

# WEEKLY MARKET COMMENTARY

For the Week of Aug.19, 2013

## THE MARKETS

Major indexes posted their second consecutive week of losses on Friday as retailer earnings disappointed investors and consumer sentiment in August slipped from July's six-year high, according to Thomson Reuters and the University of Michigan's preliminary reading. For the week, the Dow posted its biggest decline since June 2012, falling 2.12 percent to close at 15,081.47. The S&P lost 2.04 percent to finish at 1,655.83 and the NASDAQ dropped 1.57 percent to end the week at 3,602.78.

Returns Through 08/16/13	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-2.12	17.00	16.86	16.65	8.30
NASDAQ Composite (PR)	-1.57	19.32	17.65	18.20	8.00
S&P 500 (TR)	-2.04	17.69	19.60	17.85	7.36
Barclays US Agg Bond (TR)	-1.14	-3.27	-1.80	2.52	4.95
MSCI EAFE (TR)	-0.07	12.35	22.50	9.89	2.63

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.

**It Pays To Wait** – Americans born in 1946 or later will have to work at least until age 66 (to as much as age 67 for individuals born in 1960 or later) to achieve full retirement benefits from Social Security. Once that retiree hits his or her unique full retirement age, postponing receipt of the retirement benefits will increase the payout by 8 percent per year (source: Social Security Administration, BTN Research).

**Spending Habits** – The 12 largest monthly deficits ever in the history of the United States have occurred since February 2009, but only one of the 12 (February 2013) occurred during calendar year 2013 (source: Treasury Department, BTN Research).

**Off To College** – The average American family borrows 27 percent of the total cost of their child's college education, either through student loans or loans taken out by their parents (source: Sallie Mae, BTN Research).

## WEEKLY FOCUS – Shifting Dynamics in Your Household

While marketing campaigns often feature photos of couples happily walking hand-in-hand down the beach in their retirement, a report by the Center for Retirement Research at Boston College found that only 20 percent of couples retire in the same year. Due to considerations such as age, stage of career, health concerns, pension benefits and Social Security benefits, you or your spouse may continue to work while the other has opted for full retirement. This may cause a major shift in the dynamics of your household, but at some point, you and your spouse will be spending considerably more time together.

Regardless of whether you are planning to retire simultaneously with your spouse, or at different times, you should discuss your plans for retirement together. Often, spouses that have been together for a long time before retirement assume they have the same views of retirement as their partner, which may not be the case. In 2012, a study by Hearts & Wallets found only 38 percent of couples reported they make decisions on their retirement finances together, an issue that can cause uncertainty between couples in retirement, making them less equipped to navigate a financial crisis.

To help ease this transition and cope with any differences, take a few moments to yourself and think about the following lifestyle and financial questions:

- How should you coordinate your daily activities?
- How active do you plan to be in retirement with volunteer work or hobbies?
- How will bills be paid?
- How will vacation and travel time be calculated?
- How will time with friends and family be incorporated into your daily routine?
- How will decisions be made about spending, particularly on large purchases?

Once you think about the answers to these questions, get together with your spouse and share your answers. After a brief discussion, record your responses on what you agree and disagree on and further explore any differences.

Even if you are already in retirement, it can be beneficial to re-evaluate some of the answers to these questions to make sure you and your spouse are on the same page. We know adjusting to a change in life can be challenging. Call us today for guidance through this transition to make sure you and your spouse have a happy retirement together.



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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#714839