WEEKLY MARKET COMMENTARY

For the Week of Feb. 24, 2014

THE MARKETS

U.S. stocks dipped on Friday, keeping the S&P 500 just short of reaching a new record high close. While economic data continues to be weak – including an 18-month low in U.S. home resales – most traders are attributing the numbers to the extreme cold weather affecting most of the country. For the week, the Dow fell 0.27 percent to close at 16,103.30. The S&P dropped 0.08 percent to finish at 1,836.25 and the NASDAQ climbed 0.46 percent to end the week at 4,263.41.

Returns Through 02/21/14	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.27	-2.46	18.91	12.04	20.13
NASDAQ Composite (PR)	0.46	2.08	36.15	14.58	24.22
S&P 500 (TR)	-0.08	-0.34	24.85	13.44	21.56
Barclays US Agg Bond (TR)	0.08	1.53	0.04	3.95	4.88
MSCI EAFE (TR)	1.57	0.65	19.85	6.48	17.11

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.

Profitable – Aggregate earnings per share of the S&P 500 companies are projected to increase by 18 percent in 2014 over actual earnings from 2013 (source: S&P, BTN Research).

Do I Believe It? – The official unemployment rate in the U.S. has dropped 1.3 percent from Jan. 31, 2013, to Jan. 31, 2014, its largest year-over-year drop since Nov. 30, 1984 (source: Department of Labor, BTN Research).

Get Out – U.S. banks repossessed 462,970 homes in 2013, an average of 1,268 homes per day, the lowest annual total in the United States since 2007 (source: RealtyTrac, BTN Research).

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WEEKLY FOCUS – When the Empty Nest Fills Back Up

The idea of sending the kids off to college, selling the family home and downsizing to a comfortable retirement destination has become harder for those who find their empty nest is not really empty. The Pew Research center noted that 29 percent of young adults ages 25 to 34 are living with parents. Other reports have the number as high as 36 percent.

Sometimes labeled emerging adults or boomerang kids, this trend can be viewed positively or negatively. On the positive side, these young adults are able to start their career without racking up a lot of debt until they get established. On the negative side, this can affect parents' plans by delaying retirement or adding unplanned extra expenses. For parents who already assisted with the cost of college, this can be especially stressful.

Even if they are not under the same roof in the physical sense, a record number of parents are assisting their adult children financially. A Pew survey of 2,500 adults found that nearly half the people ages 40 to 59 have given money in the past year to at least one child who is 18 or older, with 27 percent providing the primary support.

It can be a tough decision how much to assist, especially if this comes at the cost of withdrawing from retirement accounts or other long-term investments. Financial implications can range from actual monetary amounts given, to holding off on the decision to downsize or move to a different location.

Reevaluating how much you can really help is a conversation you should have with your financial advisor. Contact our office today if you have concerns about how unplanned expenses for your adult children could affect your financial security.

WEALTH HAPPENS.

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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#865409