

WEEKLY MARKET COMMENTARY

For the Week of Aug. 26, 2013

THE MARKETS

Trading took place without interruption on Friday and stocks rose slightly, led by a jump in Microsoft shares. On Thursday the NASDAQ stock exchange suffered an unprecedented, three-hour trading halt due to technical problems. Stocks climbed after trading resumed Thursday and continued their ascent into Friday as well. For the week, the Dow fell 0.40 percent to close at 15,010.51. The S&P gained 0.50 percent to finish at 1,663.50 and the NASDAQ climbed 1.53 percent to end the week at 3,657.79.

| Returns Through 08/23/13 | 1 Week | YTD | 1 Year | 3 Year | 5 Year |
|----------------------------|--------|-------|--------|--------|--------|
| Dow Jones Industrials (TR) | -0.40 | 16.53 | 18.06 | 16.92 | 8.26 |
| NASDAQ Composite (PR) | 1.53 | 21.14 | 19.79 | 19.20 | 8.66 |
| S&P 500 (TR) | 0.50 | 18.27 | 21.33 | 18.47 | 7.56 |
| Barclays US Agg Bond (TR) | 0.04 | -3.24 | -2.49 | 2.56 | 4.94 |
| MSCI EAFE (TR) | -0.54 | 11.75 | 20.78 | 10.24 | 2.67 |

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.

Older And Older – By the year 2050, 20 percent of American citizens will be at least age 65. In 1950, only 8 percent of American citizens were at least age 65 (source: Congressional Budget Office, BTN Research).

Not Thirty Years In Length – In the 1930s, the average length of a home mortgage taken out by an American homebuyer was only five to 10 years (source: Penn Institute of Urban Research, BTN Research).

At Time Of Death – Federal estate tax law allows a 2013 decedent to pass onto his or her heirs \$5.25 million estate tax-free. Under the "American Taxpayer Relief Act" signed by President Obama on Jan. 2, 2013, the amount that can be passed estate-tax free onto the heirs of a decedent in 2014 and beyond will be increased according to the rate of inflation. The federal estate tax exemption was \$1 million in 2003 (source: Treasury Department, BTN Research).

WEEKLY FOCUS – Seven Steps To A Successful Retirement

The Transamerica Center for Retirement Studies conducted a survey that highlights how American workers are largely unprepared for retirement. The survey concluded that relatively few American workers have a backup plan in the event they are forced into early retirement. The survey found American workers estimated their median retirement savings needs at \$600,000. In comparison, less than one-third (30 percent) currently have \$100,000 or more saved in all household retirement accounts. To help American workers get started in developing a strategy to reach their retirement goals and dreams, the Transamerica Center listed the following seven tactics:

- 1. Get the conversation going with friends and family:** Just 9 percent of workers frequently discuss saving, investing and planning for retirement with family and friends.
- 2. Formulate a plan and write it down:** Only 10 percent of workers have written out their retirement strategy.
- 3. Get educated:** The majority of workers (71 percent) say they do not know as much as they should about retirement investing.
- 4. Consider retirement benefits as part of your total compensation:** Fifty-three percent of workers would select a job offer with a higher than expected salary but poor retirement benefits over one with excellent retirement benefits and minimum salary requirements.
- 5. If your employer offers a plan, participate. And if your employer doesn't offer you a plan, ask for one.** Just 71 percent of workers report being offered an employee-funded plan at work, while 92 percent say a plan is an important benefit. However, almost one-quarter of workers (22 percent) who are offered a plan at work do not participate.
- 6. Take advantage of the Saver's Credit. Make catch-up contributions:** Just 25 percent of workers are aware of the Saver's Credit. Just over half of workers (56 percent) are aware that people age 50 and older may be allowed to make catch-up contributions to their retirement plan.
- 7. Have a backup plan in the event you become unable to work before your planned retirement:** Only 19 percent of workers currently have a backup plan.

If you or someone you know is concerned about saving for retirement, or needs to build a backup plan in case retirement comes earlier than expected, call our office today for a consultation or review.



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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#718448