



WEEKLY MARKET COMMENTARY

For the Week of September 3, 2019

The Markets

Stocks were mixed on Friday, closing a wild month of trading. The major indexes experienced their worst monthly performance since May amid continued trade tensions and fears of a recession. For the week, the Dow rose 3.14 percent to close at 26,403.28. The S&P gained 2.83 percent to finish at 2,926.46, and the NASDAQ climbed 2.72 percent to end the week at 7,962.88.

| Returns Through 8/30/19 | 1 Week | YTD | 1 Year | 3 Year | 5 Year |
|----------------------------|--------|-------|--------|--------|--------|
| Dow Jones Industrials (TR) | 3.14 | 15.14 | 4.12 | 15.50 | 11.77 |
| NASDAQ Composite (PR) | 2.72 | 20.01 | -1.81 | 15.17 | 11.70 |
| S&P 500 (TR) | 2.83 | 18.34 | 2.92 | 12.70 | 10.11 |
| Barclays US Agg Bond (TR) | 0.21 | 9.10 | 10.21 | 3.09 | 3.35 |
| MSCI EAFE (TR) | 0.91 | 9.66 | -3.95 | 5.85 | 1.89 |

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.

College Costs — As of June 30, 45 million Americans owed \$1.48 trillion in student loan debt, a 114 percent increase (up \$790 billion) in the last 10 years (source: Federal Reserve Bank of New York, BTN Research).

Need Work? — 51 percent of the 2.25 million new jobs created in the U.S. during the 12 months ending July 31 were produced in just six states – Texas (323,300), California (311,800), Florida (227,200), Washington (102,400), New York (95,500) and North Carolina (75,700) (source: Department of Labor, BTN Research).

Not Recently — The total return of the S&P 500 over the last four months through the close of trading on Friday, Aug. 23, is a loss of 2.3 percent. The total return of the S&P 500 year-to-date through the close of trading on Aug. 23 is +15.1 percent (source: BTN Research).



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WEEKLY FOCUS – With Right Plan, College Is Worth the Investment

If you have a child or grandchild who you would like to see graduate from college, the skyrocketing cost of earning a degree may have you wondering if it will be worth it. While the average student today will graduate with \$31,172 in student loan debt, studies show graduates with a four-year college degree earn a median weekly salary of \$1,137. Employees with only a high school diploma average \$678 per week.

So, over the long run, a college education remains a wise investment. In the short term, the high cost of a postsecondary education can make it difficult to cover the initial outlay. But there are many ways to defray those initial expenses and ease – or even eliminate – the debt burdens a college graduate will need to shoulder.

529 College Plans: These tax-advantaged savings accounts are used to save money for qualified educational expenses. With a 529 plan, you invest after-tax money that is withdrawn tax-free. State plans offer different investment options, contribution limits, annual fees and operating costs, but you are not bound to your home state's plan. If the beneficiary decides not to go to college, the account holder may face fees and tax penalties when withdrawing the funds, unless they are transferred to another beneficiary.*

Roth IRA: A Roth IRA isn't just for retirement. It can also be used as a tax-advantaged, college savings vehicle. A Roth IRA allows you to withdraw funds tax- and penalty-free to pay for qualifying educational expenses after five years. Because a Roth IRA is a versatile tool, it can be used for other purposes if your child opts to forgo college.

Prepaid College Tuition Plans: These plans allow you to purchase blocks of tuition at current rates, then cash them in for the going rate when your child attends college. Suppose tuition is \$10,000 a year, and you invest \$5,000 to cover half the cost. If tuition has increased to \$20,000 when your child enrolls, your investment would be worth \$10,000. About a dozen states offer these plans. Gains in these plans are also usually exempt from federal taxes.

These are just a few of the options to help defray the high cost of sending kids to college. If you would like to discuss these or other plans, please contact my office today to schedule an appointment.

**Investments in 529 plans involve risks to principal. 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.*

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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 September 2019. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 2714040.1