

For the Week of March 8, 2010

## THE MARKETS

The nation's unemployment rate surprised Wall Street on Friday with a smaller than expected loss of jobs. The Labor Department reported 36,000 fewer jobs in February, compared to the 50,000 drop that analysts had expected, according to a Reuters poll. The unemployment rate remained steady at 9.7 percent, better than the 9.8 percent economists had predicted. Consumer borrowing rose by \$4.96 billion, or 2.43 percent, in January after nearly a year of declines. The Federal Reserve, which reported the numbers, revised December's consumer borrowing to a 2.23 percent drop. For the week, the Dow gained 2.33 percent to close at 10,566.20. The S&P climbed 3.12 percent to finish at 1,138.70, and the NASDAQ rose 3.94 percent to end the week at 2,326.35.

Returns Through 3/5/10	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials	2.33	1.85	64.97	-1.56	1.93
NASDAQ Composite	3.94	2.52	79.01	-0.20	2.36
S&P 500	3.12	2.49	70.53	-3.95	0.68
BarCap US Agg Bond (TR)	-0.08	1.82	8.75	6.11	5.28
MSCI EAFE	3.30	-1.93	70.22	-6.06	2.42

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 S&P, excluding "1 Week" returns, is a reflection of return to an investor, by reinvesting dividends after the deduction of withholding tax.

**Taking Control** – Thirty-seven percent of American workers age 45-59 have increased their retirement savings percentage and anticipate working longer before retirement as a result of the 2007-09 bear market for stocks (Source: Center for Retirement Research, BTN Research).

**Prediction** – Five years ago last week (March 2, 2005), then Fed Chairman Alan Greenspan told the House Budget Committee that the U.S. government needed to undertake "major deficit-reducing actions." Greenspan said, "I fear we may have already committed more physical resources to the baby-boom generation in its retirement years than our economy has the capacity to deliver" (Source: House of Representatives, BTN Research).

**Hard Worker** – The average productivity of the American worker (defined as output per hour of work) has increased 30 percent over the last decade (i.e., 2000-2009). Mathematically, this means the quantity of work done in 1999 during a 40-hour work week could now be completed in less than 31 hours (Source: Department of Labor, BTN Research).

**WEEKLY FOCUS – Treat Your Career As A Valuable Resource**

The current recession has some retirees considering at least a part-time job to supplement their portfolio drawdown. Many near-retirees have decided to continue working a few more years to allow their portfolios to recover from the market declines. The labor market, however, has put a monkey wrench into those admirable plans. With many Americans underemployed, part-time work has become scarce, and even those still working full-time may find their employment jeopardized by workforce reductions.

Hardest hit may be those in their 50s who have long years of tenure in their jobs. Companies looking to reduce labor costs often look to get employees with long service records off the books, in favor of new employees. Many of these workers have insufficient funds to retire early, even with a severance or early retirement package from their employer, as they haven't hit several important retirement milestones: age 59 ½ to start taking qualified plan or IRA distributions without penalty, age 62 to start receiving Social Security benefits, and age 65 to qualify for Medicare.

Keeping skills and credentials up to date has never been more important for this group. Make yourself more valuable to your current employer or more attractive to a prospective one by earning a new certification to help in your job, expanding your education into a complementary or related field or learning a computer application more expected of the "kids" at the company.

Staying connected to colleagues and peers outside your company can also prove worth the time if you find yourself looking for work. If you don't belong to a professional group, join one, and if you haven't been active, get back in touch. Networking helps more unemployed professionals land new jobs than any job posting website.

Treat your career as the valuable resource it is. The ability to work as long as you are able is one of your most important assets for preparing for retirement. If you need help creating a "plan B" for keeping your retirement plan on track if you become unemployed, call our office for an appointment.

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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.  
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