

WEEKLY MARKET COMMENTARY

For the Week of Aug. 11, 2014

THE MARKETS

Markets rose on Friday as tensions with Russia eased after the country announced an end to military drills near Ukraine. The rally marked the best one-day performance for the Dow and S&P 500 since March 4. For the week, the Dow rose 0.47 percent to close at 16,553.93. The S&P gained 0.40 percent to finish at 1,931.59 and the NASDAQ climbed 0.42 percent to end the week at 4,370.90.

Returns Through 08/08/14	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.47	1.24	9.33	18.29	15.03
NASDAQ Composite (PR)	0.42	4.68	19.13	22.85	16.92
S&P 500 (TR)	0.40	5.78	16.17	22.59	16.27
Barclays US Agg Bond (TR)	0.28	4.20	4.38	2.82	4.77
MSCI EAFE (TR)	-2.44	-0.54	8.88	11.62	8.38

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.

Most are Unprepared — Just 5 percent of Americans currently on Medicare have retirement savings of at least \$1.11 million. Fifty percent have savings less than \$61,400 (source: Kaiser Family Foundation, BTN Research).

A Better Way — Almost three in four Americans (72 percent) that have inherited assets from deceased parents plan on handling the disposition of their wealth differently than the way their parents transferred assets (source: UBS, BTN Research).

Late in the Year — The last time that the S&P 500 stock index achieved its calendar year closing high during the month of August was in 1987 or 27 years ago. The S&P 500 closed at its calendar year high during the month of December in 14 of the last 23 years, i.e., 1991-2013 (source: BTN Research).

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WEEKLY FOCUS – Delay Receiving Social Security To Increase Benefits

Seventy-nine years ago, on Aug. 14, 1935, President Franklin D. Roosevelt signed into law the Social Security Act to help combat unemployment and guarantee income for retirees. Roosevelt acknowledged the limitations of the act, stating, "We can never insure one hundred percent of the population against one hundred percent of the hazards and vicissitudes of life," but according to History.com, he hoped the act would prevent senior citizens from ending up impoverished.

Many Americans now think of retirement as something that automatically happens when they reach 65. However, some may be able to afford to retire sooner, while others may want to work longer to save more. Regardless of when you *want* to retire, you should delay receiving Social Security benefits until 70 if you can.

Most baby boomers will be eligible for full Social Security benefits at age 66, but retirees can begin claiming reduced Social Security benefits at age 62. People who claim their benefits before reaching full retirement age (this age varies depending on your birth year), and subsequently have to return to the work force, will have their benefits reduced by an additional \$1 for every \$2 more than \$15,480 earned in a year. By postponing applying for Social Security benefits until age 70, retirees could receive up to 8 percent more per year and almost double their monthly benefit income.

In 2014, the maximum Social Security benefit is \$2,431 a month at the normal retirement age of 66 for someone who was born between 1943 and 1954. To know if you can afford to retire and wait until 70 to receive increased benefits, you should practice living on a retirement budget that excludes all Social Security benefits for at least six months. This will help you determine if receiving Social Security will be required to cover daily necessities or will be additional income to fund weekend dinners out or yearly vacations.

Instead of deciding to retire because of arbitrarily set ages for claiming Social Security, take the time to practice and examine your budget options to make sure you will be making the most of your benefits. Our office will work with you to examine all of your savings and benefit options to help you enter retirement at the time that works best with your budget. If you are wondering about the best time to take your retirement benefits, call our office today for a review of your portfolio. We can help you build and practice living on a budget to help you confidently transition from the work force into retirement.



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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#987048