WEEKLY MARKET COMMENTARY

For the Week of March 25, 2019

THE MARKETS

Stocks tumbled Friday. The three major indexes had their worst day in 2½ months. Contributing factors included weak factory data from the U.S., Europe and Japan, and a negative spread between the three-month Treasury bill yield and the 10-year note. For the week, the Dow lost 1.34 percent to finish at 25,502.32. The S&P dropped 0.75 percent to finish at 2,800.71, and the NASDAQ fell 0.60 percent to end the week at 7,642.67.

Returns Through 3/22/19	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-1.34	9.97	8.93	15.96	12.05
NASDAQ Composite (PR)	-0.60	15.18	6.64	16.60	12.31
S&P 500 (TR)	-0.75	12.26	8.07	13.24	10.71
Barclays US Agg Bond (TR)	0.87	2.61	4.68	2.19	2.72
MSCI EAFE (TR)	-0.34	10.09	-3.88	7.33	2.90

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.

Worth It — The average college graduate with a bachelor's degree will earn $2.8 million over their lifetime. The average high school graduate with no additional higher education will earn $1.5 million over their lifetime (source: Center on Education and the Workforce, BTN Research).

Making Things — The 12.8 million manufacturing jobs in the U.S. as of February 2019 is the nation's largest total since December 2008 (source: Department of Labor, BTN Research).

Wage Gains — The year-over-year increase in the average hourly earnings of all private sector workers was 3.4 percent in February 2019, i.e., wages of $27.66 per hour in February 2019 vs. wages of $26.75 per hour in February 2018. That's the largest year-over-year percentage increase reported in the private sector since April 2009 (source: Department of Labor, BTN Research).

WEEKLY FOCUS – Pros and Cons of Consolidating Retirement Accounts

According to U.S. Bureau of Labor statistics, baby boomers average 12 jobs over their lifetimes. As a result, they often wind up with 401(k) accounts left at several former employers – plus bank and brokerage accounts. There are pros and cons of consolidating those scattered accounts.

Having assets in a lot of places complicates recordkeeping, monitoring and balancing your portfolio, updating beneficiaries and required minimum distributions (RMDs). Along with simplifying life, consolidating may reduce fees and qualify you for price breaks based on asset and trading thresholds.

If a current employer's plan allows, you may have a choice to either roll over previous employers' plans into its defined contribution plan or to roll older 401(k)s into a personal IRA. Defined contribution plans offer some benefits IRAs don't. You can't take penalty-free withdrawals from IRAs before you are 59½, but once you're over 55, you can take penalty-free withdrawals from a 401(k) if you separate from an employer. If you work past age 70½ and don't hold more than a 5 percent ownership in your company, you may be able to delay 401(k) RMDs.

401(k) accounts are shielded from creditors. Up to $1,283,025 in an IRA is protected from bankruptcy, but state laws vary on other types of claims. Your 401(k) plan may let you take up to a five-year loan while an IRA will allow at most a 60-day, tax-free rollover.

IRA accounts have advantages, too. A primary benefit is more freedom to choose investments. Typically, 401(k) plans include around 20 fund choices, while IRAs can encompass thousands of investment choices. Although most 401(k) plans have a good lineup of pro-growth stock funds, some smaller plans have underperforming funds and high administrative fees – particularly for former employees. And even larger plans may be weak on low-risk, fixed-income options.

When it comes to withdrawals, you can direct your IRA provider to take them out of a specific fund. But a 401(k) administrator may take an equal amount from all your investments.

When considering consolidating, it's important to check potential fees and tax implications. Special tax rules may apply if your 401(k) includes employee stock. Give us a call if you'd like help deciding whether to consolidate previous employer plans into a current employer's 401(k) or into a personal IRA. *Securities America and its representatives 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, Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 2474733.1