

# NORTHSTAR

## FINANCIAL PARTNERS

July 2025

What a first half of the year it has been! The past six months have witnessed a striking rally in the U.S. stock market, a rebound following early-2025 volatility. The broad market, showcased by the S&P 500 Index and NASDAQ stock markets are currently hovering near record highs, reflecting sustained investor confidence. The resurgence has been led by mega-cap tech stocks known as the “Magnificent Seven” — Apple, Nvidia, Alphabet, Meta, Amazon, Tesla, and Microsoft. The worries in the markets revolving around the “Trump tariffs” have seemed to have abated for now, but concerns are lurking on if the 90 day pause on the tariffs will hold, or if we are still in for increased volatility once the pause has ended.

### Market Summary As of 6/30/25

<b>S&amp;P 500:</b>	<b>6,204.95</b>
<b>Dow Ind.:</b>	<b>44,094.77</b>
<b>Nasdaq:</b>	<b>20,369.73</b>
<b>10 YR Treas.:</b>	<b>4.24</b>

With inflation seeming to cool and unemployment staying steady at low rates, eyes are turning towards the Federal Reserve and possible interest rates cuts later this year. The last forecast that was released after the latest meeting earlier this month showed potentially 1-2 cuts in the short-term rates later this year. This falls in line with our current thoughts as well. This would allow longer term rates, such as mortgages to potentially fall as well. We are cautiously optimistic about the remaining part of the year for the markets—between a possible interest rate cut, and the passing of the Congress tax bill locking in lower income tax rates, there are many positive signs on the horizon.

Meet Lynnzy! We are excited to announce an addition to our staff, Lynnzy Thompson! Lynnzy will be working from our Rochester office and has brought additional energy and positive experiences for our clients. We look forward to you interacting with her in the future—you can learn more about Lynnzy here: <https://northstarfp.net/lynnzy-thompson/>

Stay Tuned for more exciting team updates in the very near future!

### Changes on the horizon for Minnesota business owners:

Are you aware that all employees in the state of Minnesota will be subject to a new tax in 2026? This 0.88% payroll tax will cover a long-term leave program being instituted by the State of Minnesota. While there are many questions still surrounding the details of the plan, you can find out more here: <https://mn.gov/deed/paidleave/>

In addition, for all Minnesota based companies that have 5 or more employees, the state has mandated a retirement plan option to be in place for all employees. This is also slated to begin on January 1<sup>st</sup>, 2026. While details around this are yet to be really flushed out, here is the state website that gives the current ideas: <https://mn.gov/scrb/> For those employers who offer a SIMPLE IRA, SEP IRA, 401(k), or 403(b) plan, you are covered. For those who do not, please contact us if you have any questions.

Thank you again for your business—we greatly value the relationship that we have with you and look forward to our next interaction. We hope that you have a great summer!

Warm regards,

The NorthStar Team



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