



## WEEKLY MARKET COMMENTARY

*For the Week of August 14, 2017*

### The Markets

Wall Street showed some cracks last week after months of rallies. Following three days of losses, the major indexes closed higher Friday. While disappointing earnings results decreased odds of further interest rates increases, growing tensions between the United States and North Korea kept investors nervous. For the week, the Dow fell 0.91 percent to close at 21,858.32. The S&P lost 1.37 percent to finish at 2,441.32, and the NASDAQ dropped 1.50 percent to end the week at 6,256.56.

**Long Ago** — The last year when the high close for the S&P 500 occurred during August was 30 years ago in 1987. Since 1987, the high close for the index has occurred in December 16 times (source: BTN Research).

**The Economy, National Debt and Market Capitalization** — On June 30, the size of the U.S. economy was \$19.227 trillion; the size of the U.S. national debt was \$19.845 trillion; and the market capitalization of the S&P 500 stock index was \$21.832 trillion (source: BTN Research).

### WEEKLY FOCUS – Retirement Planning for Couples with Age Gaps

Planning for retirement can be tricky when there's an age gap of 10-plus years between spouses. Rather than a scenario where they exit their careers at roughly the same time, a June-November couple will probably end up with staggered retirement dates. When the older spouse retires years before the younger, it takes a different approach to secure the financial future of both spouses. Some of the strategies involved address Social Security and health care.

When the older spouse will draw on Social Security is an important decision. If they pass away, they'll want the death benefit for the surviving spouse as high as possible, which is achieved by delaying Social Security benefits. This is especially important when the younger spouse is the wife, as women typically live longer and often have lower earned benefits. If the older spouse waits until age 70 before taking benefits, they lock in the maximum benefit rate not just for themselves but also for their surviving spouse – for life.

While delaying Social Security payments on the surface favors the younger spouse, there is an added benefit for the older spouse. Today, it's not so much dying early that's a concern, it's living longer. Deferring Social Security benefits as long as possible can help reduce the anxiety of outliving their savings.

Health care for the younger spouse can be a challenge when the retiring older spouse carries the couple's health insurance. At age 65, the older spouse qualifies for Medicare. But the younger spouse may have several years before they're eligible. One solution to this challenge is a triple-tax-advantaged HSA. Although they are tied to high deductible insurance plans, HSAs have several benefits. Contributions are tax-deductible, and capital gains, dividends and interest accumulate tax-free.

Withdrawals for qualified medical expenses are tax-free. Beginning at age 65, money can be withdrawn from an HSA for nonmedical spending without penalty (though it's taxed as ordinary income). And if a medical bill pops up that exceeds what they've saved, they can make a once-in-a-lifetime, IRA to HSA transfer – tax-free.

Whether or not you're retiring together, planning for retirement should begin as soon as possible. Call our office to explore all the options available in planning for a staggered-age retirement. We can help you map out a workable road map to get you there.

\* 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 2017. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI#[1871121.1](#)

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