



WEEKLY COMMENTARY

For the Week of September 6, 2016

WEEKLY FOCUS

Who Needs Life Insurance?

According to industry groups Life Happens and LIMRA, 63 percent of Americans consider life insurance a necessity, but 43 percent don't have any; 30 percent don't think they have enough; and 19 percent only have group life insurance through their employer, which is often inadequate. In recognition of Life Insurance Awareness Month, let's review who should consider acquiring life insurance if they haven't done so.

Obviously, family breadwinners should have adequate life insurance, whether they are male or female. But according to a LIMRA survey, women 55 and older are less likely than men to have any life insurance, and women of all ages have less coverage than men in similar age groups. A stay-at-home parent should also have insurance to help their remaining spouse pay others to provide services they now perform. And even an individual who doesn't have dependent children may have others depending on their support – such as aging parents or a disabled sibling.

Unless a single individual has adequate savings to cover funeral expenses, they should at least have a small policy. If parents or grandparents co-signed for their school loans or other debt, they should have a larger policy to protect their co-signers. Business owners often need policies to pay off business debts or enable their heirs to pay estate taxes.

Investors who have maxed out other retirement plans may benefit from the tax-advantaged growth potential of life insurance, while individuals who don't have a lot of wealth may use life insurance to provide an inheritance for loved ones.

Buying a policy for children can give them a head start on savings and provide something they can borrow against in the future. If there are hereditary health risks, it may be wise to secure life insurance for a child so they don't run the risk of failing a medical exam and being disqualified later in life.

Please contact our office if you need help evaluating how much life insurance you need or determining whether your current coverage is adequate. We can handle your insurance needs at our office, work with your existing insurance agent or recommend an agent to work with you.

FINANCIAL FACTS

Lower Oil Prices — Of the 79 American companies that have defaulted on corporate debt in the 12 months ending June 30, 45 (i.e. 57 percent) represent companies in the energy and natural resources industries (source: S&P Global Fixed Income Research, BTN Research).

Up Big — Interest payments on our national debt are projected to nearly triple over the next 10 years, rising from \$248 billion in fiscal year 2016 to \$712 billion in fiscal year 2026 (source: Congressional Budget Office, BTN Research).

Sensitive — The duration of the 30-year T-bond as of Aug. 26 was 21.687 years, i.e., a one percent increase in the current yield of the long bond will reduce the value of the bond by 21.687 percent (source: Ryan ALM, BTN Research).

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THE MARKETS

U.S. stocks rose Friday. The advances followed a payrolls report that was lower than predicted, lowering expectations of a September rate hike. For the week, the Dow rose 0.61 percent to close at 18,491.96. The S&P gained 0.56 percent to finish at 2,179.98, and the NASDAQ climbed 0.59 percent to end the week at 5,249.90.

Returns Through 09/02/16	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.61	8.19	16.16	10.38	13.33
NASDAQ Composite (PR)	0.59	4.84	10.52	13.51	16.18
S&P 500 (TR)	0.56	8.27	14.36	12.46	15.64
Barclays US Agg Bond (TR)	0.17	5.70	5.83	4.32	3.05
MSCI EAFE (TR)	0.49	2.41	4.75	3.08	6.39

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 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.

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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# 1586506.1