



For the Week of December 14, 2020

THE MARKETS

The S&P 500 and the NASDAQ ended Friday with modest declines despite the FDA's emergency use authorization of Pfizer's COVID-19 vaccine for individuals 16 years of age and older. Investors appeared cautious amid conflicting headlines on progress toward another stimulus deal. For the week, the Dow fell 0.54 percent to close at 30,046.37. The S&P lost 0.95 percent to finish at 3,663.46, and the NASDAQ dropped 0.69 percent to end at 12,377.87.

Returns Through 12/11/20	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.54	7.70	2.56	9.72	14.44
NASDAQ Composite (TR)	-0.69	39.14	5.10	22.90	21.50
S&P 500 (TR)	-0.95	15.39	2.71	13.43	15.00
Barclays US Agg Bond (TR)	0.35	7.21	0.90	5.32	4.25
MSCI EAFE (TR)	-0.51	4.87	4.24	3.96	7.20

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.

Small Businesses Rule — Small American businesses, defined as having less than 500 employees, are responsible for 44 percent of U.S. economic activity (source: U.S. Small Business Administration Office of Advocacy, BTN Research).

Post-Election Gains — In the 22 trading days following the Nov. 3 election through Friday, Dec. 4, the S&P 500 gained 10 percent (total return) and set seven all-time record closings (source: BTN Research).

Not a Great Return — An American male retiring at age 65 in 2020 who has earned the maximum taxable wage for Social Security taxes every year during his working career (\$137,700 in 2020) is projected to have paid \$741,000 (stated as a 2020 present value number) in lifetime Social Security taxes but is projected to receive just \$533,000 (stated as a 2020 present value number) in lifetime benefits (source: Tax Policy Center, BTN Research).



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WEEKLY FINANCIAL UPDATE

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WEEKLY FOCUS



Smart Things to Do With a Year-End Bonus

Despite the pandemic, two-thirds of U.S. employers still plan to offer their employees year-end bonuses. If you work for one of those companies, it is wise to come up with a thoughtful plan for the extra cash. If you need more time to consider your options, deposit the money in a savings account. It will be harder to chip away at it if it's not connected to your debit card. Here are a few other suggestions.

Account for taxes. If your employer doesn't withhold taxes from your bonus, or doesn't withhold enough, make sure to set aside money to pay them.

Increase your bonus' value. Contributing the maximum allowed to a pretax employer retirement plan can make your bonus go farther than using it as after-tax dollars, especially if your employer matches the contributions. If your income falls within IRS guidelines, you may be able to make pretax contributions to your 401(k) and a traditional IRA or add post-tax contributions to a Roth IRA, which will grow tax-free.

Put your money to work. Since a bonus is extra money, it may be easier to use it for an investment with long-term growth potential or to rebalance your portfolio by introducing new money rather than selling stocks.

Build your emergency fund. Everyone should have liquid savings available to cover six months' worth of living expenses when the unexpected occurs. If you keep your fund in a savings account, be sure to shop around for the best rates, or consider a short-term CD.

Invest in yourself or loved ones. Many of the most successful people continually pursue knowledge and increase their skills. You might take a coding course, learn a language, hire a health coach, pay for a professional certification, or enroll in a public speaking program. If you have a child or grandchild, you could contribute to their 529 plan.

Plan an experience. Research indicates great memories often provide more satisfaction than purchases. In the midst of a rough winter, planning a future vacation can give you something to look forward to.

We're here to help you reap the rewards of your success and build a brighter tomorrow.

Call our office to schedule a time to discuss what you want to accomplish in 2021 and beyond.

We do not provide tax advice; coordinate with your tax advisor regarding your specific situation.



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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 December 2020. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI#3369082.1