

# WEEKLY MARKET COMMENTARY

For the Week of April 10, 2017

## THE MARKETS

Following the U.S. airstrike in Syria and a disappointing job report, Wall Street edged lower Friday. Economists had expected to see 180,000 new jobs in March, but the report showed only 98,000 were added. For the week, the Dow rose 0.02 percent to close at 20,656.10. The S&P fell 0.24 percent to finish at 2,355.54, and the NASDAQ lost 0.57 percent to end the week at 5,877.81.

Returns Through 4/7/17	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.02	5.21	20.84	11.09	12.40
NASDAQ Composite (PR)	-0.57	9.19	21.23	12.94	13.79
S&P 500 (TR)	-0.24	5.81	17.84	10.81	13.40
Barclays US Agg Bond (TR)	0.16	0.98	0.13	2.63	2.26
MSCI EAFE (TR)	-0.66	6.54	13.87	0.27	6.33

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.

**Big Numbers** — The U.S. bond market (including treasury, municipal, corporate, mortgage and asset-backed debt) was worth \$39.4 trillion as of Dec. 31, 2016. The U.S. bond market was worth \$4.8 trillion on Dec. 31, 1986 (source: Securities Industry and Financial Markets Association, BTN Research).

**Up Early, Up Overall** — The last time the S&P 500 was up on a total return basis for the first quarter yet finished down for the full calendar year was 2002 when the index gained 0.3 percent for the first three months of the year but was down 22.1 percent for the entire year (source: BTN Research).

**Rainy Day Funds** — Currently, 63 percent of American adults do not have \$500 in a savings account to cover an emergency expense (source: CNN, BTN Research).



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## WEEKLY FOCUS – April Is Financial Literacy Month

Since 2004, the United States has recognized April as Financial Literacy Month, a time set apart to focus on the knowledge and skills needed to ensure financial well-being across all stages of life. Why concentrate on financial literacy?

If you're reading this, you've attained at least a mastery of financial basics. And you strive to stay abreast of the latest developments in the financial world. But much of society hasn't mastered the basics. That matters, especially if you have children or grandchildren. You can't assume they'll achieve financial literacy through school.

A 2015 report by Champaign College's Center for Financial Literacy on financial education in the U.S. found only five states deserved an A; "26 states received grades of C, D or F. Twenty-nine percent of the states had grades of D or F." Those are not the kind of grades you want to see on your child's report card. By the time they graduate from high school, most students still don't have a basic grasp on finances or how to budget. They also don't understand the financial aid process, credit, loans or inflation. What's worse, mastery of financial knowledge doesn't seem to improve over time. A 2016 Fidelity Investments study found 37 percent of *college professors* felt they were beginners when it came to investing.

Financial literacy should start at home. While money and finances should be a part of family discussions, one survey indicated parents spent about the same amount of time talking about money management as about the facts of life. In other words, not a lot. Yet making financial decisions can easily be woven into the fabric of everyday life. Include children and grandchildren in financial decisions at the store. Give them a small budget and have them decide what to purchase. Discuss their choices and point out the good and not-so-good about each one. Let them earn their allowance. Teach them to allocate a percentage of their allowance to immediate spending, savings and charitable giving.

Raising financially literate children and grandchildren contributes not only to their own personal future but also toward a healthy U.S. economy. Some experts say that a lack of financial literacy across society in part led up to the Great Recession.

To learn more about talking to your kids or grandchildren about money matters, contact our office. Leaving a legacy of financial literacy is as important as bequeathing tangible assets. Working together, we can make this legacy a reality.

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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 2017. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 1756706.1