

For the Week of May 23, 2011

THE MARKETS

U.S. stocks closed lower on Friday, marking a third straight week of losses for the Dow and the S&P. Concerns about debt-stretched European governments fueled the week's volatility. A lack of U.S. economic data also kept trading light on Friday. U.S. markets will be closed Monday, May 30, in observation of Memorial Day. For the week, the Dow fell 0.55 percent to close at 12,512.04. The S&P lost 0.28 percent to finish at 1,333.27 and the NASDAQ dropped 0.89 percent to end the week at 2,803.32.

Returns Through 5/20/11	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.55	9.21	27.59	2.12	5.13
NASDAQ Composite (PR)	-0.89	5.67	27.19	4.00	5.02
S&P 500 (TR)	-0.28	6.81	26.92	0.30	3.19
BarCap US Agg Bond (TR)	0.21	2.54	4.97	5.91	6.48
MSCI EAFE (TR)	-0.77	4.32	29.56	-5.26	1.29

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, BarCap 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.

Nationwide – Over the past 20 years (i.e., Dec. 31, 1990, to Dec. 31, 2010), the value of assets owned by Americans tripled in value to \$71 trillion, but the value of the total liabilities owed by Americans has nearly quadrupled in value to \$14 trillion. Thus the net worth of Americans as of Dec. 31, 2010 was \$57 trillion (source: Federal Reserve, BTN Research).

More Global Sales – The total value of goods and services exported from the U.S. to the rest of the world was \$173 billion in March 2011, up from \$126 billion in March 2009 (source: Commerce Department, BTN Research).

Let's Go Shopping – Retail sales by American consumers in April 2011 totaled \$389.4 billion compared to \$361.9 billion in April 2010, a 7.6 percent year-over-year increase (source: Census Bureau, BTN Research).

WEEKLY FOCUS – Help your loved ones retire with \$1 million

Retirement may be a strong focus of your financial goals right now, but it might be a distant concern for the younger members of your family buying their first home or car, starting a family of their own or even just graduating college. As an experienced family member, you can be an important resource for helping the younger generations start planning for their retirement. For example, making a \$10,000 investment today has the potential to help your loved one retire a millionaire.

According to a May 16, 2011, MarketWatch article by Jonathan Burton, reaching age 65 with \$1 million saved requires strong discipline and sustained effort – and just \$10,000 to start.

“If a 25 year old with \$10,000 invested \$320 a month at a 7 percent annual compound rate of return until age 65, he or she would wind up with \$1 million,” Burton wrote.

Saving \$320 a month can be a challenge for a new college graduate at his or her first job, possibly trying to pay off student loans. However, if a person waits until he or she is 35 years old, that number increases to \$775 a month, and at 45 it increases to \$1,850. While these numbers may frighten younger generations, they are attainable.

“One way to make the job easier is to rely on your job – especially investing in your company’s 401(k) plan and enjoying whatever contribution match your employer offers,” Burton writes. “Think of it as free money.” If a 401(k) is not available, a person can open a Roth IRA and automatically deposit money regularly from his or her bank account. The longer a person waits to get started, the harder it will be to accomplish. By 55, a person will need \$5,700 a month for 10 years to meet \$1 million – virtually impossible. At this point other strategies beyond savings will be needed.

You may already be set to retire soon or are already enjoying your retirement, but you can still help get your family members on the right path toward their own retirement. Call our office today for more information on how you can help younger generations plan for a comfortable retirement.

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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. SAI#310732