

A smiling couple, a man and a woman, are looking at a laptop screen in a modern office setting. The man is in the foreground, wearing a dark shirt over a light t-shirt, and the woman is behind him, wearing a blue top. They are both smiling and looking at the laptop. The background shows a bright, modern office with large windows.

McQueen
Financial Advisors

NOW IS THE
TIME TO
MAXIMIZE
YOUR
FINANCIAL
STRATEGY
WITH AN
EBPA AND
CDA
ACCOUNT

Now is the time to maximize your financial strategy with an EBPA and CDA account

Are you thinking about an Employee Benefit Prefunding Account (EBPA) or a Charitable Donation Account (CDA)? Now is the right time to fund an alternative portfolio, including both EBPA and CDA accounts. Why do we believe that now is the time to fund an account? In this market insight, we'll explore the compelling reasons behind this strategy and provide you with practical ways to fund your accounts.

Why Now Is the Ideal Time

- **Interest Rates are at 15-Year Highs:** Interest rates have recently reached 15-Year highs. For investors, this presents a unique opportunity to earn more from your invested capital. Higher interest rates mean that you can expect greater returns on your investments, particularly in fixed-income assets.
- **FOMC Signal a Rate Peak:** The FOMC has given indications that we are nearing the highest point in the interest rate cycle. This suggests that rates are unlikely to rise significantly further in the near future, making it a strategic time to allocate funds accordingly.
- **Bond Yields vs. Stock Returns:** Annual bond yields are now closely aligned with long-term stock returns. This means that traditional bond investments can offer competitive returns compared to the stock market. It's an opportunity to diversify and balance your portfolio.
- **EBPAs and CDAs are a Strategic Tool:** EBPAs can play a significant role in retaining key employees and offsetting benefit costs. On the other hand, CDAs can enhance your charitable giving programs, helping you achieve your philanthropic goals. Both accounts can be a valuable addition to your financial strategy.



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Three Easy Ways to Fund EBPA and CDA Account Today

1. **Cash:** Cash is a liquid asset and can be readily used to fund your EBPA and CDA accounts. Many of the investment options available today provide higher yields compared to traditional savings accounts. This means your cash can work harder for you.
2. **Bond Maturities:** If you have bonds that are nearing maturity, consider reallocating the proceeds into your EBPA and CDA accounts. Many of the investment options in these accounts yield returns that are comparable to loan rates, making it a sensible choice for reinvestment.
3. **Certificates of Deposit (CDs):** Raising funds by issuing certificates of deposit is another viable option. Currently, alternative investment yields are often higher than those offered by CDs. This creates an opportunity for a positive spread, allowing you to enhance your earnings while offsetting the cost of funds.

By implementing these strategies, you can ensure that the earnings from your EBPA and CDA accounts more than cover the cost of funds, ultimately increasing your overall earnings.

We are here to assist you in taking advantage of this opportune moment. If you would like to learn more about EBPA and CDA alternatives and how they can benefit your financial strategy, we invite you to schedule a follow-up call with your MFA advisor today! Don't miss out on this ideal time to optimize your financial portfolio and secure your financial future.

