



For the Week of May 3, 2021

THE MARKETS

Stocks dropped on the final trading day of the month as investors set aside concerns over rising inflation and possible future tax hikes. After closing above 4,200 on Thursday, the S&P notched its third straight month of gains. The NASDAQ finished its sixth consecutive month of gains. For the week, the Dow fell 0.50 percent to close at 33,874.85. The S&P rose 0.04 percent to finish at 4,181.17, and the NASDAQ dropped 0.38 percent to end at 13,962.68.

Returns Through 4/30/21	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.50	11.30	42.12	14.52	16.48
NASDAQ Composite (TR)	-0.38	8.55	58.30	26.72	25.23
S&P 500 (TR)	0.04	11.84	45.98	18.67	17.42
Barclays US Agg Bond (TR)	-0.18	-2.61	-0.27	5.19	3.19
MSCI EAFE (TR)	-0.76	6.59	39.88	6.27	8.87

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.

Your Home — The average property tax paid in 2020 on a single-family home in the U.S. was \$3,719, equal to 1.1 percent of the fair market value of the average home nationwide. The most expensive property tax states are New Jersey (2.20 percent effective property tax rate), Illinois (2.18 percent effective rate), and Texas (2.15 percent effective rate). An average single-family home in New Jersey paid \$9,196 in property taxes in 2020 (source: Attom Data Solutions, BTN Research).

A Record — The median sales price of existing homes sold in the United States was \$329,100 in March 2021, an all-time record both on a nominal basis (i.e., not adjusted for inflation) and on an inflation-adjusted basis (source: National Association of Realtors, BTN Research).

State Money — The average U.S. state receives 48 percent of its tax revenue from sales taxes, 41 percent from income taxes, 6 percent from license taxes, and 5 percent from other taxes (source: Census Bureau, BTN Research).



WEEKLY FOCUS – Retirement Plans for Small Business Owners and the Self-Employed

Nearly half of all Americans own or work for a small business. This is Small Business Week, an annual recognition of the critical role entrepreneurs and small business owners play in our economy and the challenges they face. Today's article looks at one specific challenge – retirement saving – and several potential options.

Simplified Employee Pension (SEP) IRA. The SEP IRA is easy to establish and administer and offers low, if any, annual account fees. In 2021, employers/entrepreneurs can contribute up to 25 percent of their net income up to \$58,000. If a business owner has eligible employees, the percentage contributed must apply equally to the owner and employees. Employees can't contribute to SEPs.

Solo 401(k). Individuals with substantial self-employment income and no employees often turn to a Solo 401(k), which allows them to make contributions as an employee and an employer. As an employee, they can make up to \$19,500 in tax-deferred contributions or after-tax Roth contributions in 2021; \$26,000 if they're 50 or over. As an employer, they can contribute another 25 percent of their net self-employment earnings. The total from employee and employer contributions can't exceed \$58,000. The Solo 401(k) can also cover a spouse.

Savings Incentive Match Plan for Employees (SIMPLE) IRA. Inexpensive to set up and maintain, the SIMPLE IRA can be a good choice for business owners with 100 or fewer employees. SIMPLE IRAs require employers to contribute on behalf of their employees. The employer may contribute a dollar-for-dollar match of an employee's contribution up to 3 percent of the employee's salary or a flat 2 percent of the employee's pay. An employee doesn't have to contribute, but may contribute up to \$13,500 in 2021, or \$16,500 if they are 50 or over.

Profit Sharing Plan. Less common than the first three, the administrative costs of Profit Sharing may be higher. But it allows flexible, discretionary contributions. Contribution limits for 2021 are the lesser of 25 percent of compensation or \$58,000. Employees may not contribute.

Whether you work for yourself or someone else, we can help you make the most of your current income while saving for retirement. *We do not provide tax advice; consult your tax professional for more details.*



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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 2021. All rights reserved. Securities offered through Securities America, Inc., broker-dealer and member of FINRA and SIPC. Investment advisory services offered through Securities America Advisors, Inc. and/or Arbor Point Advisors LLC, registered investment advisers. Securities America, Inc., Securities America Advisors, Inc., and Arbor Point Advisors LLC are separately owned and other entities and/or marketing names, products or services referenced here are independent. Securities America • 12325 Port Grace Blvd. • La Vista, NE 68128 • 800-747-6111 • securitiesamerica.com SAI# 3574823.1