WEEKLY MARKET COMMENTARY

For the Week of September 23, 2019

THE MARKETS

Stocks fell Friday after a Chinese agriculture delegation cancelled a scheduled trip to Montana, reducing optimism about China-U.S. trade talks. As a result, all three indexes experienced their first weekly decline in a month despite the Fed's decision earlier this week to lower rates for the second time this year. For the week, the Dow fell 1.04 percent to close at 26,935.07. The S&P lost 0.49 percent to finish at 2,992.07, and the NASDAQ dropped 0.72 percent to end the week at 8,117.67.

Returns Through 9/20/19	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-1.04	17.58	3.50	16.86	11.99
NASDAQ Composite (PR)	-0.72	22.34	1.11	15.71	12.13
S&P 500 (TR)	-0.49	21.13	4.19	14.10	10.53
Barclays US Agg Bond (TR)	0.88	8.07	10.11	2.95	3.35
MSCI EAFE (TR)	-0.35	13.94	-0.57	7.34	2.91

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.

They Do Not Last Forever — There have been 10 recessions in the United States since 1950, the most recent being an 18-month downturn that ended in June 2009. The average length of the 10 recessions since 1950 is 11 months (source: National Bureau of Economic Research, BTN Research).

Really Low — The unemployment rate in the U.S. was 3.7 percent in August 2019, the seventh consecutive month that the nation has reported a jobless rate of 3.8 percent or less. The U.S. has not had a jobless rate streak of 3.8 percent or less for that long of a period since December 1969 (source: Department of Labor, BTN Research).

Treasuries — The amount of outstanding Treasury debt issued by the U.S. has quadrupled since the end of 2004, rising from $3.95 trillion on Dec. 31, 2004, to $15.61 trillion as of June 30, 2019 (source: SIFMA, BTN Research).

WEEKLY FOCUS – One of the Greatest Threats to Security

We've all heard stories of people who have inherited a fortune or won the lottery and later found themselves deeply in debt. It's hard to imagine how this occurs. But in most cases, it's a result of lifestyle inflation. People who have more spend more. Ordinary folks whose incomes increase gradually are susceptible as well.

The first step to stopping lifestyle creep is to recognize how it endangers a secure retirement. In the immediate, the more you spend, the less you save. But because downgrading is difficult, you'll likely spend more in the future to maintain your current lifestyle – which can make saving for retirement more challenging. Suppose you increase your monthly spending by $200. For an average 25-year retirement, you'll need to add $60,000 to your retirement fund just to keep steady. (Take $2,400 a year x 25 years.)

So, instead of spending more when your income grows, save more. Focus on your long-term financial goals – rather than items that provide short-term satisfaction. It may help to keep extra money out of sight by transferring it to a less-accessible account, such as an IRA.

Of course, it's important to enjoy life. But countless studies have shown investing in experiences brings deeper happiness than acquiring things. And, if you pay for them upfront, you won't incur ongoing expenses that often accompany large purchases, like a bigger home or fancier car. Cultivate a taste for inexpensive pleasures. Make time for an extended dinner with good friends. Take a bike ride on local trails. Sign up for a cooking class. Read more. You'll likely find it easier to experience joy in simpler pleasures if you hang out with friends who live modestly but richly.

Don't buy into our culture's obsession with material goods or equate success with possessions. You might choose to live in a down-to-earth neighborhood, where you and your family won't be tempted to keep up with the Joneses, the Olsons and the Smiths. When you decide to upgrade, make gradual changes. If you're ready to remodel, choose one room. If it's time to replace furniture, pick one or two pieces at a time.

We can help you determine the amount you should save for retirement to maintain the same quality of life you have now. Contact our office today. The sooner you get started saving, the easier it will be.

This commentary brought to you by:

BEN LOBERG, FINANCIAL ADVISOR
401 East Ave ● Holdrege, NE 68949
Phone: 308.995.4411 ● Toll-free: 877.310.4411
Fax: 308.995.8371 ● E-Mail: ben.loberg@securitiesamerica.com

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.