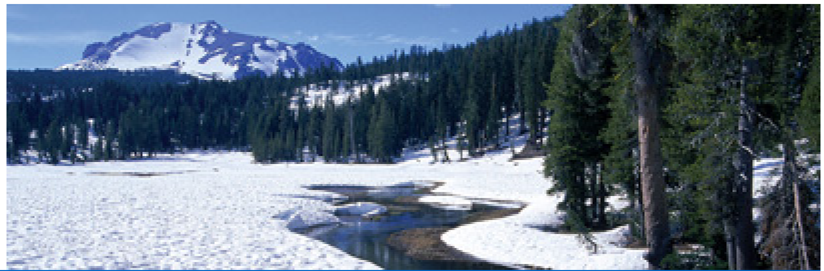

YOUR FINANCIAL FUTURE

Your Guide to Life Planning

December 2016

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Understanding Value Investing

Buying on the dips is a favorite strategy of committed stock investors. But when looking for investment bargains, it's important to avoid a value trap.

Portfolio Compass | December 2016

Upgraded small caps to neutral/positive from neutral; downgraded large growth to neutral from neutral/positive; downgraded healthcare to neutral/positive from positive; upgraded short-term municipals to neutral from negative/neutral.

Financial Capability in the United States: How Do You Stack Up?

The FINRA Investor Education Foundation set out to determine how skilled Americans are at managing their financial lives. Details of their research is shared here.

Bond Market Perspectives | Week of December 19, 2016

Highlights

- Total returns for the broad bond market year to date are within our midyear forecast of low- to mid-single-digits.
- Sectors that we liked, including mortgage-backed securities (MBS), investment-grade corporates, high-yield bonds, and bank loans performed well, though staying neutral on emerging market debt (EMD) was a miss.
- We did not anticipate the steep rise in rates following the U.S. presidential election, leading to the 10-year Treasury yield exceeding our forecast.

2016 Hits and Misses: Fixed Income Edition

As the year winds down, our weekly commentaries have reviewed how 2016 forecasts played out, and we do the same this week with a review of fixed income. The year 2016 saw extremes in the bond market, such as low to negative rates overseas, along with major macro events (e.g. the Brexit vote) that pulled U.S. rates lower during the first half of the year, until the 10-year Treasury reached an all-time low of 1.36% in July. From then on, improving economic data and rising inflation expectations helped push rates modestly higher, before they spiked on hopes of tax reform and pro-business policies following the election in November, and again moved higher following last week's Federal Reserve (Fed) interest rate hike.

Here we review what we got right, as well as the misses for fixed income in 2016.

WHAT WE GOT RIGHT

Bond Market Forecast

"Our expectation is that average intermediate-term Treasury yields rise by approximately 0.25% to 0.50%, with a lesser probability of a 0.75% increase possible." - *Midyear Outlook 2016*

We started the year with our *Outlook 2016* calling for flat returns for bonds, with expectations of a 0.25-0.50% increase in the 10-year Treasury yield from its November 2015 level of approximately 2.25%. Our rate forecast turned out to be in line with reality (the 10-year Treasury yield closed at 2.54% on 12/19/16), but the path to higher rates was unexpected. Given the low rate environment at midyear, we upgraded our total return view to low- to mid-single-digits in our *Midyear Outlook*. The Bloomberg Barclays Aggregate Bond Index has returned 1.52% as of 12/16/16, making it likely that full year total returns may finish within that updated range. We expect the 10-year Treasury yield to end 2017 in the mid 2% range, with a potential for more upside if meaningful stimulus is enacted. Scenario analysis based on this potential interest rate range and the duration of the index indicates low-to mid-single digit returns for the Bloomberg Barclays Aggregate Bond Index.

MBS and Investment-Grade Corporate Bonds

"Amid historically low yields, intermediate bonds, with an emphasis on mortgage-backed securities and investment-grade corporate bonds, provide diversification benefits and a favorable trade-off between yield and interest rate risk." - *Midyear Outlook 2016*

"MBS are fairly valued but offer the potential for additional yield relative to duration when compared with other high-quality options." - "Time to Buy Mortgages?" *Bond Market Perspectives*, May 17, 2016

A strong environment for credit and higher yields than the Bloomberg Barclays Aggregate Bond Index has helped investment-grade corporate bonds (+4.70%, Barclays Aggregate Credit Index as of 12/19/16) outperform the broader bond market year to date. MBS had a tough first half of the year as rates moved lower, but their lower duration (interest rate sensitivity) and higher yield per unit of duration helped them outperform the broader bond market in the second half of the year, as the 10-year Treasury yield climbed from all time lows reached in July (-1.59% for the Barclays Securitized MBS index versus -1.76% for the Barclays Aggregate Index from 7/8/16 through 12/19/16). Moving forward, we continue to believe that investment grade corporate bonds offer value relative to Treasuries. One risk factor to watch for MBS is that as rates rise, fewer people refinance, which could lengthen the average maturity of mortgage loans and increase duration of MBS. However, the yield per unit of duration remains attractive at this point in time, and we maintain a positive view of MBS.

High-Yield Bonds and Bank Loans

"With defaults likely to remain low by historical standards in 2016 and valuations adequately compensating for rising default risks, we find value in high yield bonds, a sector that has historically offered a buffer against rising interest rates." -*Outlook 2016*

"Investors in bank loans may benefit if Libor continues to rise, given that the floating rates may start to move higher once the 1% Libor floor that many issues carry is exceeded." - "A Deeper Look at the Rise in Libor," *Bond Market Perspectives*, August 30, 2016

High-yield bonds have been the best-performing asset class within fixed income year to date, with a total return of 16.4% as of 12/16/16 (Barclays High Yield Bond Index). In addition to beneficial credit fundamentals and low defaults, high yield's correlation to oil prices, which had hurt the asset class previously, turned into a benefit as oil prices started stabilizing in 2016. With the price of oil currently above $50/barrel, spreads to comparable Treasuries have compressed significantly. However, we now believe the high-yield market is pricing in much of the improved economic outlook and potential benefit from pro-growth policies under Trump, leaving less room for error in the asset class.

We upgraded our view on bank loans in late August, as markets started to price in the impact of money market reform (which went into effect in October 2016), causing Libor* to move higher. Most bank loans adjust their coupon payments based on a spread to Libor, and many have a floor of 1%. This means that bank loan investors have been receiving the floor rate instead of the ultra-low Libor rates, which is a benefit on a total return basis. However, one of the major advantages of bank loans is that coupon payments adjust based on moves in Libor, and depressed Libor levels meant that the asset class wasn't truly floating, lessening its benefit in a rising rate environment. For the first time since May 2009, Libor is now near 1%, meaning that any further moves higher in rates could result in bank loan yields moving higher, and rates truly floating.

WHAT WE MISSED

Although we had a number of hits during 2016, we also had a few misses. Like much of the market, we misjudged the market's reaction to Trump's presidential victory in November. We expected that equity markets would pull back, and bonds would rally (sending rates lower) given the uncertainty around Trump's policies. This exact scenario played out on election night with U.S. stocks pulling back as much as 5% pre market (overnight November 8-9) as Trump gained ground, but quickly reversed early the next morning (11/09/16). The 10-year Treasury yield went on to gain 0.34% for the week (moving from 1.81% to 2.15%), the largest relative upward move since records started in 1962. Rates have since continued to move higher as a string of better than expected economic data and the impact of the Fed's recent rate hike have become priced in.

Though many of our sector calls outperformed the broad bond market, EMD, an asset class we remained neutral on, also saw significant outperformance for the year, returning 9.24% year to date (JP Morgan EMBI Index). EMD benefitted from stabilizing oil prices, along with a continuation of loose monetary policy from major overseas central banks, though we continue to be neutral on the asset class overall as the potential impact of changes to trade policy from the incoming Trump administration are still unknown.

CONCLUSION

The year 2016 was volatile for fixed income markets, but our midyear total return target appears to be on track. High-quality longer duration sectors saw strength as rates fell early in the year, but economically sensitive areas of the market, as well as those with shorter durations, tended to outperform as rates rose in the second half of the year. Our sector positioning, with a focus on investment-grade corporate bonds, MBS, high yield, and bank loans outperformed the broader market; however, we also missed the strong performance in EMD by staying neutral on the asset class and we failed to forecast the impact of Trump's election. Overall our fixed income forecasts performed well for 2016, and we hope for more hits than misses in our soon-to-be-released Outlook 2017.

The *Bond Market Perspectives* will not be published on December 27, 2016. Look for our next publication on January 3, 2017. We wish you all a joyous holiday season!

**London Interbank Offered Rate (Libor): An interest rate at which banks can borrow funds, in marketable size, from other banks in the London interbank market. The Libor is fixed on a daily basis by the British Bankers' Association.*

IMPORTANT DISCLOSURES

The opinions voiced in this material are for general information only and are not intended to provide specific advice or *recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing. All performance reference is historical and is no guarantee of future results. All indexes are unmanaged and cannot be invested into directly.*

The economic forecasts set forth in the presentation may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values and yields will decline as interest rates rise, and bonds are subject to availability and change in price.

Government bonds and Treasury bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.

Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate, and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.

High-yield/junk bonds (grade BB or below) are not investment grade securities, and are subject to higher interest rate, credit, and liquidity risks than those graded BBB and above. They generally should be part of a diversified portfolio for sophisticated investors.

Mortgage-backed securities are subject to credit, default risk, prepayment risk (that acts much like call risk when you get your principal back sooner than the stated maturity), extension risk, the opposite of prepayment risk, and interest rate risk.

Floating rate bank loans are loans issued by below-investment-grade companies for short-term funding purposes, with higher yield than short-term debt, and involve risk.

International debt securities involves special additional risks. These risks include, but are not limited to, currency risk, geopolitical and regulatory risk, and risk associated with varying settlement standards. These risks are often heightened for investments in emerging markets.

Yield spread is the difference between yields on differing debt instruments, calculated by deducting the yield of one instrument from another. The higher the yield spread, the greater the difference between the yields offered by each instrument. The spread can be measured between debt instruments of differing maturities, credit ratings, and risk.

INDEX DEFINITIONS

The Barclays U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS (agency and non-agency).

The Barclays U.S. Aggregate Credit Index is a broad-based benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate, taxable corporate bond market.

The Barclays U.S. Aggregate Securitized MBS Index tracks agency mortgage backed pass-through securities (both fixed-rate and hybrid (ARM) guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

The Barclays U.S. High-Yield Index measures the market of USD-denominated, noninvestment-grade, fixed-rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt.

The JP Morgan Emerging Markets Bond Index is a benchmark index for measuring the total return performance of international government bonds issued by emerging markets countries that are considered sovereign (issued in something other than local currency) and that meet specific liquidity and structural requirements.

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"Fed Raises Rates" | December 2016

Highlights

- The Fed's policy-making arm, the FOMC, raised its target rate by 0.25% at the conclusion of its two-day meeting.
- The FOMC noted that it expects the pace of rate hikes to be gradual.
- This rate hike reaffirms that we are returning to a more typical economic environment.

Fed Raises Rates

December 15, 2016

Dear Valued Investor:

The Federal Reserve's (Fed) policy-making arm, the Federal Open Market Committee (FOMC), raised its target for the federal funds rate by 0.25% (25 basis points) yesterday as expected at the conclusion of its two-day meeting. By raising this key overnight borrowing rate, the Fed raised interest rates for the first time in 2016, and for just the second time since the Great Recession (the last time the Fed raised rates was December 2015). The Fed raised rates because it believes economic growth has picked up and should continue without the added support of very low interest rates. Although market participants largely expected this outcome, the big story in yesterday's meeting is that the FOMC now expects to raise rates three times in 2017. At the September 2016 FOMC meeting, the Fed expected just two hikes in 2017, and the market and the Fed were aligned on that assessment before yesterday.

Fed Chair Janet Yellen emphasized, "Our decision to raise rates…[can] certainly be understood as a reflection of the confidence we have in the progress the economy has made and our judgment that progress will continue and the economy has proven to be remarkably resilient. So it is a vote of confidence in the economy."

Yesterday's rate hike was well telegraphed, and the fed funds futures market had been pricing in a nearly 100% chance of a hike for some time. Though the potential for some bond market volatility in the short term exists, I don't expect another broad-based bond sell-off (or a corresponding quick rise in rates) given that markets have had plenty of time to digest the possibility of a rate hike.

For the stock market, this decision is potentially positive as well. Stocks have historically done well during periods of rising but low interest rates, as higher rates tend to be accompanied by improving expectations for economic growth. I am encouraged by LPL Research's recent review of 23 periods of rising rates, during which the S&P 500 rose 83% of the time.* Yet, rate hikes also reaffirm that we are in the mid-to-late stage of the economic cycle. In this part of the cycle, we can expect additional equity market volatility.

Now that a rate hike has occurred, many of us have questions about the pace of future rate hikes. The FOMC noted that it expects the pace of rate hikes to be gradual and that any future hikes will be data dependent and not on a preset course. Fed Chair Janet Yellen confirmed this strategy during her post-meeting press conference. And our view remains that the economy, labor market, and inflation will track to-or perhaps just above-the Fed's forecasts for 2017, suggesting at least two 25 basis point hikes in 2017 are likely and quite possibly three.

Yesterday's rate hike reaffirms that we are returning to a more typical economic environment, which is a welcome change from the environment we have lived in since the Great Recession. And although we have seen another change in Fed policy, what shouldn't change is our commitment to the long-term investment goals that may ultimately be our blueprint for success.

As always, if you have any questions, I encourage you to contact me.

**See Weekly Market Commentary: Can't Stocks and Bond Yields Just Get Along? (December 12, 2016)*

IMPORTANT DISCLOSURES

The economic forecasts set forth in the presentation may not develop as predicted.

The opinions voiced in this material are for general information only and are not intended to provide or be construed as providing specific investment advice or recommendations for any individual security.

The Federal Open Market Committee (FOMC) is the branch of the Federal Reserve Board that determines the direction of monetary policy. The eleven-person FOMC is composed of the seven-member board of governors, and the five Federal

Reserve Bank presidents. The president of the Federal Reserve Bank of New York serves continuously, while the presidents of the other regional Federal Reserve Banks rotate their service in one-year terms.

Understanding Value Investing

Investors looking to avoid a value mistake may want to compare a stock's recent trend with a peer group or with a broad market index.

As volatility in the stock market continues, some investors may be tempted to buy on the dips. But this practice raises an important question: Is a low price by itself a true measure of a value stock? If an investor plans to hold a stock for the long term, how can an investor gauge its future potential compared with the broader market?

Value Investing Defined

Value stocks are those that have fallen out of favor in the marketplace and are considered bargain priced compared with book value, replacement value, or liquidation value. Value fund managers typically invest only when they believe the underlying company has good fundamentals. Many value investors think that a majority of value stocks are created because investors overreact to negative events, which can include:

- Disappointing earnings.
- A negative outlook for the industry.
- A regulatory setback.
- Substantive litigation.

The idea behind value investing is that stocks of good companies will bounce back in time when a company overcomes a short-term obstacle and investors ultimately recognize fair value. But this recognition may take time or, in some instances, may never materialize.

Comparative Analysis

Investors looking to avoid a value mistake may want to compare a stock's recent trend with a peer group or with a broad market index. Here are some other suggestions:

- Consider whether a stock has dropped more than the average stock in the S&P 500 during the past three months.
- Examine whether earnings estimates are being revised downward faster when compared with a peer group.
- Compare analyst estimates of future profit margins to historical margins. If expectations for future profits exceed past earnings, the company could end up disappointing investors.

Another technique for potentially avoiding a value mistake is to look for stocks paying dividends. Dividends historically have been seen as a sign of management's confidence in healthy cash flow over the long term, as well as an indicator that management's interests align with shareholders. Even if a stock price languishes for a period of time, a dividend provides an investor with something in the way of a return. Note that dividends are not guaranteed, and a company can reduce or eliminate a dividend at any time.

Perhaps the best strategy for avoiding a value mistake is to combine value stocks with growth stocks, international stocks, and other types of equities to pursue diversification. Although there are no guarantees, owning some of each could help to balance an equity portfolio over the long term.[1]

[1]*Foreign investments involve greater risks than U.S. investments, including political and economic risks and the risk of currency fluctuations, and may not be suitable for all investors. Investing in stocks involves risks, including loss of principal.*

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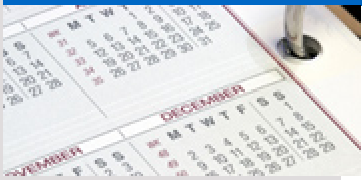


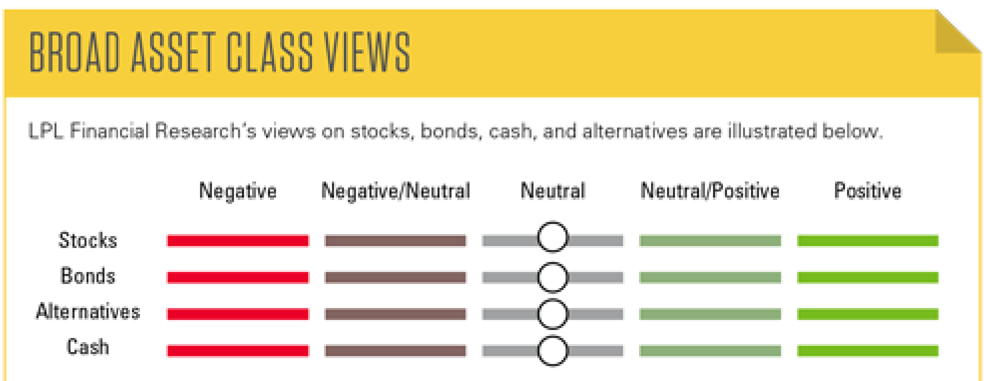
Portfolio Compass | December 2016

COMPASS CHANGES

- Upgraded small caps to neutral/positive from neutral.
- Downgraded large growth to neutral from neutral/positive.
- Downgraded healthcare to neutral/positive from positive.
- Upgraded short-term municipals to neutral from negative/neutral.

INVESTMENT TAKEAWAYS

- We expect mid-single-digit returns for the S&P 500 in 2017, consistent with historical mid-to-late economic cycle performance.*
- Small caps may outperform early in 2017, due to potential supportive policies under President-elect Donald Trump.
- Our style views are aligned, with more positive energy and financials views and stronger growth offsetting our favorable technology view and relative valuations.
- More fiscal stimulus, commodity inflation, and valuations are supportive for emerging market (EM) equities, although uncertain U.S. trade policy is a risk.
- Deteriorating technicals and heightened policy uncertainty drive our slightly more cautious healthcare view.
- Expected gradual Federal Reserve (Fed) rate hikes and slow economic growth are supportive of bonds near term, though rising interest rates may be a headwind longer term as growth and inflation expectations rise.
- For fixed income allocations, we emphasize a blend of high-quality intermediate bonds and a small allocation to less interest rate-sensitive sectors, such as bank loans or high-yield bonds for suitable investors.
- From a technical perspective, the S&P 500 price has made new all-time highs, increasing the likelihood of a sustained long-term bullish trend.



Please click here for the full Portfolio Compass publication.

**As noted in our Outlook 2017 Executive Summary, we expect mid-single-digit returns for the S&P 500 in 2017 and the continuation of the nearly eight-year-old bull market, consistent with historical mid-to-late economic cycle performance. We expect S&P 500 gains to be driven by: 1) a pickup in U.S. economic growth partly due to fiscal stimulus; 2) mid- to high-single-digit earnings gains; 3) an expansion in bank lending; and 4) a stable price-to-earnings ratio (PE) of 18-19. Gains will likely come with increased volatility as the economic cycle pages.*

IMPORTANT DISCLOSURES

All performance referenced is historical and is no guarantee of future results.

There is no assurance that the techniques and strategies discussed are suitable for all investors or will yield positive outcomes. The purchase of certain securities may be required to affect some of the strategies.

Stock and Pooled Investment Risks
Investing in stock includes numerous specific risks including: the fluctuation of dividend, loss of principal and potential illiquidity of the investment in a falling market.
Investing in foreign and emerging markets securities involves special additional risks. These risks include, but are not limited to, currency risk, geopolitical risk, and risk associated with varying accounting standards. Investing in emerging

markets may accentuate these risks.
Investing in mutual funds involves risk, including possible loss of principal.

Bond and Debt Equity Risks
Government bonds and Treasury bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.

Alternative Risks
Currency risk is a form of risk that arises from the change in price of one currency against another. Whenever investors or companies have assets or business operations across national borders, they face currency risk if their positions are not hedged.
Global macro strategy is a hedge fund strategy that selects it holdings primarily on the macroeconomic and political views of various countries, and is subject to numerous risks such as: geopolitical, derivative, commodity, volatility, currency, and regulatory.
Event driven strategies, such as merger arbitrage, consist of buying shares of the target company in a proposed merger and fully or partially hedging the exposure to the acquirer by shorting the stock of the acquiring company or other means. This strategy involves significant risk as events may not occur as planned and disruptions to a planned merger may result in significant loss to a hedged position.
Managed futures strategies use systematic quantitative programs to find and invest in positive and negative trends in the futures markets for financials and commodities.
Futures and forward trading is speculative, includes a high degree of risk that the anticipated market outcome may not occur, and may not be suitable for all investors.

DEFINITIONS
The simple moving average is an arithmetic moving average that is calculated by adding the closing price of the security for a number of time periods and then dividing this total by the number of time periods. Short-term averages respond quickly to changes in the price of the underlying, while long-term averages are slow to react.
The Beige Book is a commonly used name for the Federal Reserve's (Fed) report called the Summary of Commentary on Current Economic Conditions by Federal Reserve District. It is published just before the Federal Open Market Committee (FOMC) meeting on interest rates and is used to inform the members on changes in the economy since the last meeting.
Technical Analysis is a methodology for evaluating securities based on statistics generated by market activity, such as past prices, volume and momentum, and is not intended to be used as the sole mechanism for trading decisions. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns and trends. Technical analysis carries inherent risk, chief amongst which is that past performance is not indicative of future results. Technical Analysis should be used in conjunction with Fundamental Analysis within the decision making process and shall include but not be limited to the following considerations: investment thesis, suitability, expected time horizon, and operational factors, such as trading costs are examples.
London Interbank Offered Rate (Libor): An interest rate at which banks can borrow funds, in marketable size, from other banks in the London interbank market. The Libor is fixed on a daily basis by the British Bankers' Association. The Libor is derived from a filtered average of the world's most creditworthy banks' interbank deposit rates for larger loans with maturities between overnight and one full year.

INDEX DEFINITIONS
All indexes are unmanaged and cannot be invested into directly.
The S&P 500 Index is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

This research material has been prepared by LPL Financial LLC.
To the extent you are receiving investment advice from a separately registered independent investment advisor, please note that LPL Financial LLC is not an affiliate of and makes no representation with respect to such entity.
Not FDIC or NCUA/NCUSIF Insured | No Bank or Credit Union Guarantee | May Lose Value | Not Guaranteed by Any Government Agency | Not a Bank/Credit Union Deposit
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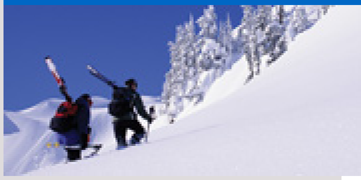

Financial Capability in the United States: How Do You Stack Up?

On many fronts, the financial situation of Americans has improved over the past several years.

Managing one's personal finances is a complex task that requires focus, judgment, and discipline. There are budgets to maintain, various types of debt to manage, long-term goals to plan for, savings and investments to select and oversee. And in today's uncertain economic environment, keeping all of these components on an even keel takes more than a little skill.

To measure how well Americans are coping with their financial responsibilities, the FINRA Investor Education Foundation sponsors the National Financial Capability Study (NFCS), a multi-year research project first commissioned in 2009, again in 2012, and most recently in 2015, the results of which were published in July 2016.

The NFCS focuses on four key components of financial capability: Making ends meet, planning ahead, managing financial products, and financial knowledge and decision making. Drawing on responses from more than 27,000 American adults from all 50 states and the District of Columbia, the NFCS is one of the largest and most comprehensive financial capability studies in the country.

Key Findings

On many fronts, the financial situation of Americans has improved over the past several years. For instance, when asked about their comfort level with covering expenses and paying bills, nearly half of the respondents -- 48% -- said they "find it not at all difficult," compared with 40% in 2012 and 36% in 2009. Similar improved responses -- 46%, 40%, and 35% respectively -- were tallied when survey participants were asked if they had set aside three months' worth of expenses in an emergency fund. While still improving, fewer numbers of respondents -- 31%, 24%, and 16% -- claimed to be satisfied with their overall financial condition.[1]

Demographic Breakdown

When analyzed through a demographic filter, certain groups face heightened struggles in specific areas:[1]

Have been late with mortgage payments …

Millennials (18 to 34-year olds)	29%
Generation-X (35 to 54-year olds)	16%
Baby boomers (55+)	7%

In case of emergency, probably/certainly could not come up with $2,000 in 30 days …

High school education or less	45%
Some college	36%
College or more	18%

Have difficulty with medical costs …

Women	31%
Men	24%

Debt: A Widespread Problem

Overall, debt continues to be a problem for many Americans.[1]

- 40% feel they are carrying too much debt.
- 20% have unpaid medical bills.
- 47% of credit card holders carry a balance.
- 22% of credit card holders have been contacted by a collection agency in the past year

Financial Literacy: On Shaky Ground

The 2015 NFCS revealed a deterioration in general financial knowledge among survey participants over previous years. The percentage of individuals considered to have a high level of financial literacy -- meaning they answered four or more questions on a five-question quiz correctly -- has declined steadily since the study's inception. In 2009, 42% of participants answered at least four questions correctly. That percentage dropped to 39% in 2012 and 37% in 2015.[1]

Commenting on the findings, FINRA Foundation Chairman Richard Ketchum said, "This research underscores the critical need for innovative strategies to equip consumers with the tools and education required to effectively manage their financial lives."[2]

For more on the study or for a state-by-state breakdown of results go to USFinancialCapability.org.

[1]*FINRA Investor Education Foundation, infographic, "Financial Capability in the United States 2016," July 12, 2016.*

[2]FINRA Investor Education Foundation, news release, "Americans' Financial Capability Growing Stronger, but Not for All Groups: FINRA Foundation Study," July 12, 2016.

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