

WEEKLY MARKET COMMENTARY

For the Week of December 11, 2017

THE MARKETS

A positive November jobs report boosted the major indexes Friday. The S&P 500 and the Dow Jones Industrial Average closed at record highs. For the week, the Dow rose 0.46 percent to close at 24,329.16. The S&P gained 0.39 percent to finish at 2,651.50, and the NASDAQ fell 0.11 percent to end the week at 6,840.08.

Returns Through 12/8/17	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.46	26.06	27.05	13.71	15.92
NASDAQ Composite (PR)	-0.11	27.07	26.26	13.00	18.09
S&P 500 (TR)	0.39	20.72	20.45	11.09	15.74
Barclays US Agg Bond (TR)	-0.02	3.34	3.48	2.31	2.04
MSCI EAFE (TR)	0.09	22.17	22.90	6.00	7.90

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.

Every Day — An estimated 10,100 Americans will turn 65 each day next year (2018). An estimated 11,500 will turn 65 every day in 2029 (source: Government Accountability Office, BTN Research).

Colleges — The Tax Cuts and Jobs Act proposes a 1.4 percent levy on the investment income from the endowments of private colleges, earnings that are currently untaxed. For example, Harvard's \$37.1 billion endowment would have owed \$39 million on the \$2.8 billion it earned in fiscal year 2017 (source: Harvard University, BTN Research).

Long-term Guess — When President Franklin D. Roosevelt proposed the Social Security retirement program in 1935, FDR's financial people projected total Social Security expenditures would reach \$1.3 billion in 1980 or 45 years into the future. Actual outlays in 1980 were \$149 billion. Thus, the analysts' 1935 estimate represented less than 1 percent of actual 1980 Social Security expenditures (source: Social Security, BTN Research).

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Page 2 of 2

WEEKLY FOCUS – Aim for a Regret-Free Retirement

We often learn from our mistakes, but it can be hard to recover from mistakes realized in your retirement years. Here are some to avoid before incurring their costly consequences.

Not saving more early on. Many Americans don't get serious about retirement savings until their 40s and 50s – and miss out on the magic of compounding over time. Imagine you want to have \$1 million in assets at age 65. With a 7 percent annual return, Morningstar calculated someone starting at 25 would need to save \$381 a month, while a 35-year-old would need to put \$820 aside each a month. A 45-year-old and a 55-year-old would need to save \$1,920 and \$5,778 monthly.

Retiring too young. You may think you can always go back to work later, but mature individuals often find it hard to re-enter the job market, especially at their previous pay. And delaying Social Security benefits really pays off. Begin drawing them at 62 instead of full retirement age, and receive 25 percent less for life. Wait to draw them at 70 and increase your payments by 32 percent.

Not diversifying. If you're an executive or small business owner, you may be disproportionately invested in your company. But diversification is one of the most common strategies to reduce risk. Most advisors not only recommend investing in different products and companies but also balancing conservative investments with some risk and growth potential. Keep all your money in overly conservative investments, and inflation and taxes may erode your buying power.

Spending too much too soon. Dramatically reducing your portfolio in the early years (when you're no longer adding to it) decreases its growth potential for years to come.

Underestimating retirement expenses. Even if you have your home paid for, it can require unexpected repairs, and property taxes may continue to grow. Then there's federal taxes due on pension payments, retirement account distributions and Social Security benefits. Depending on your income, as much as 85 percent of your Social Security could be subject to tax. Many states add their own bills. And while you can tighten your belt in some areas, you should expect to spend more on health costs as you age.

When it comes to retirement, there are no do-overs. With so much at stake, it's important to get it right. We can review your retirement plan, identify any shortfalls and help you develop a retirement budget to fit your future. Call to schedule an appointment.

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1753 Dollar Street, West Linn, Oregon 97068.

* 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 December 2017. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 1968428.1