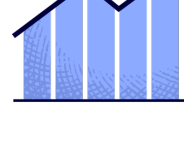


Hi, savvy investors!

Today we're talking about:



What to expect after stocks' strong start to the year



How some internet millionaires make investing look easy



Taxes!

Spring is here — will stocks celebrate?



Eddie Lee / Money; Getty Images

The temperature is rising, the birds are chirping and I'm already daydreaming about the vacation I have planned for this summer. In other words, it's officially spring — and, for business folks, the second quarter has arrived.

The stock market kicked off 2023 with a rally. The S&P 500 ended the first quarter of the year up by around 7%. Considering the index tanked by nearly 20% in 2022, this surge may have you feeling a bit relieved.

But will the good news last?

Much of that answer will come down to interest rates and corporate earnings, which Money senior writer Sarah Hansen **recently wrote** will be in the spotlight over the next few months and are a key driver of stock performance.

What companies earn depends in part on what it costs businesses to borrow money. The Federal Reserve has been **raising interest rates** in an attempt to cool inflation, and those rate hikes have increased the cost of borrowing money.

Stocks may have rallied so far this year but there's fear that the Fed could hike rates more in the coming months, and that the increases will eventually take a toll on corporate earnings — and so on stock prices.

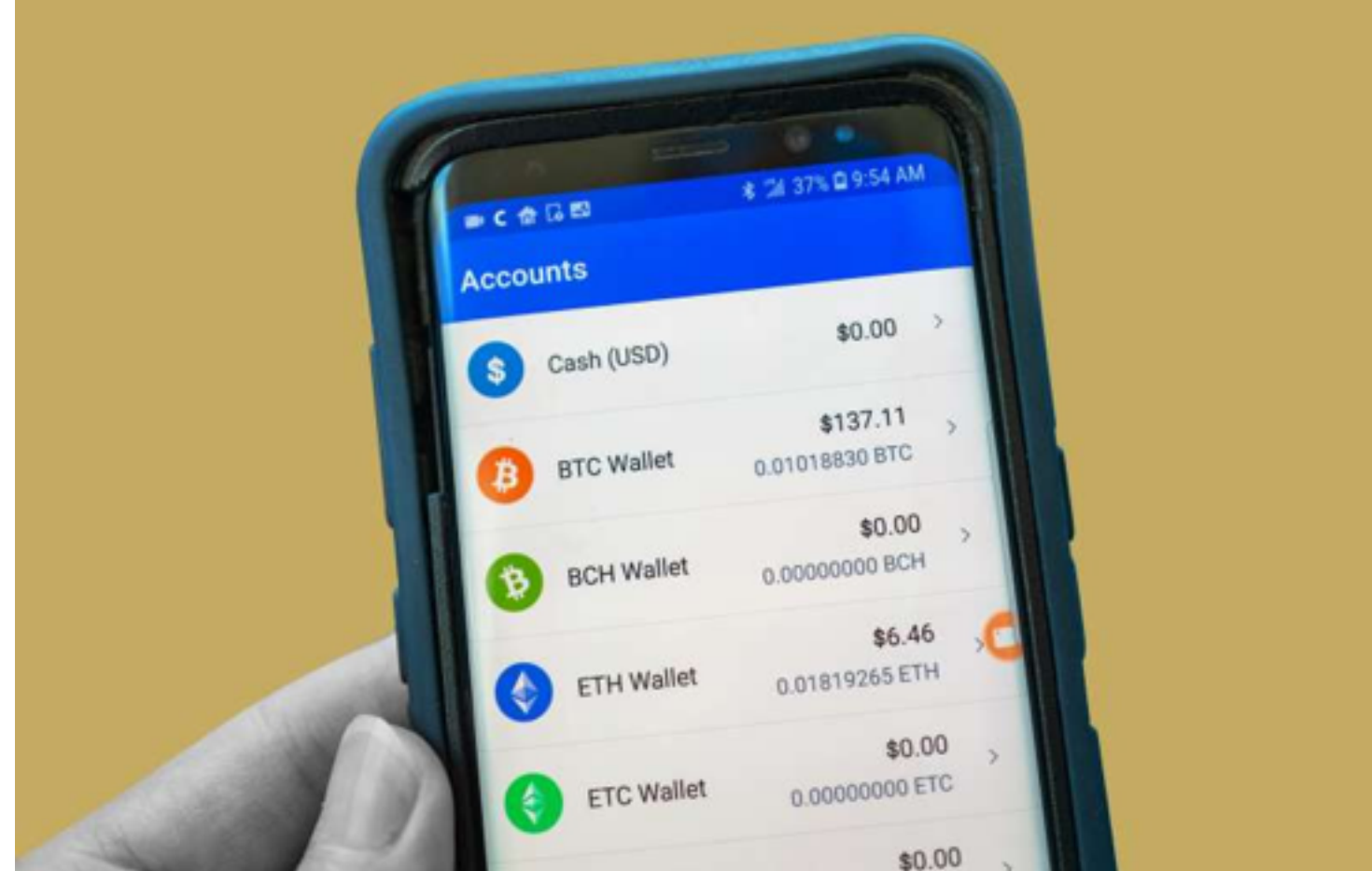
Of course, the Fed may *not* continue its rate hikes, especially since there are signs that the economy is cooling. Data released yesterday from payroll processing firm ADP showed that in March, U.S. companies added fewer jobs than were expected and wage growth slowed. Wall Street, which really **can't make up its mind** about what the Fed will do next, will be on the lookout for more signs of the current state of the economy in Friday's report from the Bureau of Labor Statistics and next week's inflation report.

Here's a bit of good news: Past performance is not a guarantee of how stocks will behave in the future, but the market does traditionally **tend to perform well** during this month of the year. So much for April showers?

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Money; Getty Images

Let's ask an expert about...

Last week I moderated a [panel](#) that featured Glauber "Pro" Contessoto — a.k.a. the "The Dogecoin Millionaire." He made [headline](#) back in 2021 after investing his life savings in the joke [crypto](#) known as dogecoin, and then watching its value soar to over \$1 million.

Contessoto refused to sell his dogecoin, and crypto prices across the board have since tanked. Yet listening to him did have me remembering how — back when crypto was booming — internet "millionaires" made [it look somewhat easy](#) to get rich by investing. I asked John Howe, who was a long-time finance professor at the University of Missouri and writes a [newsletter](#) on behavioral finance, why it can appear this way.

Why does it seem like it's easy to get rich with investing?

An important factor is "survivorship bias," Howe says. In short, there is a tendency for us to hear mostly about investors who have been successful, like legendary investor Warren Buffett.

"We less frequently see cases of investing disasters," he adds. "Thus, we tend to have an overly optimistic view of our chances of beating the market, and we assume that investing skill is all-important."

Okay, but how can I get rich via investing?

Own a well-diversified portfolio, don't trade often, be patient and take the long view, Howe says.

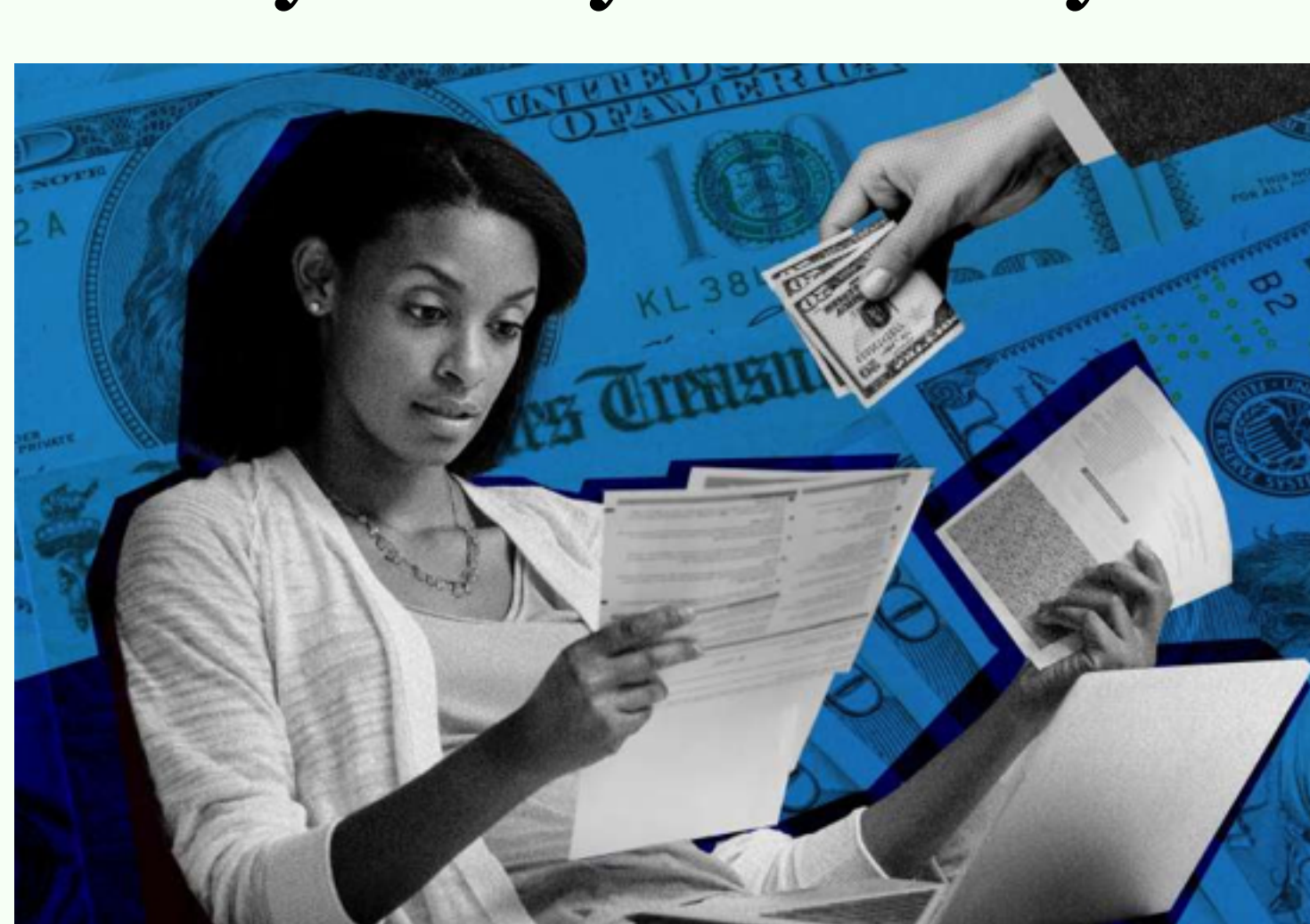
"Remember, Warren Buffett has been investing since 1962."

Fair enough.

(Don't forget to send investing questions you'd like me to bring to experts to mallika.mitra@money.com!)

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Did you do your taxes yet?



Eddie Lee / Money; Getty Images

...sorry, I didn't mean to stress you out. But Tax Day — which is April 18 this year — is almost upon us!

If you're thinking it's too late to save money on your 2022 federal income taxes, there's still time: putting money into an individual retirement account (IRA) can [potentially still lower your tax bill](#), since you're allowed to contribute for the previous year up until the federal tax deadline.

Making those contributions could help lower your taxable income and, therefore, your tax bill. The move may even increase your tax refund. Plus you'll be saving for retirement. Double win.

Before you sit down to file your taxes for Uncle Sam, consider checking out Money's [stories](#) on using your tax refund to [buy extra I bonds](#), when a [small tax refund](#) is a good thing and [13 weird things](#) that the IRS considers taxable (including March Madness prizes).

Happy investing!

MALLIKA

P.S. Have an investing question you'd like me to bring to an expert? Shoot me a note at mallika.mitra@money.com. (I'll gladly take your favorite investing memes, too.)

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