

# WEEKLY MARKET COMMENTARY

For the Week of May 25, 2015

## THE MARKETS

U.S. stocks fell Friday, but remained near record highs, after Federal Reserve Chair Janet Yellen predicted interest rates would rise this year. Markets were closed Monday in observation of Memorial Day. For the week, the Dow fell 0.15 percent to close at 18,232.02. The S&P rose 0.21 percent to finish at 2,126.06 and the NASDAQ gained 0.81 percent to end the week at 5,089.36.

Returns Through 05/22/15	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.15	3.33	12.81	16.24	15.24
NASDAQ Composite (PR)	0.81	7.46	22.51	21.48	17.95
S&P 500 (TR)	0.21	4.10	14.64	19.85	16.79
Barclays US Agg Bond (TR)	-0.48	0.38	2.89	2.24	3.67
MSCI EAFE (TR)	-0.62	10.63	3.05	15.50	10.53

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.

**Eight Years Later** — The median sales price of existing homes sold nationwide in March 2015 was \$212,100, 2.4 percent less than the \$217,400 median sales price as of March 2007 (source: National Association of Realtors, BTN Research).

**Pay Rent or Buy Groceries?** — Twenty-seven percent of households that rent in the U.S. spend at least 50 percent of their monthly pre-tax income on housing expenses (including utilities), i.e., 11.25 million renter households out of a total of 42.22 million renter households (source: Enterprise Community Partners, BTN Research).

**Laying Down Rigs** — U.S. oil producers have idled five percent of their rigs since the beginning of 2015 (from 1,811 rigs on Jan. 2, 2015, to 888 on May 15, 2015) after seeing oil prices plunge 42 percent during the fourth quarter 2014 (from \$91.16 a barrel to \$53.27), a production slowdown that has impacted both oil and gas prices (source: Baker Hughes, BTN Research).

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## WEEKLY FOCUS – Preparing for Diminished Capacity

In 1900, life expectancy at birth in the U.S. was 47 years. Now that number is closer to 86, and many of today's children could live to see 100. With an increase in longevity comes a growing need for longer care of the elderly. More Americans are falling into what Kiplinger calls the "sandwich generation," where they may have adult children and even grandchildren, while also assisting their parents through retirement and those extended years of life.

Watching a parent become increasingly dependent on others for the normal activities of daily life can be difficult. It can be even harder for the parent to admit needing help. Creating a plan now for how you, your parent(s), your family and your parent's medical professionals will handle that possibility can alleviate misunderstanding and confusion when a crisis arises.

June is Alzheimer's & Brain Awareness Month. Alzheimer's disease and other dementias are on the rise, and with no known preventions or cure, the Alzheimer's Association expects cases to increase 40 percent by 2025. In the United States, one in nine Americans over age 65 has Alzheimer's, and one in three seniors die with a type of dementia. While age is the greatest risk factor for dementia, the Alzheimer's Association notes that it is not a normal part of aging. Still, with an estimated 5.3 million Americans currently living with Alzheimer's and a new case diagnosed every 67 seconds, it's important to prepare for the worst.

The National Endowment for Financial Education identified five early warning signs of diminished capacity related specifically to finances that may occur in aging adults, including: slowness in completing financial tasks; missing key details in financial documents; problems with everyday arithmetic; decreased understanding of financial concepts; and identifying risks in investment opportunities. The Alzheimer's Association gives [10 Signs](http://alz.org/10signs) (alz.org/10signs) for early detection.

With roughly 10,000 baby boomers reaching retirement age daily over the next 15 years, many may find themselves balancing between helping their aging parents financially and saving for their own retirement. Don't make promises you can't keep. A parent who resists help can use emotional leverage to extract promises you'll later find difficult to keep – like withholding information from other family members or vowing not to place the parent in a nursing facility. Trying to take care of yourself and your parents can be financially and emotionally draining. Contact us today to discuss such issues ahead of time to help you and your family avoid these difficult situations.



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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# 1206515.1