



For the Week of September 14, 2020

THE MARKETS

Stocks ended Friday's volatile session mixed; the NASDAQ ended lower while the S&P and Dow Jones rose. The three major indices all posted steep losses for the week. The NASDAQ experienced its worst weekly decline since March. For the week, the Dow lost 1.61 percent to close at 27,665.64. The S&P dropped 2.49 percent to finish at 3,340.97, and the NASDAQ fell 4.06 percent to end the week at 10,853.54.

Returns Through 9/11/20	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-1.61	-1.34	4.44	10.40	13.71
NASDAQ Composite (TR)	-4.06	21.76	34.15	20.30	18.92
S&P 500 (TR)	-2.49	4.80	13.49	12.51	13.52
Barclays US Agg Bond (TR)	0.25	7.03	7.75	5.16	4.32
MSCI EAFE (TR)	1.45	-5.21	2.40	1.50	4.97

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, NASDAQ 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. (TR) indicates total return. MSCI EAFE returns stated in U.S. dollars.

Cheap Money — The yield on the 10-year Treasury note closed at 0.695 percent on Aug. 31, down from 1.91 percent as of Dec. 31. The all-time low close for the 10-year note is 0.501 percent set on March 9 (source: Treasury Department, BTN Research).

Need More, Not Less — The suppliers of lumber cut their production in the first quarter of 2020 as the pandemic was developing in anticipation of a slowing housing market. Instead, an increased demand for home building and renovation projects has pushed the price of lumber to an all-time record price of \$858 per thousand board feet, up 111 percent from a price of \$406 per thousand board feet at the end of 2019 (source: CME Group, BTN Research).

The Most Paid — The maximum Social Security benefit paid to a worker retiring at full retirement age in 2020 is \$3,011 per month, triple the \$975 per month maximum benefit paid 30 years ago (source: Social Security, BTN Research).



WEEKLY FOCUS – National College Savings Month

Over the last four decades, the price of a college education has grown disproportionately to other costs. During the 1978-79 school year, it cost today's equivalent of \$8,250 to attend a public university and \$17,680 to attend a private university. Now, a year at a public school averages \$21,370, and a private college runs \$48,510 a year.¹ It's no wonder Americans owe \$1.5 trillion in student debt.² Clearly, saving early and wisely has never been more important. Here are a few avenues to consider.

529 Plan: This qualified tuition plan was created to allow families to save money for future education without paying federal taxes on its growth – as long as it is used for qualified higher-education expenses. (The Tax Cuts and Jobs Act now allows families to use funds toward a private elementary or secondary education as well.) If the original beneficiary doesn't need the funds for education, the beneficiary can be changed to another family member. Balances can't exceed the beneficiary's expected educational expenses. Many states offer a tax credit or deduction for contributions, often limited to their own state's plan.

There are two types of 529s. A 529 Prepaid Tuition Plan locks in the current price for a block of tuition at a specified list of schools. With the more flexible and popular Education Savings Plan, funds go into an investment account.

UGMA/UTMA Account: Adults can easily make irrevocable gifts to a minor with these custodial accounts. Earnings are usually taxed at the child's lower rate. The beneficiary must be given control of the account when they turn 18 to 25, depending on the state. Since the child owns the account, the assets may impact the student's financial aid.

Coverdell Education Savings Account: Like 529 Plans, contributions are not deductible and distributions aren't taxed. However, these plans are more restricted as individuals or couples who wish to open an account must meet income guidelines, and annual contributions cannot total more than \$2,000 per beneficiary from all contributors.

This brief overview doesn't cover all the rules and considerations of these accounts or other options. If you'd like to learn more or need help planning for a child's or grandchild's education, please call our office.

¹<https://www.cnbc.com/2019/12/13/cost-of-college-increased-by-more-than-25percent-in-the-last-10-years.html>

²<https://www.marketwatch.com/story/americans-save-a-record-352-billion-for-college-in-529-plans-why-thats-not-necessarily-a-good-thing-2019-09-27>

Registered Representatives offer securities through Securities America Inc., Member FINRA/SIPC. Advisory Services are offered through The Patriot Financial Group, a registered investment advisor. The Patriot Financial Group and Securities America are separate entities.

* 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 September 2020. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 3239947.1