

# WEEKLY MARKET COMMENTARY

For the Week of June 8, 2015

## THE MARKETS

Despite May's strong jobs report and increased wages, stocks fell for the second week amid expectations of rising interest rates. Top banks on Wall Street expect the first increase to come in September. For the week, the Dow fell 0.87 percent to close at 17,849.46. The S&P lost 0.65 percent to finish at 2,092.83 and the NASDAQ dropped 0.03 percent to end the week at 5,068.46.

| Returns Through 06/05/15   | 1 Week | YTD   | 1 Year | 3 Year | 5 Year |
|----------------------------|--------|-------|--------|--------|--------|
| Dow Jones Industrials (TR) | -0.87  | 1.25  | 8.53   | 16.59  | 15.35  |
| NASDAQ Composite (PR)      | -0.03  | 7.02  | 17.97  | 22.19  | 17.96  |
| S&P 500 (TR)               | -0.65  | 2.56  | 10.07  | 20.17  | 16.91  |
| Barclays US Agg Bond (TR)  | -1.35  | -0.37 | 2.12   | 1.77   | 3.51   |
| MSCI EAFE (TR)             | -1.71  | 6.74  | -2.47  | 15.50  | 9.84   |

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.

**Compared to the Biggest** — The largest year-over-year increase (up 23.7 percent) in the Consumer Price Index (CPI) took place over the 12 months from June 30, 1919, to June 30, 1920. Over the most recent 12 month period (April 30, 2014, to April 30, 2015), the CPI was down 0.2 percent, i.e., average prices declined over the last year (source: Department of Labor, BTN Research).

**Medical Care** — Over the 10 years ending April 30, 2015, national inflation (as measured by the Consumer Price Index) has advanced 1.97 percent per year. Over the 10 years ending April 30, 2015, "medical care" inflation (i.e., one of eight components that make up the CPI) has advanced +3.34 percent per year (source: Department of Labor, BTN Research).

**Too Much Education, Not Enough Skills?** — The nation's percentage of recent college graduates aged 22-27 working in jobs that typically do not require a bachelor's degree is 44.6 percent as of May 2015. Surprisingly, the percentage of graduates working below their education level has not dropped under 40 percent going back to 2006 (source: Federal Reserve Bank of New York, BTN Research).

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## WEEKLY FOCUS – Contemplating a Second Career

When you were a child, people asked what you wanted to be when you grew up. If you're nearing retirement, people may be asking what you want to be when you retire. Retirement today looks different than it did previously, with second careers becoming more and more popular. According to a 2014 study by Encore.org and Penn Schoen Berland, 4.5 million people age 50 – 70 are involved in second careers, and another 21 million are ready to join them.

That's really not surprising. With average life expectancies around 80 years and many living comfortably to age 90, retirees have the opportunity to create a second act that encompasses more than hobbies, golfing or traveling. Retirees who don't have enough outside interests may miss the social interaction and the sense of accomplishment that comes with working. For them, a second career can keep their minds sharp, offer a sense of connection and provide the means to indulge in some added luxuries.

With less necessity to earn a certain level of income, retirees enjoy the freedom to do something new and to make a difference. Many choose to address social problems by working with one of the nation's 1.4 million nonprofits. Others respond to the need for health professionals to help our older population, becoming health counselors or patient advocates. Still others become career coaches.

Work flexibility is another advantage second careers have over first careers. Retired workers can decide how much they want to work and when. While some want to get out of the house, others choose to work from home.

By leveraging the professional and interpersonal skills they've developed over the years, retirees can find a situation they find personally fulfilling, one that allows them to make new friends, meet new challenges and achieve an optimal balance of work and leisure. We're here to help you achieve your goals. Whether you're looking forward to traditional retirement or a second career, we can help you evaluate your financial situation so you can make the decision that's best for you.



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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#1219454.1