

WEEKLY MARKET COMMENTARY

For the Week of Oct. 6, 2014

THE MARKETS

Stocks rose on Friday on a stronger-than-expected September U.S. jobs report, leading the S&P 500 to post its best day since August. However, concerns over Ebola and protests in Hong Kong earlier in the week kept markets from advancing. For the week, the Dow fell 0.57 percent to close at 17,009.69. The S&P lost 0.72 percent to finish at 1,967.90 and the NASDAQ dropped 0.81 percent to end the week at 4,475.62.

Returns Through 10/03/14	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.57	4.42	16.07	19.91	15.34
NASDAQ Composite (PR)	-0.81	7.16	18.58	24.20	16.92
S&P 500 (TR)	-0.72	8.12	19.66	24.09	16.36
Barclays US Agg Bond (TR)	0.41	4.48	4.25	2.40	4.14
MSCI EAFE (TR)	-3.43	-4.25	1.09	13.37	6.72

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 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.

Increased Last Year — Before the top marginal bracket paid by individual taxpayers was raised to 39.6 percent in 2013, the top rate had not been raised in 20 years, or since 1993. Three other changes to the top rate since 1993 had each been reductions in the rate. The top rate remains at 39.6 percent in 2014 (source: Internal Revenue Service, BTN Research).

Almost Half — Forty-nine percent of the S&P 500's total return achieved over the past 25 years (i.e., 1989-2013) has been produced in the final three months of the year (source: BTN Research).

End of Life — Twenty-eight percent of Medicare expenditures are generated by Americans in the final six months of their lives. Eighty percent of deaths in the United States are Medicare beneficiaries (source: Medicare, BTN Research).

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WEEKLY FOCUS – Creating Your Own Business

At age 40, Col. Harland Sanders operated a service station in Corbin, Ky. where he began cooking chicken dishes for traveling customers, eventually perfecting his “secret recipe” nine years later. But by 1955, at the age of 65, Sanders’ restaurant had failed. With nothing left, he took \$105 from his first Social Security check and began visiting potential franchisees. He found success with the franchisee model and in 1964 he sold the Kentucky Fried Chicken corporation for \$2 million. Sanders continued collecting Canadian franchisee and appearance fees to solidify his income and savings, and later used his stockholdings to create the Colonel Harland Sanders Trust and Colonel Harland Sanders Charitable Organization. He lived to be 90 years old.

The economy hasn’t always been kind to older workers. Although the overall unemployment rate for people age 55 and older is slightly lower than the national average, older workers are often unemployed longer. With existing jobs scarce, many 55+ workers are creating their own. Becoming a business owner later in life has its advantages: you have skills and experience you may be able to market on your own. You also have the benefit of observing gaps in your industry that a small business could fill. And unlike younger entrepreneurs, you may have greater financial resources at your disposal – which is why starting a business in your retirement years holds greater risk than it does for those in their 20s and 30s. You have less time to financially recover should your business fail.

A thorough business plan and a retirement plan are recommended to help you fulfill your dream without betting the farm. Both plans need to consider best and worst case scenarios. Your business could succeed wildly, creating unforeseen tax, estate planning and succession issues. Or it could fail, creating a different set of problems. Your plans should set some automatic action points – the point at which you would sell the business at its peak value or the point at which you would pull the plug when you are finally ready to retire.

Our office can work with your attorney, business accountant and insurance professional to help you plan your course of action. You may also want to consider finding a mentor with business ownership experience, preferably in your field

If you are considering becoming a business owner, we are available to be part of your team and can help you pave your path to business ownership with thorough, comprehensive planning. Call our office today to get started.

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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#1029370.1