

WEEKLY MARKET COMMENTARY

For the Week of April 30, 2018

THE MARKETS

Stocks were fairly flat Friday after the Commerce Department reported consumer spending in the first quarter grew at its weakest pace in five years, and the Labor Department reported wages increased at their fastest rate in 11 years. On Friday, the S & P and the NASDAQ managed small gains, and the Dow fell. For the week, the Dow fell 0.62 to close at 24,311.19. The S&P closed unchanged to finish at 2,669.91, and the NASDAQ lost 0.37 percent to end the week at 7,119.80.

Returns Through 4/27/18	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.62	-1.03	18.59	13.26	13.30
NASDAQ Composite (PR)	-0.37	3.13	17.70	12.06	16.77
S&P 500 (TR)	0.00	0.44	13.98	10.47	13.37
Barclays US Agg Bond (TR)	0.01	-2.29	-0.33	0.84	1.44
MSCI EAFE (TR)	-0.25	0.65	14.32	4.40	6.19

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.

Put It on the Card — Credit card debt in the U.S. was \$1.03 trillion as of February 2018, its highest level ever. Credit card debt was \$1.02 trillion in May 2008 (source: Federal Reserve, BTN Research).

Just a Few Have One — Only 23 percent of American workers (in both the public and the private sector) have a defined benefit pension plan (source: National Compensation Survey for 2017, BTN Research).

Three In-a-Row — The S&P 500, down on a total return basis in February and March this year, has been negative three or more consecutive months just three times in the last decade (source: BTN Research).

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WEEKLY FOCUS – April 29 to May 5 Is Small Business Week

While many of us picture a typical small business as a family-owned restaurant, garage or specialty shop, any self-employed individual is a small-business owner. With technology and the internet enabling entrepreneurs to work from home and market products or services anywhere, it's no wonder the number of self-employed is multiplying. Today, it's 15 million in the U.S. alone. According to Freshbooks, a cloud accounting software company, that figure could triple – to 42 million – by 2020.

Retired entrepreneurs' advantages: Retirees account for a growing percentage of these entrepreneurs. After all, they enjoy distinct advantages compared to other ages. Seniors have free time. Social Security payments and retirement savings reduce pressure to achieve a certain income in a set timeframe. Medicare removes the health insurance obstacle. And seniors have spent decades collecting contacts, building skills and increasing their knowledge.

Self-employment benefits retirees: On the flip side, self-employment offers several benefits for retirees. In addition to adding purpose and extra income, it affords unique opportunities to contribute to retirement funds. Take IRAs, for example. An individual over 50 and under 70½ who works for someone else can contribute \$6,500 a year to a Traditional IRA. But a SEP IRA, a popular choice for sole proprietors with no employees, allows an entrepreneur to contribute the lesser of \$55,000 or up to 25 percent of their net self-employment earnings until they reach 70½. (The limit on compensation factored is \$275,000.)

Those over 70½ who still work for an employer can contribute \$18,500 plus a \$6,000 catch-up contribution to their employer's 401(k) each year. But self-employed individuals with no additional employees (except a spouse) can contribute considerably more to a Solo 401(k).

With a Solo 401(k), a self-employed individual is considered both an employee and an employer. As an employee, an entrepreneur who is 50 or over can contribute \$24,500 and as the employer, they can contribute another 25 percent of their net self-employment earnings up to \$61,000, including the employee contribution. A spouse over 50 who earns income from the business can also contribute \$61,000. And the entrepreneur can make pre- or post-tax (Roth) contributions and pick their own investments. Designated Roth Solo 401(k) accounts are subject to Required Minimum Distributions.

Whether you're looking forward to or presently enjoying traditional retirement or launching a new enterprise, we can help you create a plan to support your vision for the future. Call 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, Copyright April 2018. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI#2105295.1