee completeness or accuracy. Future results cannot be guaranteed.

Pawleys



Capital Management

invest right, live right™



The quality of our research relies on the accuracy of data and information provided by companies and third parties. Pawleys does not guarantee completeness or accuracy. Future results cannot be guaranteed.