WEEKLY MARKET COMMENTARY

For the Week of October 21, 2019

THE MARKETS

Stocks fell Friday; the Dow fell nearly 200 points. Several negative factors contributed to investor pessimism. Boeing and Johnson & Johnson experienced steep losses. A report showed China's economy slowed to 6 percent in the third quarter – the slowest pace since the early 1990s. The Conference Board think tank reported the U.S. economy grew more slowly in September. For the week, the Dow rose 1.08 percent to close at 26,770.20. The S&P gained 1.66 percent to finish at 2,986.20, and the NASDAQ climbed 1.75 percent to end at 8,089.54.

Returns Through 10/18/19	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	1.08	16.99	8.08	16.57	13.06
NASDAQ Composite (PR)	1.75	21.92	8.07	15.56	13.70
S&P 500 (TR)	1.66	21.05	10.07	14.03	11.90
Barclays US Agg Bond (TR)	-0.25	8.34	10.89	3.01	3.04
MSCI EAFE (TR)	3.11	14.70	6.83	7.66	4.88

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.

A Shrinking Total — The number of publicly traded companies in the United States peaked at more than 8,000 in 1996 but has fallen to approximately 4,400 today (source: JPMorgan Asset Management, BTN Research).

Health Insurance — The average annual cost for health insurance coverage for a family plan in 2019 is $20,576, with the employer paying 71 percent of the total ($14,561) and the employee paying 29 percent ($6,015). Ten years ago, the average cost was $13,375, and the employer/employee split was 74/26 (source: Kaiser FF, BTN Research).

Most Ever — Fueled by historically low worldwide interest rates, more corporate bonds (by dollar amount) were issued globally ($434 billion) in September 2019 than in any month in history (source: Dealogic, BTN Research).

WEEKLY FOCUS – How to Retire Well

With longer lifespans and rising healthcare costs, many Americans are concerned about running out of money in retirement. But retiring well is still achievable. Here are a few tips to consider:

Start saving early. There's a reason Albert Einstein said compound interest is the eighth wonder of the world. Imagine a 20-year-old who puts $100 a month into a retirement fund and averages 8 percent returns. By 65, they will have around $500,000. But investments need time to grow. If a person waits until they're 40 to start saving $100 a month with the same return, they'll only have around $100,000 by age 65. If you didn't start young, it's important to make up for lost time. Catch-up provisions, which let those 50 and older contribute more to pre-tax accounts, can help.

Maximize your earnings. It's easier to save more if you make more. If you're not getting regular raises, ask for them or consider changing jobs every few years. Research indicates you'll probably earn a higher income by changing jobs regularly than by getting standard raises in your current firm. You could also add income with a side gig.

Automate your savings. Have money taken out of your check before you're tempted to spend it. Don't leave money on the table. Make sure you contribute the full amount your employer matches to your 401(k). Why not take it a step farther and sign up for 401(k) payroll deductions that automatically increase over time?

Invest wisely. In today's low-interest rate environment, money in savings or CDs has less potential to build wealth than investments with some risk – like stocks. The percentage allocated to stocks often varies with age, but even retirees can include some stocks to keep up with inflation. A financial advisor can help you decide what's right for your situation.

Work longer. Staying on the job a few extra years provides multiple benefits: greater earnings, fewer years to live on your nest egg, access to an employer health plan and increasing Social Security by delaying benefits. After working a couple additional years, consider transitioning to part-time work instead of total retirement.

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.

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FSB Investment Center

* 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.