

WEEKLY MARKET COMMENTARY

For the Week of June 29, 2020

THE MARKETS

Stocks dropped sharply Friday as several states reversed some reopening plans after coronavirus cases rose. Bank stocks fell after the Federal Reserve limited dividend payments and barred share repurchases for the third quarter. For the week, the Dow fell 3.31 percent to close at 25,015.55. The S&P lost 2.86 percent to finish at 3,009.05, and the NASDAQ dropped 1.90 percent to end the week at 9,757.22.

Returns Through 6/26/20	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-3.31	-11.26	-3.38	7.84	9.53
NASDAQ Composite (TR)	-1.90	9.28	24.63	17.27	15.22
S&P 500 (TR)	-2.86	-5.95	5.34	9.40	9.66
Barclays US Agg Bond (TR)	0.21	6.14	9.10	5.09	4.44
MSCI EAFE (TR)	-1.30	-11.44	-4.47	0.59	1.42

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.

Where You Live — The average single-family home in the U.S. has appreciated 33.4 percent over the five years ending March 31. Homes in Idaho (69.6 percent) have experienced the greatest growth in value while homes in North Dakota (9.3 percent) have seen the least percentage increase in value (source: Federal Housing Finance Agency, BTN Research).

Miss the Office — One in three American workers surveyed in May does not want to work from home when the option to return to an office environment is offered (source: Deutsche Bank Research, BTN Research).

Keep Working — 71 percent of 1,008 American adults surveyed in late April said the COVID-19 pandemic has negatively impacted their retirement plans. 51 percent said the pandemic has also forced them to be more open to the idea of having some type of income-paying job during retirement (source: TD Ameritrade, BTN Research).

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WEEKLY FOCUS – College Students Face New Challenges

Rapidly rising college costs over the last decade have made college planning difficult. This year, COVID-19 has brought new challenges and considerations to college students and their families.

Funding challenges. According to the College Savings Foundation, 39 percent of the class of 2020 said economic uncertainty surrounding the pandemic will affect their decisions regarding higher education. In another survey by OneClass, 56 percent of 10,000 college freshmen, sophomores and juniors across the country said they can no longer afford their tuition. Seven percent of those surveyed had already unenrolled.¹

Not only have market fluctuations impacted college savings account balances, many parents have needed to use college funds for everyday needs. Research by LendingTree found almost 40 percent of parents had tapped their children's college fund to cover expenses due to pandemic-related economic pressures.²

Distancing dilemmas. As universities spread students out in dorms, some are telling upper-level students they no longer have rooms for them – meaning they must quickly find (virtually) their own housing. And as universities divide classes to allow more space between students, they may cut less popular programs.

Reduced opportunities. U.S. embassies and consulates have suspended routine visa processing; many countries have international travel restrictions, and commercial flights are limited. All this makes studying abroad difficult and means less diversity in classes.

Gap year option. Traditionally, some young people postpone college to build savings or decide what field to pursue. This year, concerns over the quality of their experience have even more students considering a gap year until the pandemic is under control.

Community college option. As students weigh the possibility of classes being moved online and potential risks of flying, attending a local, affordable community college for their first year has become more appealing.

If you have financial questions about a child's or grandchild's move to college, please feel free to call our office. We're happy to help with money issues affecting multiple generations of your family, whether it's reviewing a current funding plan or helping a family get back on track after a setback.

^{1,2}<https://www.cnbc.com/2020/06/04/more-than-half-of-students-probably-cant-afford-college-due-to-covid-19.html>

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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 June 2020. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 3143765.1