

# WEEKLY MARKET COMMENTARY

For the Week of July 7, 2014

## THE MARKETS

A stronger-than-expected June jobs report helped push markets to close at record highs on Thursday, with the Dow topping 17,000 for the first time. Both the Dow and the S&P 500 posted their third consecutive record high close, while the NASDAQ reached its highest close since 2000 and rose for a third straight week. U.S. markets were closed Friday for Independence Day. For the week, the Dow rose 1.34 percent to close at 17,068.26. The S&P gained 1.48 percent to finish at 1,985.44 and the NASDAQ climbed 2.00 percent to end the week at 4,485.93.

Returns Through 07/03/14	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	1.34	4.17	16.58	13.60	18.64
NASDAQ Composite (PR)	2.00	7.41	30.27	16.79	20.08
S&P 500 (TR)	1.48	8.54	25.49	16.53	19.74
Barclays US Agg Bond (TR)	-0.56	3.28	3.75	3.49	4.66
MSCI EAFE (TR)	1.39	5.91	22.87	8.08	12.26

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. MSCI EAFE returns as of July 4, 2014.

**The Home Stretch** – The S&P 500 has closed at its calendar year high in the second half of the year (i.e., during the six months of July-December) 73 percent of the time since 1950. In seven of the past 11 years, the index's calendar year high has occurred during the month of December (source: BTN Research).

**Rainy Day Funds** – Less than half of Americans surveyed (49 percent) have set aside funds that would cover expenses for three months that would be needed in the event of a financial emergency (source: FINRA, BTN Research).

**Taxes** – The top marginal tax rate for an individual taxpayer in Sweden is 56.74 percent, a rate that begins on income levels of at least \$66,419 (U.S. dollar equivalent). The top marginal tax rate for an individual taxpayer in the U.S. is 39.6 percent, a rate that begins on income levels of at least \$406,750 (source: Tax Policy Center, NationMaster, BTN Research).

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## WEEKLY FOCUS – Lifelong Learning

Think you're too old to go back to school? In May 2007, Nola Ochs graduated from college at age 95, graduating the same day as her 21-year-old granddaughter. But her story didn't stop there. Three years later in 2010, Ochs earned a master's degree, making her the oldest recipient of a master's degree at age 98. Ochs exemplifies one of the changes baby boomers also have brought to their generation's view of retirement: a desire to keep intellectually active, whether through pursuing a degree or attending a one-night seminar.

If you're still working, your employer may be able to help you prepare for that next intellectual phase of your life, whatever it may be. While some companies pay only for classes or degree programs directly related to the employee's job, many will pay for any classes the employee chooses. So if you've had an interest in Japanese art but never had the time or funds to obtain formal academic training, tuition reimbursement may be the incentive to pursue that dream, even before you reach retirement.

Many workers are deciding to work beyond age 65 due to either need or desire. That's keeping them at their jobs longer – so why not make the most of that time? Pursuing education opportunities through your current employer can prepare you for an encore career or hobby following retirement.

Whether or not you have already retired, college courses can be a great way to exercise your mind and expand your social circle. A degree from a college or university can be a nice milestone, but noncredit community college courses can be just as fun and often less expensive. Some universities also offer college courses free of charge for retired seniors.

Retirement planning involves thinking about how you plan to spend the next phase of your life. We're available to discuss your dreams and plan your finances to achieve them.



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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#961400