

For the Week of April 12, 2010

THE MARKETS

The Dow momentarily rose above 11,000 in the last five minutes of trading on Friday before settling just below the psychological milestone. The Dow has risen for the past six weeks, although analysts question the sustainability of those gains because trading volume has been relatively low – an indication that many investors have not yet re-entered the market, according to the Associated Press. The markets did get positive news this week that the European Central Bank would assist Greece in its debt crisis. In addition, the Commerce Department reported gains in wholesale inventories and wholesale sales, a sign that retailers are increasing orders to meet gaining consumer demand. For the week, the Dow gained 0.71 percent to close at 10,997.35. The S&P climbed 1.43 percent to finish at 1,194.37, and the NASDAQ rose 2.14 percent to end the week at 2,454.05.

Returns Through 4/9/10	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials	0.71	6.24	40.03	-1.63	3.69
NASDAQ Composite	2.14	8.15	48.50	-0.20	4.18
S&P 500	1.43	7.69	42.42	-4.02	2.34
BarCap US Agg Bond (TR)	0.41	1.69	7.73	6.20	5.40
MSCI EAFE	0.35	2.52	47.36	-7.05	3.96

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.

Too Expensive – When Medicare was signed into law by President Johnson in 1965 (former President Harry Truman was the first enrollee into Medicare), the projected annual cost of Medicare in 1990 (i.e., 25 years in the future) was \$12 billion. The actual cost of Medicare was \$13 billion just 10 years later (1975) and was \$98 billion in 1990, more than eight times as large as the original 1965 forecast (Source: Office of Management and Budget, BTN Research).

More Claims – Social Security anticipates that it will receive an average of 63,000 applications for disability benefits every week during the current fiscal year that ends on Sept. 30, 2010. The actual number of weekly disability applications was 50,000 in the prior fiscal year (Source: Social Security Administration, BTN Research).

Anyone Home? – The Census Bureau anticipates that 40 percent of the 120 million census forms that were mailed out earlier this month will not be returned, forcing temporary workers earning \$20 per hour to visit each address that did not return the document (Source: Census Bureau, BTN Research).

WEEKLY FOCUS – The Gift of Financial Literacy

Congratulations! April is Financial Literacy Awareness Month, and you've already given yourself the gift of reading this newsletter to expand your knowledge about the financial markets and related topics. Unfortunately, you may be in the minority. Statistics from a 2008 study of college students sponsored by the National Association of Retail Collection Attorneys showed a somewhat depressing picture of our nation's financial literacy:

- 31 percent of students polled do not worry about debt, believing they can pay it back once they are out of school and earning a regular paycheck
- 23 percent of students polled choose to ignore overdraft penalties
- Less than half (46 percent) always keep records of their spending and receipts

Researchers agree children should begin learning money lessons early and that those lessons should be appropriate to the child's age and development. For example, kindergartners learn how to identify and count currency and coins, so it's a good time to start a piggy bank and, regardless of whether the money comes from gifts, an allowance or chores, to emphasize the concept of saving. Introduce new concepts every few years – how interest works around fifth grade, budgeting in junior high, the dangers of debt by the end of high school.

You can also encourage your child's or grandchild's school to place a greater emphasis on financial literacy and offer your help with extra projects or events that focus on money lessons. Groups like Boy Scouts or Girls Inc. often welcome help from adults in teaching children valuable life lessons. You can find a wealth of information and materials for teaching finances to kids at www.jumpstartcoalition.org.

We often view our legacy as what we leave behind for our children and grandchildren. Financial literacy is a legacy you can begin imparting today to prepare your loved ones for the monetary gifts you may leave them in the future. If you need help talking to your kids, grandkids or other family member (child or adult) about money, please feel free to call our office.

BONNETT WEALTH MANAGEMENT
11930 Arbor Street, Suite 201, Omaha, NE 68144-2998
(402) 556-8858 ♦ (800) 956-8858 ♦ (888) 766-7488 Fax
www.bonnettwm.com

Jerome "Joe" P. Bonnett, Jr. — Registered Representative. Securities offered through Securities America, Inc., Member FINRA/SIPC
Advisory services offered through Securities America Advisors, Inc. Bonnett Wealth Management and Securities America Companies are unaffiliated.

* 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# 304177