

WEEKLY MARKET COMMENTARY

For the Week of June 30, 2014

THE MARKETS

Markets rose on Friday led by gains in technology stocks, pushing the NASDAQ to its sixth weekly rise in seven. While U.S. consumer sentiment rose more than expected in June, continued concerns over Iraq and Ukraine pushed European stocks lower and limited U.S. gains. For the week, the Dow fell 0.56 percent to close at 16,851.84. The S&P lost 0.06 percent to finish at 1,960.96 and the NASDAQ climbed 0.68 percent to end the week at 4,379.93.

Returns Through 06/27/14	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.56	2.83	14.85	14.79	17.89
NASDAQ Composite (PR)	0.68	5.30	29.28	17.83	19.06
S&P 500 (TR)	-0.06	7.17	24.12	17.83	18.86
Barclays US Agg Bond (TR)	0.43	3.82	4.38	3.42	4.84
MSCI EAFE (TR)	-0.83	4.46	23.32	9.59	11.72

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.

Back Half — The second half of the year (i.e., July-December) has outperformed the first half of the year (i.e., January-June) for the S&P 500 on a total return basis during nine of the past 15 years. 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).

Monthly Commitment — The nation's household debt service ratio (defined as debt service payments and financial obligations stated as a percentage of disposable personal income) was 9.96 percent as of the fourth quarter 2013, down from 13.18 percent as of the fourth quarter 2007 (source: Federal Reserve, BTN Research).

How Have You Done? — The average American worker has experienced a 2.1 percent annual increase in his or her hourly wages over the past six years. Average hourly wages have increased nationwide from \$21.51 on May 31, 2008, to \$24.38 on May 31, 2014, a cumulative gain of 13.3 percent (source: Department of Labor, BTN Research).

WEEKLY FOCUS – Single vs. Married Retirement Savings

Marriage can be good for your retirement. Married people generally accumulate more wealth throughout their lives than single people. According to the latest Census Bureau data, the median net worth of single men is \$27,310; single women is \$22,184; and married couples is \$139,024. For ages 55-64, those amounts increase to \$55,718; \$61,879; and \$239,847 respectively.

And income and savings go hand-in-hand. While the Center for Retirement Research (CRR) states 53 percent of U.S. households aren't on track to maintain their standard of living at retirement, married couples aren't as far behind as singles.

The Employee Benefit Research Institute, in estimating the amount that couples and singles would need to deposit to their retirement savings today to make up their shortfall, found that single men would need 19-34 percent more and single women up to 50 percent more than married couples.

A 2006 CRR study (the most recent available) also found that singles – with no spouse to fall back on – are more likely than married people to lose their wealth. Disability reduced wealth by 16 percent for married people and 42 percent for single people. Layoffs forced singles to lose 33 percent of their net worth as compared to 21 percent for married couples.

While the statistics may be against single retirement, there are things single people can do to prepare for a solo retirement. Steve Utkus, who oversees the Vanguard Center for Retirement Research, suggests singles be aggressive savers and to buy quality disability, life and health insurance. He encourages those who become single through divorce to consult a lawyer and a financial advisor to determine financial ramifications immediately and to establish an amended retirement plan.

Utkus also mentions that a portion of single households are actually widows and widowers. The death of a spouse can deplete assets drastically, especially without adequate financial planning for long term care costs. Securing long term care coverage early in life can help limit attrition. Married or single, retirement is possible with the right planning. Call our office today for help with making the most of your current income while saving for the next phase of your life.



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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# 957512