benefit, with nine in 10 calling it a "must have," most do not seek professional ...

Sep. 02, 2015

For most employees, addressing retirement issues is a costly, abstract and deeply psychological matter, which is apparent from a survey by Schwab Retirement Plan Services.

While most survey participants find their 401(k) – a workplace savings plan that lets employees invest a portion of their paycheck before taxes are taken out – a crucial benefit, with nine in 10 calling it a "must have," most do not seek professional help to improve the plan's performance. In fact, while 87 percent said they would seek professional help changing their car's oil, just 24 percent would seek advice about their retirement plan's investments.

"As a professional and rational human being, the survey's findings do not seem to make sense, but human nature is often this way," says Reid Abedeen, a partner at Safeguard Investment Advisory Group, LLC (www.safeguardinvestment.com).

"Health-wise, for example, we know what's good for us, yet we often choose an option that is unhealthy. Luckily, many of us come to a point in our lives where we finally follow the wisdom of following our own advice, and I would encourage more individuals who are approaching retirement to tend to their financial plans sooner than later."

Abedeen discusses ways in which individuals can more easily develop a relationship with their retirement finances.

- **"Procrastination is the thief of time" and "Time is money."** Two simple but profound quotes – the first from Charles Dickens and the second from Benjamin Franklin – sum up the problem of neglecting retirement planning. There are issues that many of us would like to ignore and put off, both because it's hard and

why we might be disengaged. Find ways to engage with your finances. There are apps out there that can better connect you with one of life's most important resources. You might think of it as a game, and it can even be fun.

Also, treat your future well-being *at least* as well as your car. Find a trustworthy professional, who can help you get started with increased financial engagement and guide you over time. If you have an aversion to money matters, finding a likeable professional will be important. If you don't like talking to your financial advisor, you may find yourself maintaining an unhealthy distance.

- **Contribute as much as you can to your 401(k).** Sadly, only about half of American workers have access to a 401(k), so take advantage if and while you can! While many live paycheck-to-paycheck, try contributing at least a small percentage – perhaps 5 percent of your income, and see how much you miss that money. If this means that you have to take on additional debt via credit, then the interest rate may not be worth contribution. However, retirement funding is nothing to put off, so seriously consider finding financially sound methods for maximizing this important personal investment.

- **Engage yourself with knowledge; understand your 401(k).** There are multiple 401(k) plans offering different options. However, when you have a 401(k) plan from a previous employer, your investment choices are usually limited. One option to consider is comparing the investment choices you have within your current plan with the investment choices you have in the previous plan or plans. You may find that the number of investment options between the plans gives you enough diversification to simply keep the money where it is and not change a thing. Another option is to take the old 401(k) from your previous employer and roll it over to an IRA or Individual Retirement Account, with a different financial institution. In most cases this will open up many more investment options to you, and more options mean more opportunity for true diversification. As with any financial changes there

the Financial Industry Regulatory Authority (FINRA). Abedeen is a family man who owes much of his fulfillment in life to his wife, Smyrna, and his three children, Yusef, Leena and Adam.

Advisory • Benefits • Payroll