



WEEKLY COMMENTARY

For the Week of October 30, 2017

WEEKLY FOCUS

What Women Should Know About Social Security

As a group, women face greater retirement challenges than their male counterparts. Women are less frequently covered by private retirement plans, and they still make less on the job. In 2016, full-time female workers earned 80 percent of what male workers made.* Along with those obstacles, they lose significant wages when they “off-ramp” from work to care for young children or aging relatives.

All of these factors leave women with fewer savings at retirement time, making them more reliant on their lower monthly Social Security benefits. And because they live more years, they need those benefits longer. That’s why it’s particularly important women understand the following:

They may be able to make up for lost time. Social Security benefits are calculated using a percentage of average monthly wages during an individual’s 35 highest earning years. Working through their 60s may help women knock out their earlier, lower-income years and/or caregiving years when they produced little if any earnings.

In addition to raising their average income on which benefits are based, women can also boost their monthly checks by waiting to claim them. Individuals born in 1943 or later can increase their benefits by 8 percent for each year they delay drawing them after their full retirement age.

They should make the most of spousal benefits. Women who worked in lower paying roles or served as homemakers or caregivers for extended periods may find a spousal benefit is greater than their own. Divorcees who were married for at least 10 years, have been divorced two years and are unmarried when they become eligible for Social Security can collect a percentage of their former spouse’s benefits or survivor benefits (up to 100 percent) if he is deceased.

If a wife will rely on her husband’s earnings record, waiting until he is 70 to draw his Social Security will increase her 50 percent spousal benefit while he is alive and increase her survivor benefit if he dies first. A widow who did not remarry before turning 60 or is unmarried at retirement age may take a survivor benefit based on her husband’s earnings at her full retirement age and switch to her own benefit when she turns 70 (if it is higher).

If you or a loved one has concerns about maximizing your Social Security benefits as part of your comprehensive retirement plan, please contact our office. *<http://www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/>

FINANCIAL FACTS

Better Than Average - The S&P 500 is up 16.9 percent YTD (total return) through Friday, Oct. 20, 2017, more than half again larger than the index’s trailing 50-year (1967-2016) average annual return of 10.2 percent (source: BTN Research).

If It Happened Today – When the S&P 500 fell 58 points on Black Monday (Oct. 19, 1987), the tumble represented a fall of 20.5 percent. A 20.5 percent decline on the Friday Oct. 20, 2017 closing index value of 2,575 would equate to a fall of 528 points (source: BTN Research).

Looking Into the Future – Just one of 10 Wall Street equity strategists polled by Barron’s on Dec. 17, 2016 forecasted a year-end 2017 closing value for the S&P 500 above 2500. The S&P 500 index closed at 2,575 on Friday, Oct. 20, 2017 (source: Barron’s, BTN Research).

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THE MARKETS

Wall Street climbed higher on Friday after Amazon shares sent the tech sector surging and drove the Nasdaq to its best day in nearly a year. For the week, the Dow rose 0.45 percent to close at 23,434.19. The S&P gained 0.23 percent to finish at 2,581.07, and the NASDAQ climbed 1.09 percent to end the week at 6,701.26.

Returns Through 10/27/17	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.45	20.87	32.19	14.54	15.16
NASDAQ Composite (PR)	1.09	24.49	28.48	14.31	17.53
S&P 500 (TR)	0.23	17.16	23.50	11.91	15.24
Barclays US Agg Bond (TR)	-0.10	2.91	0.68	2.20	2.03
MSCI EAFE (TR)	-0.34	21.05	22.60	6.60	8.41

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.

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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 October 2017. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 1935443.1