



WEEKLY MARKET COMMENTARY

For the Week of May 28, 2019

The Markets

Modest levels of optimism about China – U.S. trade relations pushed stocks up slightly Friday. Late Thursday, President Trump indicated he saw a resolution to the trade war coming soon. Despite the president's encouraging comments, all three major indexes fell for the week. For the week, the Dow fell 0.63 percent to finish at 25,585.69. The S&P lost 1.14 percent to finish at 2,826.06, and the NASDAQ dropped 2.29 percent to end the week at 7,637.01.

Returns Through 5/24/19	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.63	10.79	5.57	15.79	11.71
NASDAQ Composite (PR)	-2.29	15.10	2.86	16.25	12.78
S&P 500 (TR)	-1.14	13.67	5.71	13.09	10.51
Barclays US Agg Bond (TR)	0.27	3.84	6.22	2.26	2.59
MSCI EAFE (TR)	-0.51	9.69	-5.61	7.05	1.85

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.

Expensive Education — Outstanding student loan debt in the U.S. was \$1.49 trillion as of March 31, 2019, up 126 percent (equal to 8.5 percent per year) from \$660 billion of student debt as of March 31, 2009 (source: Federal Reserve Bank of NY, BTN Research).

New Jobs — Ninety-two percent of the 820,000 new jobs created in the United States YTD through April 30 are in private-sector, nongovernment jobs (source: Department of Labor, BTN Research).

No Change for 30 Years — The Social Security payroll tax rate paid by employees has been 6.2 percent since 1990 except for a 2 percent reduction to the rate during 2011 and 2012 (source: Social Security, BTN Research).



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WEEKLY FOCUS – National 529 College Savings Plan Day

May 29 is National College Savings Plan Day, a great day to focus on an important tool in planning for future education, especially with the ever-increasing cost of college tuition. 529 College Savings Plan funds are used to pay for college tuition, books and room and board.

If you think saving for education is only for college, you might want to take another look at 529s. Tax reform has expanded the possible uses for these funds, making contributing to one of these tax-preferred accounts a much more appealing tactic in financing an education. Here are two of the post-tax reform changes to 529 accounts:

Under prior law, qualified expenses were generally limited to costs for post-secondary school (i.e., college or university). But the 2017 tax reform expanded qualified use of these savings; you can now use up to \$10,000 in 529 funds per year on elementary or secondary school expenses (you should check with your plan to confirm it's been modified to implement the new federal rule). New 529 plan rules permit a tax-free rollover of 529 funds to an ABLÉ account with the same beneficiary or a family member beneficiary. ABLÉ accounts are like 529s but are intended to cover expenses of individuals with disabilities. Funds that roll over count against the \$15,000 annual contribution limit for ABLÉ accounts.

Generous federal tax benefits can make 529s very appealing. You can withdraw funds from a 529 at any time and they aren't taxed – so long as they're used for qualifying expenses.

Opening an account for a young child or grandchild makes sense, but older students can also benefit. Funds can be used for career development programs, certificates and advanced degrees. In fact, anyone can set up, and benefit from, a 529 – a friend, your grandchild or relative, even yourself. It could benefit your retirement lifestyle and budget planning; you may want to consider an encore career or continued education.

To find out if opening a 529 is right for you, or for help in choosing the right 529, call our office. We can answer your questions and guide you through the financial planning process.

Investments in 529 plans involve risks to principal and may involve additional fees such as enrollment charges and annual maintenance fees. 529 plans offer no guarantees. Depending on your state of residence and the state of residence of the beneficiary, the plan may or may not be eligible for state tax benefits. There are exceptions to the gift tax and estate tax exemptions; please contact a qualified tax, legal or financial advisor for more information prior to investing.

Arlon Enmeier, CFP®
Private Wealth Manager
Securities America Advisors, Inc.
www.enmeier.com

241 Avenida Del Mar
San Clemente, CA 92672
Enmeier@SecuritiesAmerica.com

(949) 276-6333 or (877) 915-7444
Fax (949) 276-6334

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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 May 2019. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 2556102.1