

WEEKLY MARKET COMMENTARY

For the Week of Nov. 4, 2013

THE MARKETS

U.S. stocks rose on Friday after the release of strong manufacturing data overshadowed concerns that the Federal Reserve might reduce stimulus earlier than expected. The Dow and the S&P 500 rose for their fourth straight week of gains. For the week, the Dow rose 0.29 percent to close at 15,615.55. The S&P gained 0.13 percent to finish at 1,761.64 and the NASDAQ dropped 0.54 percent to end the week at 3,922.04.

Returns Through 11/01/13	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.29	21.57	21.11	14.97	14.01
NASDAQ Composite (PR)	-0.54	29.89	29.87	16.12	17.91
S&P 500 (TR)	0.13	25.67	26.16	16.64	15.24
Barclays US Agg Bond (TR)	-0.37	-1.38	-1.24	2.92	6.03
MSCI EAFE (TR)	-1.47	18.78	24.78	7.98	11.76

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.

Cost Of Health Care – From Aug. 31, 2003, to Aug. 31, 2013, the cost of medical care in the U.S. increased by 43.1 percent, half again as large as the 26.7 percent increase in the Consumer Price Index over the same period (source: Department of Labor, BTN Research).

Not For Me – Fifty-two percent of 1,000 "middle class" Americans (defined as having household income less than \$100,000) surveyed in August 2013 have no money invested in the stock market, citing the volatility of equities as the main reason they avoid this asset class (source: Wells Fargo, BTN Research).

Big Bucks – The average cost for one year of college education at an in-state public college is \$18,391 for the 2013-2014 school year (including tuition, fees, room and board). The total one-year cost has increased 5.8 percent per year over the past 30 years. If that same rate of inflation continues, then a first grader today will pay \$156,868 for his or her four years of education at an in-state public college during the years 2025-2029 (source: College Board, BTN Research).

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WEEKLY FOCUS – IRS Sets 401(k) and IRA Contribution Limits for 2014

The Internal Revenue Service announced Thursday, Oct. 31, that the annual limit on contributions to 401(k) plans will remain unchanged from last year.

For 2014, employees can contribute a maximum of \$17,500 to a 401(k), 403(b) or 457 plan. Employees age 50 and older can contribute an additional \$5,500, putting the total contribution limit for this age group at \$23,000.

Annual contributions to IRAs, both traditional and Roth, will also remain the same this year at \$5,500. Individuals age 50 and older can contribute an additional \$1,000 to their IRA, putting the total allowable contribution for this age group at \$6,500 for 2014.

Traditional and Roth IRA contributions are phased out based on the taxpayer's adjusted gross income (AGI). Phase-out limits for both types of IRA have increased for 2014 and vary depending on whether you are married and whether you contribute to a workplace retirement plan. As a reminder, you can make 2013 contributions to your IRA up until you file your taxes on April 15, 2014.

A 401(k) is just one of the many keystones to supporting your retirement plan. When was the last time you reexamined your 401(k) to determine if it's sturdy enough to help support your retirement goals? Are you contributing the maximum, or at least meeting your employer's match? Contributing to a workplace or individual retirement plan, especially with pretax dollars or under a deduction, reduces your taxable income *and* furthers your retirement goals.

We can assist you in evaluating your 401(k), and all other retirement saving choices available, to make sure you're making the most of these benefits. We're happy to work in conjunction with your tax professional to help you solidify the foundation for a strong retirement plan. Call us today!



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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#759263