

PRISM PLANNING & SOLUTIONS GROUP, LLC

WHAT THE AUGUST JOBS REPORT REALLY MEANS FOR YOU



FROM YOUR ADVISOR

We usually think that August trading volumes will be lower than other months, but that's not always the case, and I suspect 2025 will not be a typical year. The month started with headline-grabbing employment data, followed by an equally head-grabbing firing of the Bureau of Labor Statistics Commissioner. With on going discussion of who this administration will nominate to succeed Federal Reserve Chairman Powell, and when that nomination will occur, plus daily headlines about new and/or changing trade agreements and tariffs, August promises to be an exciting month. As long as you have a long term strategy in place that includes adequate cash reserves, enjoy your vacation and catch up on the news after Labor Day.

UPCOMING EVENTS

We look forward to sharing exciting events and updates with you soon!

In the meantime, we invite you to follow us on social media for the latest information.



Feel free to check out our previous events and trending topics on our [WEBSITE](#).

Stay tuned and thank you for being a part of our journey!



Prism Planning and
Solutions Group
Financial Planning & Execution

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The August 1st jobs report delivered some sobering news that goes well beyond the disappointing headline numbers. While the media focused on July's weak job creation and downward revisions to May and June, the real story is what's happening beneath the surface—and why it matters for your financial future.

Job creation hasn't just slowed; it's plummeted over the past three months. When businesses face uncertainty—especially around constantly changing trade policies—they do what most of us would do: hit the pause button on big decisions and cut costs wherever possible. That means fewer new hires, even when companies could use more workers.

Here's where it gets interesting: the unemployment rate is still sitting at a reasonable 4%, but people are actually leaving the workforce entirely. Some of this appears linked to fears about deportation activities affecting even legal residents and citizens. Meanwhile, recent college graduates are struggling more than anyone, with unemployment rates hitting 5.8%—nearly 50% higher than the overall rate.

The combination of fewer jobs, shrinking workforce participation, and graduates unable to launch their careers creates a dangerous cycle. When people can't find work or fear losing their jobs, they cut spending. When spending drops, businesses need fewer workers. You can see where this leads.

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Add in slowing wage growth despite rising prices, and we're looking at warning signs that historically precede recessions. But there's another risk emerging that could have even bigger long-term consequences for your finances.

Read more about [Two Key Risks that Just Increased: What Recent Economic Data Means for Your Financial Future](#).

"ALL THINGS IRA CORNER"

SEP and SIMPLE IRA Plans - Simple is in the names, but that's not always the case.

The rules about SEP and SIMPLE plans can be confusing; in some ways they are treated like IRAs, but in others they are treated like employer-sponsored plans.

SEP IRA plans are available to employers of any size, but do not permit employees to make contributions. They may only be used for employer contributions. SIMPLE IRAs are only available to employers with 100 or fewer employees, but they do allow both employee and employer contributions.

The contribution limits don't align neatly with either IRAs or 401(k)s/403(b)s; explaining them requires more space than I have here. SEPS and SIMPLE plans also have different contributions deadline: employers have until their tax filing deadline to make employer contributions.

Prior to the SECURE 2.0 Act, all SEP and SIMPLE contributions had to be pre-tax; in late 2023 the IRS answered most of the questions custodians had that made them hesitant to allow Roth contributions and we are starting to see Roth options offered in SEP and SIMPLE IRAs.

Both SEP IRAs and SIMPLE IRAs need to be considered under the pro rata rule for withdrawing after-tax money from IRA accounts.

[CLICK HERE](#) for Resources and Links related to IRAs, Roths and Qualified plans.

For more information about EP and SIMPLE IRAs, consider speaking with a member of Ed Slott's Master Elite Advisor Group™ Click [HERE](#) to schedule a 15-minute conversation with Julia.

Julia Peloso-Barnes, CFP® is a member of Ed Slott's Master Elite IRA Advisor Group™. For more information on anything mentioned in the "All Things IRA" Corner please email Julia at julia@PPSgrp.com or schedule a call/zoom [HERE](#).

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[MEET THE TEAM](#)

KEY POINTS

- Job creation plummeted over three months.
- College graduates face 50% higher unemployment rates.
- Workforce shrinkage creates a dangerous spending cycle.



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