WEEKLY MARKET COMMENTARY

For the Week of March 2, 2015

THE MARKETS

After a slow start to the year, U.S. stocks largely recovered during February, despite slower economic growth in the fourth quarter 2014, according to Reuters. The S&P ended Friday with its largest monthly gain since October 2011, gaining 5.5 percent, while the NASDAQ had its best month since January 2012, up 7.1 percent. For the week, the Dow rose 0.02 percent to close at 18,132.70. The S&P fell 0.24 percent to finish at 2,104.50 and the NASDAQ gained 0.15 percent to end the week at 4,963.53.

Returns Through 02/27/15	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.02	2.22	13.70	14.70	14.83
NASDAQ Composite (PR)	0.15	4.80	15.21	18.71	17.27
S&P 500 (TR)	-0.24	2.57	15.51	18.00	16.18
Barclays US Agg Bond (TR)	0.65	1.14	5.05	2.76	4.29
MSCI EAFE (TR)	1.09	6.50	-0.03	9.41	7.78

Source: Morningstar.com. *Past performance is no guarantee of future results. Indexes are unmanaged and cannot be invested into directly. Three- and five-year returns are annualized. The Dow Jones Industrials, MSCI EAFE, Barclays US Agg Bond and S&P, excluding "1 Week" returns, are based on total return, which is a reflection of return to an investor by reinvesting dividends after the deduction of withholding tax. The NASDAQ is based on price return, which is the capital appreciation of the portfolio, excluding income generated by the assets in the portfolio in the form of interest and dividends. (TR) indicates total return. (PR) indicates price return. MSCI EAFE returns stated in U.S. dollars.

This Month — The S&P 500 has averaged a gain of 1.51 percent (total return) during the month of March over the past 25 years (i.e., 1990-2014), ranking March as the fourth best performing month during that period. December, up 1.96 percent on average, is the top performing month. The S&P 500 consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value weighted index with each stock's weight in the index proportionate to its market value (source: BTN Research).

More Going In Than Coming Out — An average high income American couple (defined as having a joint income of at least $125,000 today) retiring in 2020 (i.e., five years from now) will pay $909,000 of lifetime Social Security taxes but receive just $756,000 of Social Security benefits, i.e., for every $1 paid in taxes, the couple will receive $0.83 in benefits (source: Urban Institute, BTN Research).

What We Owe — Aggregate household debt (including mortgage debt, auto loans, credit card debt and student loans) totaled $11.83 trillion as of Dec. 31, 2014. Household debt peaked at $12.68 trillion as of Sept. 30, 2008. Both numbers are the actual totals from their respective dates, i.e., non-inflation adjusted (source: Federal Reserve, BTN Research).

WEEKLY FOCUS – When Do You Plan to Retire?

For workers who feel they aren't financially prepared enough, postponing retirement is an option – but not a guarantee. The Employee Benefits Research Institute's 2014 Retirement Confidence Survey found 15 percent of U.S. workers planned to postpone their retirement (down from 22 percent in 2013). Of those planning to delay retirement, workers cited the poor economy, inadequate finances, change in employment, health care costs and a lack of faith in Social Security and other government assistance as reasons for their decision.

For Social Security purposes, full-retirement age ranges from 65-67 depending on your birth date, though you can begin to receive reduced benefits as early as 62. But Social Security was created and the full-retirement age set at 65 for a man when the average life span for men was *less* than 65 years. With that increased longevity comes the concern of a longer retirement requiring more assets to sustain quality of life, which has some workers opting to delay retirement. Just because workers plan to postpone their retirement, however, doesn't mean they will be able to.

According to Gallup's annual Economy and Personal Finance survey (and EBRI's survey), the average age U.S. retirees report retiring is 62 years old. In 2014, only 16 percent of retirees said they retired after age 65. While this is double the amount from 1991 when the survey began, it still leaves a considerable amount of workers retiring early and highlights a significant gap between worker expectations and actual retirement age. The study found only 9 percent of workers said they plan to retire before age 60, yet 35 percent of retirees reported they did retire that early. And while 22 percent of workers don't plan to retire until age 70, only 9 percent of current retirees actually have.

Many retirees who retired earlier than planned cited negative reasons for leaving the work force, including health problems or disability (61 percent); changes at their company (18 percent); and having to care for a spouse or another family member (18 percent). Though some retirees mentioned positive reasons for retiring early, such as being able to afford an earlier retirement (26 percent) or wanting to do something else (19 percent).

Contrary to popular belief, there is no set age for retirement. We can help you explore the possibilities for all your retirement options. Call our office to schedule an appointment to discuss your desired retirement age and a financial plan to get you there.

WEALTH HAPPENS.

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* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Morgan Stanley Capital International Europe, Australia and Far East Index (MSCI EAFE Index) is a widely recognized benchmark of non-U.S. stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 20 European and Pacific Basin countries and includes reinvestment of all dividends. Barclays Capital Aggregate Bond Index is an unmanaged index comprised of U.S. investment-grade, fixed-rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and 10 years. Written by Securities America. SAI#1137498.1