J.K. Financial, Inc.

REGISTERED INVESTMENT ADVISOR

8222 Douglas Ave Suite 590

Dallas, TX 75225

Fall 2025

INSIDE:

Don't miss our blog
www.street-cents.com

They don't want our old 401K

Study finds that once you leave, most really don't want your funds

John A. Kvale, CFA, CFP ®

A recent Cerulli study finds that once you leave the company, most really do not want your funds anymore. We have long suspected this.

1. Frequently a short wait time turns into a long wait time with a different and much more general help line.
2. Forms may be much more difficult to acquire.
3. Paper work received, saying take it or we will

(see **Study**, Page 2)

529 distribution watch outs, best practices, reminders

From our Blog at www.street-cents.com

With the 529 distribution season in full force we wanted to get well ahead of the winter tuition distributions as they make up the largest possible challenge due to 529 tax rules.

Watch outs

Watch out for the calendar mismatch of distribution and actual tuition. Winter tuitions are the most dangerous because many universities bill in December. Tuition use MUST match the distribution year. Note best practices below--Keep them in the same calendar year -- as noted in the opening, this can cause IRS interest so be careful.

Beware of the cooling off period on a address change and or wiring bank linking – 10-30 days! (See **Best practice** for reminder.)

(see **529**, Page 3)

They don't want our old 401K

Study finds 59 percent prefer workers take funds, leave

(continued from Page 1)

distribute it and you will have taxes and penalties.

4. Rolling over into an account that is TERRIBLY hard to get out and has hurdles to jump through, high monthly service charges as well as limited investments, if any.
5. A general feel of everything is hard to do, once again explaining the Cerulli study results.

These are a few items we have run into over the years!

Overall, plan sponsors don't seem especially interested in keeping their retired workers' assets, according to Cerulli.

A recent survey by the firm of 800 plan sponsors found that 59 percent preferred that workers take their assets and leave. About 27 percent of respondents said they preferred keeping such assets in their plan.

April 2019 Research Findings @ https://street-cents.com/2019/01/23/dont-want-your-401k-money/

Fast forward to a September 2025 Capitalize Research Report.

From the Key Take Aways of the report:

Forgotten 401(k)s continue to grow significantly and now exceed $2 trillion in assets for the first time, driven by ongoing job switching and higher asset prices. (See chart below.)

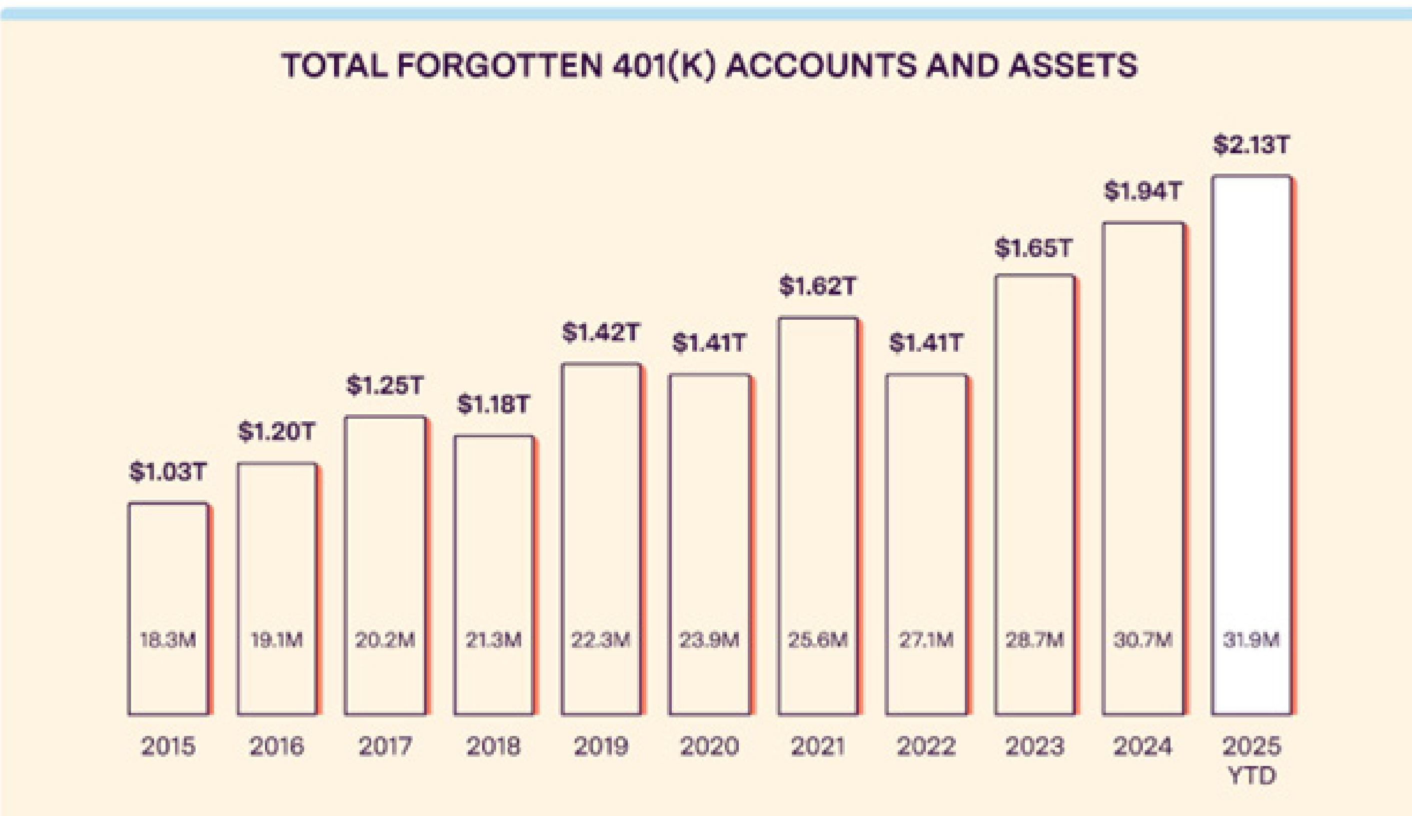
"Our analysis suggests that forgotten and mismanaged 401(k) accounts could end up costing an individual over $500,000 in foregone savings over a career in a worst case scenario."

https://www.hicapitalize.com/resources/the-true-cost-of-forgotten-401ks/

In closing, over the last several decades the pension plan has vanished for many and the 401k has become the replacement. This responsibility has been thrust on many accordingly.

With an initial finding in 2019 of a lack of interest from employers, it is not surprising to find over the last six years, lost 401k's are now stacking up.

JK



529 distribution: set up linking well in advance of need

(continued from Page 1)

Most plans bid out their carrier every five years. Before warned, they may change carriers, causing confusion when you receive a notice from a new "Headline Name" or carrier.

Beware of the Medallion Signature Guarantee – unicorns are more available than a Medallion Guarantee – so avoid this requirement at all costs.

Best practice is planning

Set up distributions linking well in advance of need i.e. linking of accounts – and attempt to make distributions to the exact amount of the bill – this helps with recordkeeping (not needed if the reimbursement is well less than expenses).

Plan for spring tuition that some universities make payment due in December. This is a must reimburse situation. ie. pay out of pocket then reimburse the year of use.

Start the plan very early. These work best when the compounding of tax-free growth helps.

In and out is plausible in high state income tax states but most likely will require a specific 529 carrier and will most likely be a state institution plan – In and out is the deposit and removal in order to gain state income tax relief.

Currently the maximum 529 to Roth conversion has specific limits ($35k but still squishy on this). Use 529 fund early/first in many cases is a best practice.

Awards

D Magazine Best Financial Planner Award and Best Wealth Manager – Last Years Forbes Nationwide Award!

In 2022, new restrictions were placed on announcements of awards. As you know we are careful with complying with regulators of all sorts, think IRS and especially the SEC. Given our extreme compliance we chose to remain silent and watch the enforcement actions of others more cavalier.

The actions came and we watched while rules were made and others were punished. We watched closely and thankfully continued to win awards but remained silent until a small announcement last year.

We are gaining confidence in the rules and as such are happy to announce two more fantastic D Magazine awards and also the repeat announcement from last year, Money's Nationwide Financial Planner award.

While still conservative in our announcements, please note sources for how awards were completed and rest assured we did not receive compensation for the awards or pay a fee or the like to get the awards!

We are happy to announce we have been named Best Wealth Manager and Best Financial Planner by D Magazine. We have had the honor of being named Best Financial Planner since its beginning.

https://productions.dmagazine.com/best-financial-planners/

https://money.com/best-financial-planners/methodology/

We did not pay and are not compensated for any of these awards.

Capital market and economic thoughts

Probabilities of likely outcomes, broad in scope

Over the years we have learned by experience predictions, which are very popular as we near the end of the year, have a lot of downside and very little upside. So we have stayed away mostly for fear of further self inflicted pain.

With the help of our main research team, we will call these probabilities of likely outcomes and being broad enough in scope but important enough to mention and helpful for possible planning.

Interest rates on the short term come down through the early part of the year.

While expecting a higher CPI as shown on the chart for November, an expectation of mostly lower readings through the first few quarters of 2026 is their expectation.

Will this tug longer term rates down? Not sure but if it does, it COULD put legs in the mortgage markets through lower rates, finally.

The new FOMC chair will be more dovish.

Dovish for Wall Street means more apt to lower rates faster. Either by appointment or replacement, the team feels strongly a new appointment will be quick to lower rates, especially given the expectations for lower Inflation readings as mentioned in point one.

Tariffs may be ruled illegal under current regulations.

Not a political statement, only a legal reading. The team feels strongly that there is a large probability of overturning the tariff rules in their current form.

There are other ways to implement but they are slower and may take time to implement, however a headline of an overturning would likely make for very interesting posturing across all investment assets.

The economy accelerates

With easy comparables from the prior year, falling Inflation readings, lower rates, the set up from the team is an accelerating economy as the calendar turns.

In closing, if only half of these expectations occur and even in subtle form, it could mean for bluer skies but of course we will not let our guards down as any unforeseen event or item could dramatically change the outcome.

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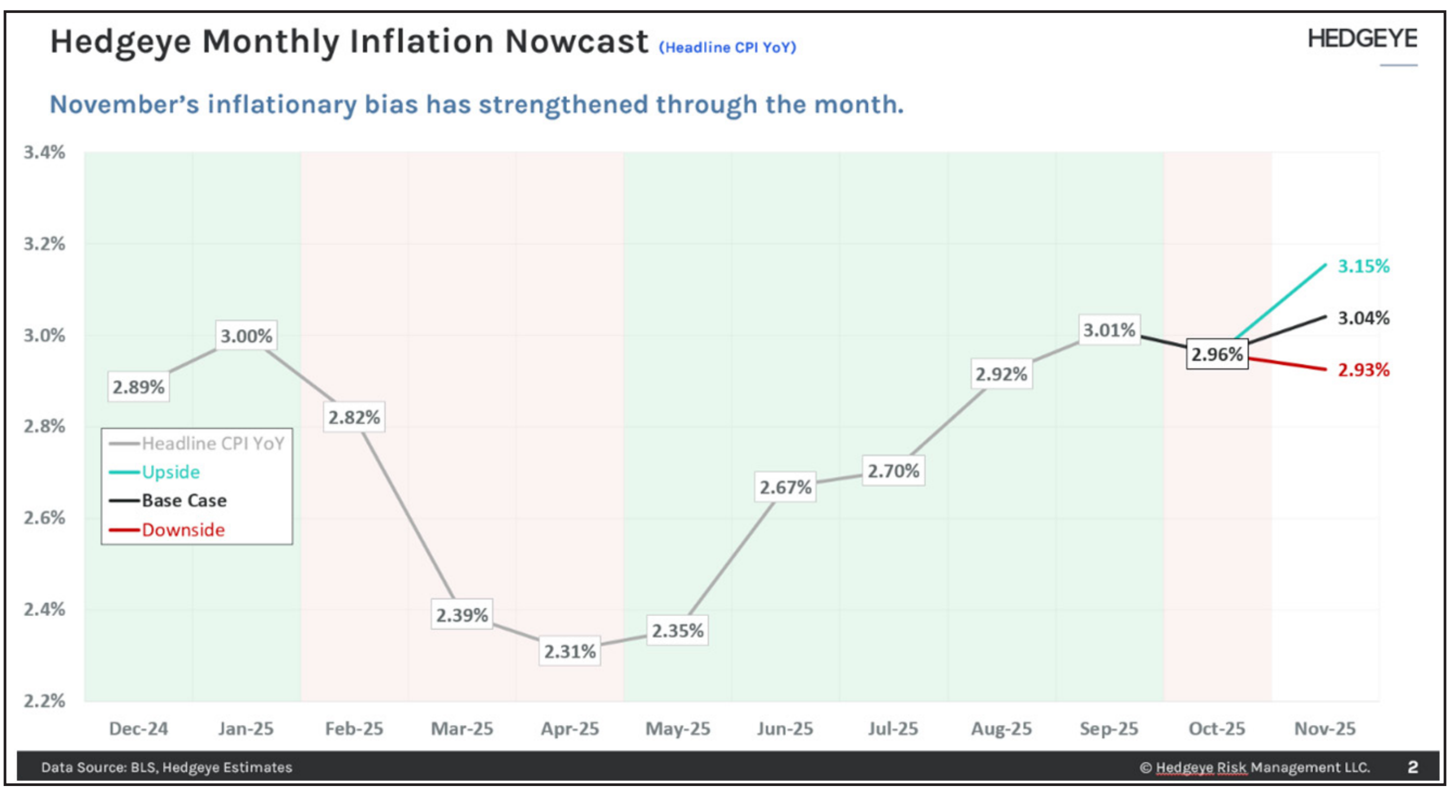
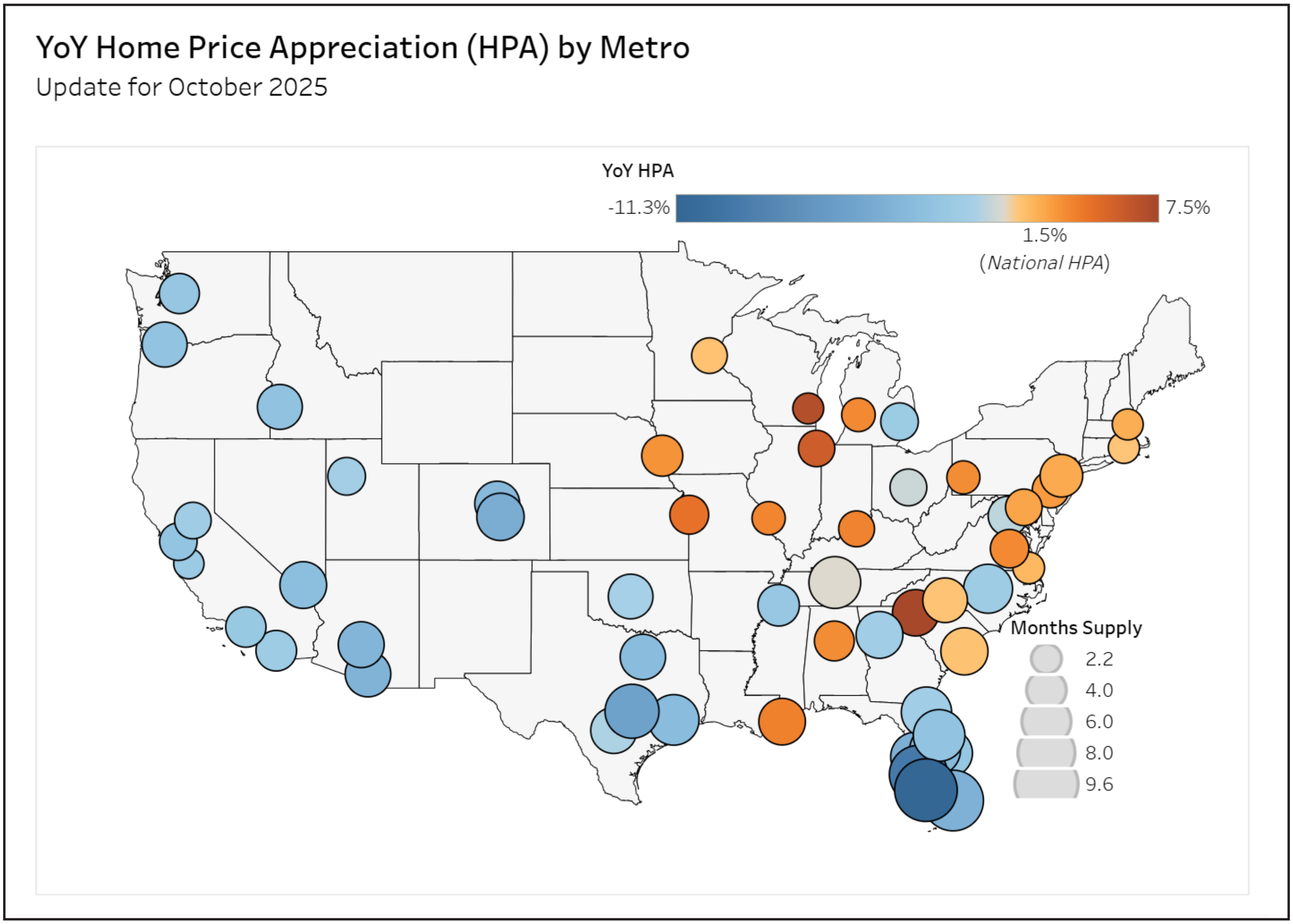


HOUSING ANALYSIS



Effects on economy, first time buyers

Considering we stray from predictions but our research team with such interesting and non consensus ideas, see Economic and Capital Market Thoughts Article, we ran with possibilities for next year. We thought it worth ripping the band aid off completely and talking about housing, more specifically residential housing.

Even if you do not own a home, which is becoming much more common, the effects of the residential housing market will be felt.

The following information is from Ed Pinto of AEI with our points of interest and contention noted:

From:

NAR Says the Typical First-Time Homebuyer Age Was 40 This Year, Up from 33 in 2021—but Is This Accurate?

By Edward J. Pinto | Joseph S. Tracy

November 25, 2025

…. There is an affordability crisis facing FTBs (First time buyers), but one based on home prices, not age. By aggressively buying mortgage-backed securities during COVID-19 and waiting until March 2022 to raise its policy rate, the Federal Reserve helped fuel a massive home price boom. With inflation approaching double digits by 2022, the Fed's aggressive monetary tightening ultimately led to mortgage rates more than doubling. …… From 2019 to 2024, the median FTB income needed to purchase a home increased by 41 percent nationally. This was about four times the rate of median U.S. household income growth (11 percent — not inflation adjusted)….

We agree that the FOMC overshot both on the lowering of rates and on the raising of rates, but again heading back to our Economic and Market

(see **HOUSING**, Page 6)

comments research article, rates may be headed lower.

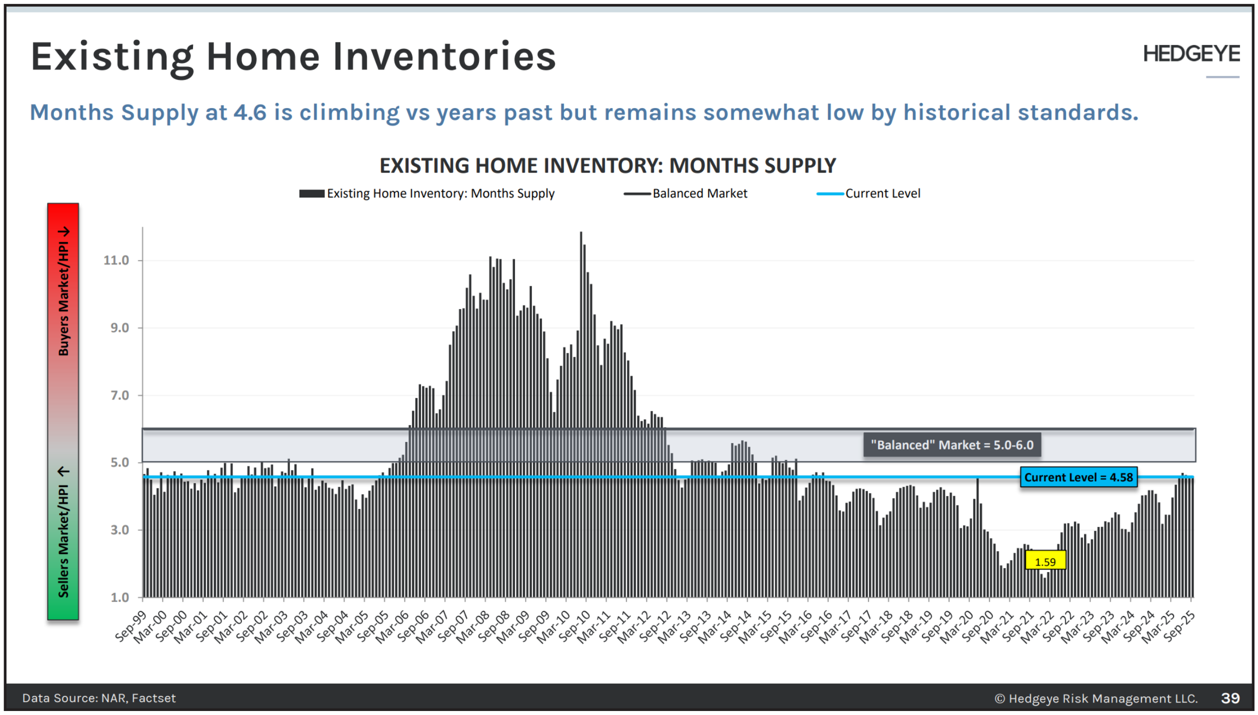
Some estimates of over a trillion in untouched equity appreciation would become reachable with cash out refinancing, if lower rates become available.

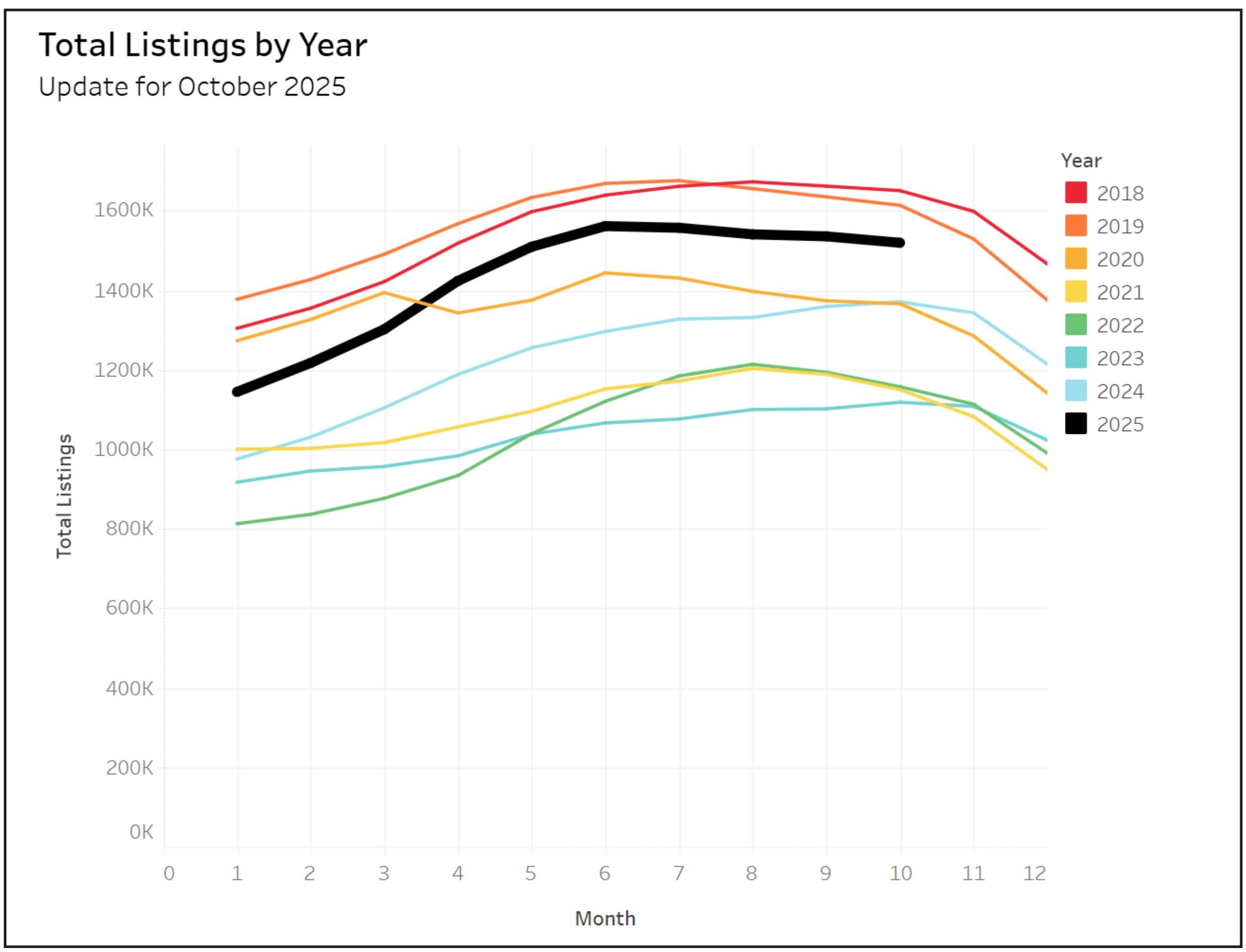
This again from Pinto and company in their National Home Price Appreciation Index for October review.

A clear reversal of pricing pressure in the south and tighter/appreciation conditions in the north.

.... YoY HPA and months' supply varied significantly among the 60 largest metros, as a north-south divide continued. The metro range continues to be wide at 18.8 ppts. from -11.3% in Cape Coral (-14.3% inflation-adjusted) to 7.5% (4.5% inflation-adjusted) in Greenville. Every

(see **HOUSING**, Page 7)





HOUSING ANALYSIS Effects on home equity

metro in Florida, the Southwest, and West saw YoY HPA below the national average....

Continued from the same article:

.... Monthly existing home sales, which outpaced 2023's rate in September, ticked up slightly this month but remain near historical lows...

.... Across the nation, a 6-8 months' supply is considered the nominal price equilibrium or neutral point between a buyer's and seller's market.

53 of the 57 largest metros experienced a seller's market (months' supply <7 mo.) of varying intensities in October 2025. ...*

Longer term, there is a supply shortage.

Huge amount of untapped equity, held hostage by higher rates. Could lower rates spring an equity tap?

As the next generations quickly graduate and enter the workforce, there is no doubt they are facing higher headwinds to entry prices for their first home. Lower rates and a continued softening of the market helps tremendously.

Our interest is just what effect does a loosing of the housing market have if interest rates let up and allow for not only lower mortgage rates but the tapping of equity on housing prices!?

Lastly, there are always pockets of unique areas in certain specific neighborhoods. This analysis is completed using broad measurements across the entire United States. Our goal was to toss in thoughts given possible changes, most notably in mortgage rates, and what effects they may have.

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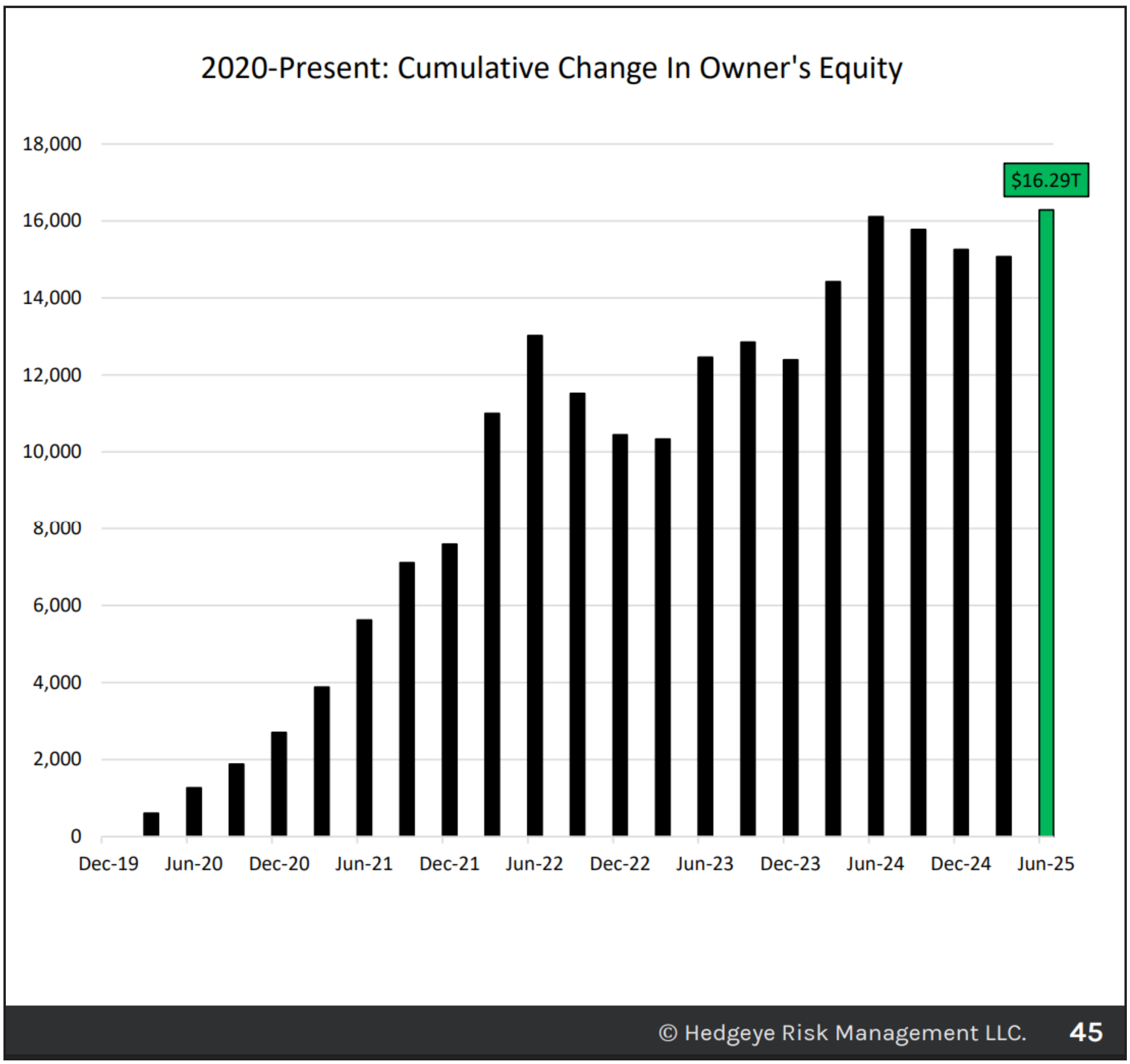

J.K. FINANCIAL, INC.
REGISTERED INVESTMENT ADVISOR
8222 DOUGLAS AVE SUITE 590
DALLAS, TX 75225
Phone: 214-706-4300
Fax: 214-706-4262
E-mail: info@jkfinancialinc.com

Check out our Blog

www.street-cents.com

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investments may be appropriate for you, consult your financial advisor prior to investing.

Parting thoughts for you...

In this seasonal newsletter, while slightly later in the year than expected, and with the next newsletter likely in the February timeframe for tax reminders, we discuss college funding 529 end of the year reminders and hiccups.

We would also ask you to pay special attention to a summary of research about the economy and capital markets and a lengthy article that is related about housing. Both of these are topics that we usually do not touch on but will have a longer term view and shelf life for your easy review over the holidays if you are so inclned.

We appreciate each and every one of you and thank you for the time that you spend reading our newsletters and especially our three times a week blog at www.street-cents.com. On that note if you are not receiving email notification, please reach out and let us know.

Happy run to the end of the year and welcome to 2026 soon! JK

Dates:

Jan. 19 - Martin Luther King, Jr. day, markets closed

Feb. 16 - President's Day, markets closed

April 3 - Good Friday, markets closed

Thanks to all who attended the Holiday Party. It is GREAT to see you all Next year is our 30th annual party so mark your calendars for the Saturday before Thanksgiving, 2026.