

WEEKLY MARKET COMMENTARY

For the Week of June 16, 2014

THE MARKETS

U.S. stocks rose on Friday after a boost from the technology sector, as Intel shares increased and the Dow raised its full revenue outlook on stronger-than-expected product demands. Still markets fell for the first time in four weeks over insurgency concerns in Iraq. For the week, the Dow fell 0.84 percent to close at 16,775.74. The S&P lost 0.63 percent to finish at 1,936.16 and the NASDAQ dropped 0.25 percent to end the week at 4,310.65.

Returns Through 06/13/14	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.84	2.36	13.19	14.91	16.81
NASDAQ Composite (PR)	-0.25	3.21	25.11	17.76	18.32
S&P 500 (TR)	-0.63	5.76	20.82	17.58	17.86
Barclays US Agg Bond (TR)	0.00	3.34	2.52	3.30	5.04
MSCI EAFE (TR)	-0.26	4.44	20.50	8.94	11.03

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.

I'm Bigger Than You – Outstanding student loans were \$1.11 trillion as of March 31, 2014. Outstanding credit card debt was \$857 billion as of March 31, 2014. Student loans have increased \$124 billion in the past 12 months while credit card debt has increased just \$7 billion over the same period (source: Federal Reserve, BTN Research).

Were You Average? – The net worth of an average American increased by 10.8% over the 12 months ending March 31, 2014, including gains from stocks, bonds and real estate holdings (source: Federal Reserve, BTN Research).

Jobs – The number of employed Americans (i.e., non-farm) peaked at 138.365 million on Jan. 31, 2008, fell 8.7 million to 129.655 million on Feb. 28, 2010, but has bounced back to 138.463 million on May 31, 2014 (source: Department of Labor, BTN Research).

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WEEKLY FOCUS – Assets More Important Than Age To Boomers

According to the Bankers Life and Casualty Company Center for a Secure Retirement (CSR) study, 73 percent of the nation's middle-income baby boomers believe their financial situation, not their age, will determine when they retire. Despite that shift in perspective from age to assets, most boomers haven't made an effort to start saving the amount they need to retire comfortably.

Working longer can help late savers make up some of the shortfall. Each extra year worked is one year more of income and savings, and one year less that the retirement assets need to fund. Also, the amount already in retirement savings has more time to potentially grow.

Working longer can also increase the amount received from Social Security. From age 62 to age 70, an individual's retirement benefits from Social Security increase about 8 percent a year for each year benefits are delayed. The additional earned income can also raise the Social Security lifetime wage base used to calculate the amount of benefits, increasing the monthly payment.

Not everyone, however, has the luxury of working until they have accumulated enough to fund their retirement. According to the Social Security Administration, an estimated one out of three Americans entering the workforce today will become disabled before they retire, and more than 8 million U.S. workers are currently receiving Social Security disability benefits.

Regardless of your income, there may be opportunities to save more for retirement and protect the income source needed to provide these savings. As the axiom says, never put off until tomorrow what you can do today. Contact our office today for a review of your retirement savings strategy and to discuss the age you'd like to retire.



This commentary brought to you by:

Davidson Financial Services

Anthony A Davidson, Investment Advisor Representative
1795 Alysheba Way Suite 3101 Lexington, KY 40509
859-245-5880 fax: 859-245-7007

anthony@wealthhappens.net www.wealthhappens.net

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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#948071