

WEEKLY FOCUS

Protecting Your Most Important Asset

When asked about our most valuable asset, many of us would list our savings, home or car. But unless we're nearing or in retirement, it's probably our ability to earn a living. Imagine a 25-year-old with a \$50,000 annual salary who suffers a permanent disability and becomes unable to work. Without accounting for wage increases, they could lose over \$2,000,000 in lifetime earnings. Yet disability is often the last insurance people consider.

The Council for Disability Awareness and the insurance industry have named May Disability Insurance Awareness Month to increase disability awareness. Here are some of the types of facts they share.

People think disability is usually caused by an accident. But the most common causes are serious illnesses, such as cancer, or musculoskeletal disorders. Perhaps that's why disability is far more common than people realize. According to the Centers for Disease Control and Prevention, one in five American adults lives with at least one kind of disability. Studies show one in four 20-year-old workers will be unable to work for at least a year before reaching full retirement age. The average disability claim lasts nearly three years.

If disability strikes, those who rely solely on Social Security Disability Insurance may be disappointed. Strict guidelines make qualifying a difficult and frequently lengthy process. Over half of initial applications are denied. Among those approved, the average monthly benefit for 2018 is \$1,197.

According to a survey by OneAmerica and the Harris Poll, only 34 percent of all workers have private disability insurance. The majority of them receive it through their employer. Company-provided disability insurance typically covers 40 to 50 percent of workers' income, but some employers allow employees to pay in to increase benefits.

Other individuals secure disability insurance through professional associations or buy it themselves. There are benefits to buying your own. You won't lose it if you change jobs or professions, and any benefits you draw will be tax-free. You may be able to extend your policy if you're still working 30 or more hours per week beyond your full retirement age. Downsides are you will need to qualify and private policies usually cost more. Increasing the waiting period, buying less coverage, shortening your benefit period or buying with another person can cut costs.

We can help you determine how much disability coverage you may need to maintain your lifestyle and protect your retirement. Call today to schedule an appointment.

FINANCIAL FACTS

Rapid City or Jacksonville? — The top three states for retirement in 2018 are Florida, Colorado and South Dakota. This subjective evaluation was based on 41 metrics that assessed affordability, health care, quality of life, crime, weather and the state's tax environment (source: WalletHub, BTN Research).

Owe Nothing — Sixty-four percent of the 120 million households in the United States are homeowners, a total of 77 million households. Thirty-four percent of the 77 million homeowners (26 million households) are mortgage debt-free (source: ATTOM, BTN Research).

Worker Cost — The average employer in the private sector pays 44 cents in benefits (e.g., Social Security, Medicare, unemployment insurance, workers' compensation, life and health insurance, paid leave, retirement plans) for every \$1 paid in salary (source: Department of Labor).

WEEKLY COMMENTARY

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THE MARKETS

Wall Street rose after President Trump addressed America's high drug prices but avoided taking aggressive measures against drug companies. Oil prices, which surged after the President pulled the United States out of the Iran nuclear deal, boosted energy stocks. The Dow achieved a seven-day winning streak and its biggest weekly gain since March. For the week, the Dow gained 2.51 percent to close at 24,831.17. The S&P rose 2.49 percent to finish at 2,727.72, and the NASDAQ climbed 2.67 percent to end the week at 7,402.88.

Returns Through 5/11/18	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	2.51	1.26	21.45	13.92	13.16
NASDAQ Composite (PR)	2.67	7.23	21.03	14.02	16.59
S&P 500 (TR)	2.49	2.72	16.16	11.32	13.12
Barclays US Agg Bond (TR)	-0.01	-2.28	-0.01	1.37	1.59
MSCI EAFE (TR)	1.60	1.80	13.90	5.14	6.01

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.

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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 2018. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI 2120430.1