WEEKLY MARKET COMMENTARY

For the Week of April 12, 2021

THE MARKETS

Despite an unexpected jump in jobless claims, stocks rose Friday amid the accelerating vaccine rollout and reopening optimism. Both the Dow and the S&P hit record closing highs. For the week, the Dow rose 1.99 percent to close at 33,800.60. The S&P gained 2.76 percent to finish at 4,128.80, and the NASDAQ climbed 3.13 percent to end the week at 13,900.19.

Returns Through 4/09/21	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	1.99	11.02	45.57	14.73	16.70
NASDAQ Composite (TR)	3.13	8.05	71.82	27.23	24.73
S&P 500 (TR)	2.76	10.39	50.50	18.70	17.33
Barclays US Agg Bond (TR)	0.40	-2.90	0.37	4.84	3.14
MSCI EAFE (TR)	1.80	6.09	43.85	6.55	9.72

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, NASDAQ 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. (TR) indicates total return. MSCI EAFE returns stated in U.S. dollars.

They're Buying Bonds — The Fed is buying $120 billion of bonds each month – $80 billion of Treasury debt and $40 billion of mortgage-backed securities. On March 31, the Fed confirmed the purchases will continue "until substantial further progress has been made toward the committee's maximum employment and price stability goals." (source: Federal Reserve, BTN Research).

Lowest Paid, Hardest Hit — 82 percent of the net job losses in the United States in 2020 were suffered by workers in the bottom 25 percent of wage earners (source: Economic Policy Institute, BTN Research).

Wealthiest — The top 10 percent of U.S. households (as measured by net worth) own 70 percent of all assets nationwide as of Dec. 31, 2020, i.e., $85.6 trillion out of $122.9 trillion. The bottom 50 percent of U.S. households own just 2 percent of all assets as of Dec. 31, 2020, i.e., $2.5 trillion out of $122.9 trillion (source: Federal Reserve, BTN Research).

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WEEKY FOCUS – What You May Not Know About Estate Taxes

You have worked hard, managed your finances well, and invested wisely to protect your future and care for your family. It's crucial not to lessen your vigilance when it comes to your estate. Unfortunately, the Tax Cuts and Jobs Act (TCJA) passed in 2017 has lulled some individuals into a false sense of security.

In 2021, a person's estate is exempt from federal taxes as long as it is under $11.7 million. (The amount over the exemption can be taxed at up to 40 percent.) But the current exemption, which doubled under TCJA, is set to expire in 2026 barring further legislation. And the Biden administration has already proposed cutting much of the estate tax exemption.

Even estates well within the federal exemption may still be impacted by state death taxes. In 2021, Washington, Oregon, Minnesota, Illinois, Maryland, Vermont, Connecticut, New York, Rhode Island, Massachusetts, Maine, Hawaii, and Washington, D.C., all levy estate taxes on estates above $1 to $5.9 million. Among the list, the highest estate tax rates vary from 12 to 20 percent.

Another six states levy an inheritance tax: Nebraska, Iowa, Kentucky, Pennsylvania, Maryland, and New Jersey. The states' highest inheritance tax rates vary from 10 percent (Maryland) to 18 percent (Nebraska). All six states exempt spouses from paying inheritance tax; some extend at least a partial exemption to immediate relatives.

Although some states reduced or eliminated estate tax burdens to retain wealthy residents over the past decade, pandemic-related budget woes may reverse that trend. For example, the District of Columbia reduced its estate exemption from $5.67 million in 2020 to $4 million in 2021. And a taxable $10 million estate could owe nearly $1 million in estate tax to D.C.

There may be ways to reduce an estate's taxes or fees: various types of trusts; transferring assets into a Limited Liability Company or Family Limited Partnership; gifting assets; putting money into a life insurance policy; even moving to another state. Estate planning can be complex, and it's crucial to get it right. We would be happy to work with you, your attorney and tax professional to find solutions for your situation.

We do not provide tax or legal advice; please consult an accountant or attorney for more information.

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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 2021. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI#3543659.1 If you no longer wish to receive the Weekly Market Commentary, reply with "unsubscribe" in the subject line and your email will be promptly removed from our WMC list.