



For the Week of August 17, 2020

THE MARKETS

Stocks ended mostly flat on Friday, with the S&P still failing to achieve a record high. The market appeared to be trading water as investors reacted to modestly improving retail sales and stalled stimulus talks as the Senate adjourned for its August recess. For the week, the Dow rose 1.87 percent to close at 27,931.02. The S&P gained 0.69 percent to finish at 3,372.85, and the NASDAQ climbed 0.09 percent to end the week at 11,019.30.

Returns Through 8/14/20	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	1.87	-0.68	12.29	10.86	12.54
NASDAQ Composite (TR)	0.09	23.53	43.13	21.50	18.20
S&P 500 (TR)	0.69	5.66	21.07	13.22	12.29
Barclays US Agg Bond (TR)	-0.91	6.85	7.08	5.29	4.32
MSCI EAFE (TR)	2.46	-5.23	7.33	2.27	3.39

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.

Tough Year — The number of operating oil rigs in the U.S. (both on land and offshore) as of last Friday, Aug. 7, was 247, down 69 percent from 805 operating oil rigs as of Dec. 31, 2019 (source: Baker Hughes, BTN Research).

Reducing Your Monthly Cost — 64 percent of mortgage applications filed during the week ending Friday, July 31, were current homeowners refinancing existing mortgage debt as opposed to new home purchases (source: Mortgage Bankers Association, BTN Research).

Record Low — The yield on the 10-year Treasury note closed at 0.514 percent last Tuesday, Aug. 4, 2020, within 0.013 percentage points of its all-time record low close of 0.501 percent from March 9, 2020 (source: Treasury Department, BTN Research).



WEEKLY FOCUS – The Mixed Blessing of Longevity

Thanks to better nutrition, smarter health choices and medical advances, people now live longer. The average life expectancy for a newborn in 1950 was 68. Today, it is just short of 79.¹ And according to the Social Security Administration, one in four 65-year-olds will live past 90 and one in ten will live past 95.²

Realizing your retirement could last 25 or 30 years is the first step to prepare financially – ideally, starting in your youth to reap maximum rewards of compound growth. Suppose, for example, you begin saving \$475 per month when you're 22 and earn an average annualized return of 8 percent. When you're 67, you'll have a \$2,379,328 retirement fund. Wait until you're 42, and that nest egg will only be \$450,040.³ But don't dismay if youth has passed. There is still a lot you can do, such as:

Continue working. If you can, keep working beyond the typical retirement age. This will help you accumulate more wealth, delay using savings and postpone drawing Social Security to let your benefits grow. If you retired early this year because of COVID risks, take heart. The pandemic has also increased remote work opportunities. Consider tutoring, customer service, sales, accounting, tech support or administrative work, just to name a few.

Protect your health. It's no secret healthcare costs have grown disproportionately. It's estimated the average couple will need \$295,000 for medical expenses in retirement (not counting a potential need for long-term care).⁴ So, anything you can do to safeguard your health is bound to pay off in quality of life and financial savings.

Invest wisely. Although inflation has been low since the 2008 recession, it still adds up over time. Keeping all your money in overly low-risk (and likely low return) investments may not actually be wise over the long-term. Particularly in a low-interest environment, it's difficult to grow ultra-low-risk investments. Investing a portion of funds you won't need for a decade or more in the market provides growth potential while giving you more time to ride out market volatility.

Whatever your age, there are always ways to improve your situation. If you'd like help creating or reviewing a written strategy for retirement saving, investing or distribution, contact our office today.

¹<https://www.macrotrends.net/countries/USA/united-states/life-expectancy#:~:text=The%20current%20life%20expectancy%20for,a%200.03%25%20decline%20from%20201>

²<https://www.cnbc.com/2018/01/12/failing-to-plan-for-longevity-can-hurt-your-finances.html>

³<https://blog.massmutual.com/post/swp-save-retirement>

⁴<https://www.fidelity.com/viewpoints/personal-finance/plan-for-rising-health-care-costs>



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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 August 2020. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SA# 3204664.1