



For the Week of October 19, 2020

THE MARKETS

Stocks were mixed on the final day of a volatile week. Encouraging reports on retail sales and consumer confidence lifted the major indices. The NASDAQ posted its fourth weekly gain. The S&P and Dow snapped three-day losing streaks to achieve their third positive weeks. For the week, the Dow rose 0.07 percent to close at 28,606.31. The S&P gained 0.21 percent to finish at 3,483.81, and the NASDAQ climbed 0.79 percent to end the week at 11,671.56.

Returns Through 10/16/20	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.07	2.09	8.49	10.16	13.42
NASDAQ Composite (TR)	0.79	31.02	45.05	22.04	20.34
S&P 500 (TR)	0.21	9.45	18.76	13.04	13.65
Barclays US Agg Bond (TR)	0.24	6.81	7.20	5.18	4.09
MSCI EAFE (TR)	-1.45	-5.70	0.51	0.58	4.11

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.

Big Numbers — The NASDAQ Composite was up 25.3 percent YTD (total return) through the close of trading on Sept. 30. The NASDAQ Composite has gained at least 20 percent in four of the last 11 years, i.e., 2009-2019. (source: NASDAQ, BTN Research).

Can't Spend What We Don't Have — Personal income (all pretax income created from employment and investments), declined 2.7 percent on a month-over-month basis from July to August, its fourth down month in the last six months. Personal income had declined on a month-over-month basis only five times in the previous decade (source: Department of Commerce, BTN Research).

Health Insurance — For workers who access their health insurance through an employer, the average annual cost for health insurance coverage for a family plan in 2020 is \$20,514, with the employer paying 67 percent of the total (\$13,717) and the employee paying 33 percent (\$6,797) (source: U.S. Bureau of Labor Statistics, BTN Research).



WEEKLY FOCUS – National Estate Planning Awareness Week

October 19-25 has been named National Estate Planning Awareness Week, an observance that reminds the public how important estate planning is to financial wellness. Unfortunately, common myths convince many people they don't need to create or update an estate plan, such as:

Only wealthy people need a plan. Without a will, state succession laws and the probate process decide who serves as the estate representative and where assets go. The probate process is public and can take anywhere from a few months to a year or multiple years.

Proper estate planning considers tax liabilities. Yes, the federal estate tax exemption in 2020 is \$11.58 million, thanks to the Tax Cuts and Jobs Act. However, the exemption is set to expire at the end of 2025. And despite this generous federal exemption, around a dozen states levy their own estate taxes (with a lower exemption than the federal), and six states collect an inheritance tax. The highest top rate among state estate taxes is 20 percent; the highest top rate among state inheritance taxes is 18 percent.

I already have a will. Estate plans are not meant to be "one-and-done" documents. They should be reviewed biennially, if not annually, and updated following a major life event (e.g., a birth, death, marriage, divorce, or move to another state). Beneficiary designations trump wills and should be revisited regularly. A complete plan should include a current list of all digital accounts with usernames, passwords, and security questions.

A will is enough. A thorough estate plan includes components designed to protect your income if you become disabled during your working years and protect your assets if you require costly long-term care as you age. It should also provide direction in the event you become unable to make decisions regarding your health and finances. Minimum documents include a Health Care Proxy (designates an individual to make decisions regarding medical treatments), an Advanced Care Directive (provides treatment instructions regarding prolonging life), and a Power of Attorney (names the person you wish to make financial decisions).

Estate planning can be complex. With so much at stake, it's crucial to get it right. We are happy to work with you, your attorney, and tax professional to secure and make the most of your legacy. *Securities America and its representatives do not provide legal or tax advice; consult with an attorney or accountant 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 October 2020. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI#3290367.1