



# WEEKLY COMMENTARY

For the Week of January 14, 2019

## WEEKLY FOCUS

### What to Do With a Work Windfall

If you recently received a bonus from your employer, or expect one soon, it's time to create a thoughtful plan for how you'll use it. Everyone's situation is different, but here are some smart ways to save or spend your extra income.

**Indulge a little.** Ward off frugal fatigue with a *controlled* splurge on something not typically in your budget. You might use 10 to 25 percent of your bonus to reward your hard work with something fun.

**Invest in yourself.** Perhaps you'd like to take a class to improve your skills, attend a business conference, purchase exercise equipment or a gym membership, or hire a professional or health coach.

**Invest in an outside retirement savings account.** You can still count contributions to a traditional or Roth IRA toward 2018 if you make them by this year's tax deadline. To contribute the *maximum* amount (\$5,500 under 50, \$6,500 if 50 or older) to a Roth for 2018, you must have a modified adjusted gross income below \$120,000 if you are single or \$189,000 if you're married and file jointly. But even if your income is too high for a Roth, you can contribute post-tax dollars to a traditional IRA, where they will grow tax-free.

**Qualify for free checking.** While free checking accounts are becoming rather rare, many banks waive fees with a minimum balance requirement. Using a chunk of your bonus to earn free checking may save you more than you'll earn in a typical savings account.

**Rebalance your portfolio.** If investment gains or losses have thrown off your portfolio's original allocation to different types of assets, you may want to rebalance. Or you may choose to alter proportions of various classes because your goals or situation have changed. Instead of selling holdings at a potentially inopportune time, you can introduce new money in areas you wish to expand.

**Share the wealth.** Researchers say people who donate bonus money to charity or spend it on others report greater happiness than those who spend it on themselves.\*

We're here to help you reap the rewards of your success and build a brighter tomorrow. Call our office to schedule time to discuss what you want to accomplish in 2019 and beyond. \*<https://psychology.unl.edu/can-money-buy-happiness>

## FINANCIAL FACTS

**Super Seniors** — The number of Americans at least age 75 is projected to double over the next 20 years, rising from 23 million in 2020 to 45 million in 2040 (source: Census Bureau, BTN Research).

**They Forgot to Plan** — Sixty-two percent of the 43 million Americans on Social Security receive at least 50 percent of their retirement income via their monthly Social Security benefit (source: Social Security Administration, BTN Research).

**Frequent Flyers** — The top 1 percent of Americans, ranked by their dollar usage of health care, represent 22.8 percent of total health care expenditures (source: Agency for Healthcare Research and Quality November 2016 study, BTN Research).

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## THE MARKETS

Stocks fell slightly Friday. The ongoing partial government shutdown, concern over an economic slowdown in China and a decline in energy shares contributed to the decline. For the week, the Dow rose 2.42 percent to finish at 23,995.95. The S&P gained 2.58 percent to finish at 2,596.26, and the NASDAQ climbed 3.45 percent to end the week at 6,971.48.

Returns Through 1/11/19	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	2.42	2.93	-4.02	16.34	10.50
NASDAQ Composite (PR)	3.45	5.07	-3.33	14.55	10.80
S&P 500 (TR)	2.58	3.63	-4.34	12.80	9.33
Barclays US Agg Bond (TR)	-0.04	0.18	0.66	1.93	2.41
MSCI EAFE (TR)	2.89	3.90	-13.08	6.63	1.36

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.



3820 Sheridan Drive | Amherst, NY 14226 | (716) 839-1234  
1840 Winton Road South | Rochester, NY 14618 | (585) 244-9630  
1708 Vestal Parkway East | Vestal, NY 13850 | (607) 748-1803

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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 January 2019. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI#2379609.1