

WEEKLY MARKET COMMENTARY

For the Week of March 9, 2015

THE MARKETS

Stocks fell Friday after the release of a strong monthly jobs report that left investors concerned the Federal Reserve might raise interest rates sooner than expected. U.S. nonfarm payrolls were better than expected in February, and the unemployment rate dropped to 5.5 percent from 5.7 percent in January. For the week, the Dow lost 1.50 percent to close at 17,856.78. The S&P fell 1.54 percent to finish at 2,071.26 and the NASDAQ dropped 0.73 percent to end the week at 4,927.37.

Returns Through 03/06/15	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-1.50	0.68	11.29	14.69	13.96
NASDAQ Composite (PR)	-0.73	4.04	13.22	19.19	16.20
S&P 500 (TR)	-1.54	1.00	12.62	18.03	15.12
Barclays US Agg Bond (TR)	-0.98	0.15	4.37	2.39	4.10
MSCI EAFE (TR)	-1.88	4.50	-2.21	9.99	6.68

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.

Real Estate — Home prices have appreciated 24.5 percent over the past five years (Dec. 31, 2009, to Dec. 31, 2014) in the Pacific states, double the 11.6 percent growth experienced nationwide (source: Federal Housing Finance Agency, BTN Research).

Improvement — At the end of 2010, 9 percent of mortgages had at least one payment past due and another 4.6 percent of mortgages were in the foreclosure process. As of the end of 2014, 5.7 percent of mortgages had at least one payment past due and another 2.3 percent of mortgages were in the foreclosure process (source: Mortgage Bankers Association, BTN Research).

When Rates Go Up — The last time that the Federal Reserve began a series of interest rate hikes was June 30, 2004. The Fed implemented 17 separate $\frac{1}{4}$ of 1 percent rate hikes between June 30, 2004 and June 29, 2006, taking the Fed funds rate from 1 percent to 5.25 percent. Over the one-year period following the first rate hike (i.e., the 12 months from June 30, 2004 to June 30, 2005), the S&P 500 gained 6.3 percent on a total return basis (source: BTN Research).

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WEEKLY FOCUS – Women at Greater Retirement Risk

March is Women's History Month, a national celebration that began in 1987 to pay tribute to generations of women for their achievements. Even with centuries of accomplishments to honor, a recent study by the Women's Institute for a Secure Retirement (WISER) and the Society of Actuaries found that women continue to face greater financial risk for retirement than men. With nearly 40 million women reaching retirement age over the next 20 years, planning for retirement needs and accumulating the necessary assets to pay for those needs has never been more important.

According to the study, factors occurring throughout women's working lives often affect their ability to save and build assets. Some factors include:

- Despite advances in the workplace, women continue to earn on average 78 cents for every dollar men earn, according to 2013 published U.S. Census Bureau data. Median income for women in 2013 was \$39,157 as compared to \$50,033 for men, with amounts decreasing by age. Women often work in jobs without retirement plans or 401(k)s, and are also more likely than men to work only part-time, which generally means lower wages and fewer benefits.
- Women at age 65 are expected to live 21 additional years, on average – two years longer than the average for men, according to the Social Security Administration.
- Women spend an average of 10 years out of the workforce as compared to men, often caring for family. Since Social Security benefits are based on the 35 highest years of earnings, women (and men) who do not have at least 35 years in the workforce – or who had years of low earnings – will have reduced Social Security income in retirement.

While women historically may have relied on their spouse to accumulate wealth to see the couple through retirement years, for most those days have passed. Women are much more likely to be alone in old age, with 85 percent of women over age 85 being widowed, according to the study, making it more likely for women to manage their finances alone at some point in their lives. Beyond saving for retirement years, women should learn early to manage their finances and ensure they understand their finances at any stage of life, even if their spouse actively manages the family money.

Make sure the women you care about – regardless of their age – have the knowledge they need to be financially prepared. You can count on us to always be available to answer your questions or to speak with



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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# 1144061.1