Perspective

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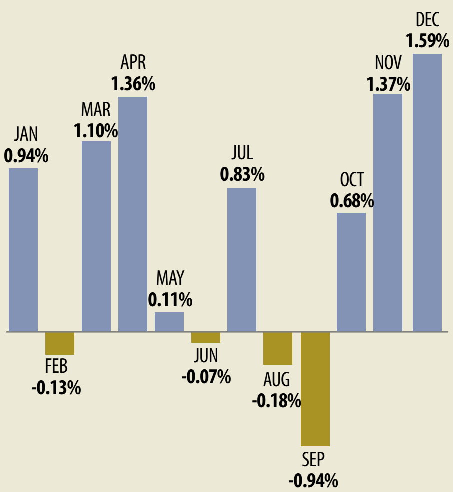
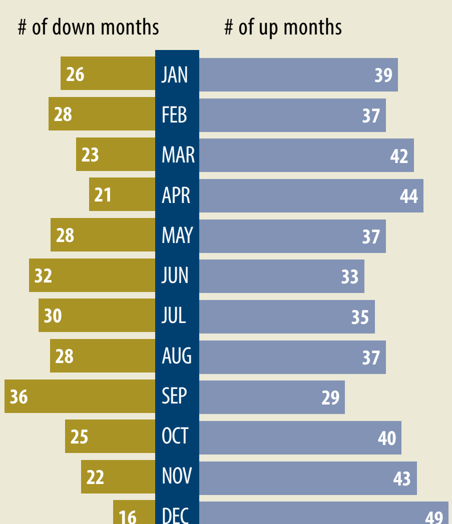
S&P 500 Index average performance by month, 1950-2014[1]



Up and down months for the S&P 500 Index, 1950-2014



Helping You Enjoy Your Summer

Are you looking forward to taking time off this summer or leaving on vacation for a little rest and relaxation? While you enjoy some time away from the hustle and bustle of daily life, your investment portfolio still requires attention. That's one of the benefits a professional advisor brings to your financial plan. You can feel confident about taking time off and escaping on vacation, and worry less about the impact potential market losses over the summer months can have on your portfolio.

Looking back to 1950 at monthly returns of the S&P 500 Index, a widely recognized barometer of stock market performance, three of the four worst months for stock performance are summer months—June, August and September.[1]

September is a notoriously poor month for stock investors—the only one with more negative months (36) than positive (29) for stock market returns since 1950.

Staying vigilant with your portfolio doesn't mean you can't take a break this summer. Because you work with a professional financial advisor, you know you have someone monitoring the market and watching your investments everyday.

It's not just for the summer either—advisors can help instill confidence all the way to retirement and beyond. In fact, 86% of the investors who work with advisors are better positioned for retirement than they would be had they followed a do-it-yourself route, according to a recent survey by the Insured Retirement Institute.[2]

Financial advisors can also recommend investments and strategies to help you manage the effects of market volatility. Even if the stock market turns volatile while your attention is turned toward more leisurely activities, you know you have a strategy in place that can help you stay on track toward your goals. ■

[1] www.moneychimp.com
[2] www.financial-planning.com

Social Security Options For Surviving Spouses

Social Security rules allow surviving spouses to switch between survivor benefits and their own benefits. This choice can be tricky for surviving spouses who are younger than full retirement age.

Which benefits to take and when to take them depend on many factors, but generally you want to claim the higher benefit over the longest time. Survivor benefits can start as early as age 60, but benefits are reduced when the surviving spouse is under full retirement age. After full retirement age, surviving spouses are eligible for 100% of their survivor benefits.

Generally speaking, a surviving spouse with significant earnings on his or her own record could claim their survivor benefits first, then switch to their own benefit later, up to age 70. Delaying their own benefits as long as possible would allow the surviving spouse to increase their benefit by 8% for each year beyond full retirement age.

This approach is a sensible option for married couples where both spouses had generally similar earnings throughout their working years, or when there is a significant age difference between spouses. It allows surviving spouses to grow their own benefits through delayed retirement credits, while receiving some or all of the benefits they are entitled to as a surviving spouse.

Spouses without significant earnings would generally take a different approach. In this case, it may be better to claim their own benefits early at a reduced amount, then switch to their survivor benefits when they reach full retirement age and are eligible to receive the full amount.

One caveat to this approach: the lower-earning spouse must have earned at least enough retirement credits on his or her own in order to qualify for their own benefits. In general, this would require 10 years of work with earnings greater than $4,880 per year.

Surviving spouses could wait beyond full retirement age to claim survivor benefits, but there's no reason to do so. Survivor benefits don't earn retirement credits or increase as benefits earned on your own work record do. So it generally makes more sense to claim full survivor benefits as soon as you are eligible.

Everyone's individual situation is different, so it's wise to contact us for specific guidance on Social Security filing decision for your needs. ■

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