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Commerce Concepts

Market Updates, Asset Allocation, and Investment Education for Plan Participants and Individuals

Planning and Controlling Your Holiday and Year-End Spending

The holiday season can be one of the most enjoyable times of the year – and one of the most expensive. Between gifts, travel, entertaining, decorations, and events, costs add up quickly. Meanwhile, bills and ongoing financial goals do not take a break.



That is why establishing a holiday and year-end spending budget can be so valuable. A budget is not about taking the fun out of the season or saying no to everything you enjoy. Instead, it gives you a plan for spending your money intentionally, helping you enjoy the holidays without creating financial stress that follows you into the new year.

Start With What You Can Afford

The first step is to determine how much money you reasonably can, and want to, devote to holiday and year-end spending. Look at your expected income through the end of the year, as well as any money you might have already set aside for the holidays, and consider your regular expenses such as housing, utilities, food, transportation, insurance, debt payments, and other necessities.

Then consider your existing financial priorities, such as building an emergency fund, paying down debt, or saving for retirement. Holiday spending needs to work around your ongoing priorities, not against them. There is no universal "right" amount to spend during the holidays. The key is not how much others spend, but how much you can spend without putting your financial stability at risk.

List Expected Expenses

Break your total budget into specific categories. Gifts are the most obvious expense, but also consider:

- Holiday meals, parties, and entertaining supplies
- Travel, lodging, and transportation
- Seasonal decorations and activities
- Charitable donations
- Service provider gratuities
- Clothing for special events
- Postage, shipping, and greeting cards
- New Year's celebrations

Writing these expenses down can reveal costs that are easy to overlook. A $10 or $20 purchase may not seem significant on its own, but a series of small purchases can easily add up to hundreds of dollars over the course of a season.

Give Every Category a Limit

Divide your total budget based on your priorities. If traveling to be with family is your priority, you might scale back on decorations; if hosting dinner is primary, you might limit

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WIN A $25 GIFT CARD

to your choice of Starbucks or Powell's! (See page 2 for details)

Congratulations to our most recent winner:

Jacob H. of La Marzocco USA, LLC

Visit ***thecommco.com/commerce-concepts*** *for the answer to last issue's question.*

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Market Update

Through September 30, 2026

		Trailing Returns			
		3 mos	12 mos	5 yrs	10 yrs
Blue Chip US Stocks	Dow Jones Industrial Average	-2.34%	11.50%	10.58%	13.10%
Large Company US Stocks	S&P 500	2.30%	15.74%	13.79%	15.33%
Small Company US Stocks	Russell 2000	-7.23%	16.20%	6.34%	9.84%
Non-US Stocks	MSCI EAFE (Gross Div)	0.88%	16.24%	9.87%	9.60%
US Bonds	Bloomberg US Aggregate	-3.51%	-1.84%	-0.64%	1.14%
Cash Alternatives	ICE B of A 3 Month US Tsy Bill	0.89%	3.65%	3.70%	2.42%

Indexes are unmanaged and cannot be invested in directly. Past results are not predictive of future results. Individual results will vary. The trailing returns shown include dividends. See page four for index definitions.

Source:
Raymond James Financial Services

Economic Snapshot

Gross Domestic Product (GDP)
Economic growth momentum slowed during the second quarter of the year but is expected to reaccelerate and remain near its long-term trend rather than move toward a recession.

Monetary Policy
The Federal Reserve has a challenging path ahead, with disinflation slowing while the administration calls for lower interest rates. Expect the dual mandate between inflation and employment to become unbalanced once again.

Inflation
Inflation remains on a disinflationary path but progress has been slowed by tariffs and higher oil prices.

Manufacturing
The sector remains expansionary. With continued investments in advanced manufacturing, we expect the strength to remain throughout the year.

Housing and Construction
High mortgage rates, rising construction costs and tariffs will keep this sector of the economy in the red. Meanwhile, the relatively low supply of homes will keep upward pressure on prices and reduce the number of potential home buyers.

Employment
Labor market momentum has slowed but should remain at healthy levels through year-end, while the unemployment rate remains relatively stable.

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September Market Review

- The August Consumer Price Index showed prices rose 3.4% on a year-over-year basis. Backed by a resilient US economy and stable job market, the Federal Open Market Committee (FOMC) raised the federal funds rate by 25 basis points at its September meeting, first hike since 2023.
- Oil prices, a major inflation driver, climbed back above $100 per barrel as a key pipeline in Saudi Arabia was damaged by the Iran-aligned Houthi militia, and Strait of Hormuz tanker traffic remains a shadow of its pre-war volume. Prices had averaged around $66 per barrel in January, before the current conflict began.
- Against this backdrop, the S&P 500 appeared calm this month. A look under the hood, however, showed the two AI-involved sectors remaining strong and outperforming the other nine sectors. The weakest performance was concentrated in companies and sectors that are particularly sensitive to higher interest rates. High oil prices and bond yields are both headwinds for equities, and if it weren't for the the boom in AI capital expenditure, the headline indices would likely have shown more impact from those adverse conditions.

To be entered into a drawing to win a

$25 Gift Card,

email free@thecommco.com with the answer to this question:

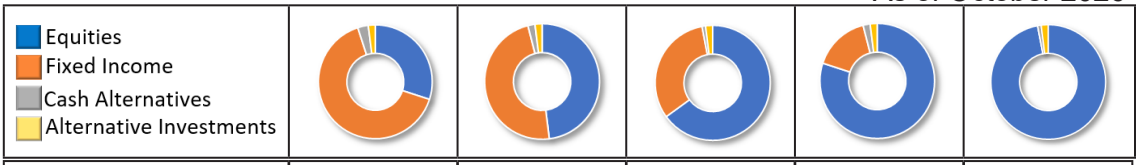
What was the average price of oil per barrel in January of 2026?

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For additional asset allocation and disclosure information, please [click here](#) to visit the Resources section of our website at [thecommco.com](#)

Strategic Asset Allocation Models

As of October 2026



	Conservative	Moderate	Balanced	Growth	Aggressive
Equity	**30%**	**48%**	**65%**	**80%**	**97%**
Equity allocation comprises:					
U.S. Large Cap Blend	21%	23%	26%	33%	42%
U.S. Large Cap Growth	0%	3%	7%	9%	10%
U.S. Large Cap Value	0%	3%	7%	9%	10%
U.S. Mid Cap Equity	4%	6%	8%	10%	12%
U.S. Small Cap Equity	0%	2%	4%	5%	6%
Non-U.S. Developed Market Equity	5%	11%	9%	10%	12%
Non-U.S. Emerging Market Equity	0%	0%	4%	4%	5%
Fixed Income	**65%**	**48%**	**32%**	**16%**	**0%**
Fixed income allocation comprises:					
Investment Grade Intermediate Maturity	55%	39%	28%	16%	0%
Investment Grade Short Maturity	0%	0%	0%	0%	0%
Non-Investment Grade (High Yield)	7%	6%	4%	0%	0%
Non-U.S. Fixed Income	0%	0%	0%	0%	0%
Multi-Sector Fixed Income	3%	3%	0%	0%	0%
Alternative Investments	**3%**	**2%**	**1%**	**2%**	**1%**
Cash & Cash Alternatives	**2%**	**2%**	**2%**	**2%**	**2%**
Totals	**100%**	**100%**	**100%**	**100%**	**100%**

These asset allocation targets are based on our changing views of the risk and return in the various asset classes, looking out over three or more years. The models assume fully allocated portfolios and do not take into account outside assets, additional cash reserves held independent of these models, or any actual investor's unique circumstances. Investors should consult their financial advisor to decide how these models might assist in the development of their individual portfolios. Material is provided for informational purposes only and does not constitute a recommendation.

The investment profile is hypothetical, and the asset allocations are presented only as examples and are not intended as investment advice. Asset allocation and diversification do not assure a profit or protect against loss. Investing involves risk and investors may incur a profit or a loss, including the loss of all principal. International investing involves special risks, including currency fluctuations, differing financial accounting standards, and possible political and economic volatility. Investing in small- and mid-cap stocks generally involves greater risks, and therefore may not be appropriate for every investor. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise. High-yield bonds are not suitable for all investors. When appropriate, these bonds should only comprise a modest portion of your portfolio. Commodities and currencies are generally considered speculative because of the significant potential for investment loss. They are volatile investments and should only form a small part of a diversified portfolio. Real estate investments can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments.

Index definitions: The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the U.S. stock market. The Dow Jones Industrial Average (DJIA), commonly known as "The Dow" is an index representing 30 stock of companies maintained and reviewed by the editors of the Wall Street Journal. The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represent approximately 8% of the total market capitalization of the Russell 3000 Index. The MSCI EAFE (Europe, Australasia, and Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 22 developed nations. The Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The ICE BofAML 3-Month US Treasury Bill index consists of a single issue that is purchased at the beginning of the month and held for a full month. At month's end, that issue is sold and rolled into a newly selected issue, which is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. The selected issue must have settled on or before the month-end rebalancing date. Past performance may not be indicative of future results. An investment cannot be made in these indexes. The performance mentioned does not include fees and charges, which would reduce an investor's returns.

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gift exchanges with coworkers. Assigning clear limits grants permission to spend on what matters most by curbing lower-priority items. For gifts, list recipients individually and set a specific spending cap for each person.

Build in Some Flexibility

Even the best budget cannot predict everything. You may receive an unexpected invitation, discover that travel costs more than expected, or need to purchase a last-minute gift. For that reason, consider setting aside a small amount of your holiday budget as a cushion for the unexpected. If you wind up not using it, you can put the money toward another financial goal – or save it as an early start toward next year's festivities.

It is also reasonable to adjust the budget as circumstances change. A budget is a tool, not a contract. If you spend less in one category, you can decide whether to move some of that money elsewhere or simply keep it available.

Remember the Expenses After the Holidays

One of the most important reasons to create a budget is to avoid focusing only on November and December. The new year will still bring rent or mortgage payments, utility bills, insurance premiums, tuition, taxes, and other expenses.

If you use credit for holiday purchases, consider how and when those balances will be paid. A purchase that seems manageable in the moment can become much more expensive if it carries a balance and interest into the future. Before making a purchase, ask yourself, "Will I still be comfortable with this expense in January?" That question can help put seasonal spending into perspective.

Make the Budget Work for You

Managing your budget doesn't require complex spreadsheets; a basic notes app or piece of paper is plenty. What matters is knowing your limit, prioritizing your values, and tracking your spending. Planning ahead prevents unpleasant financial surprises, ensuring you enter the new year with your finances on solid ground.