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A 401(k) is the primary retirement-savings vehicle for many Americans.

But despite the 401(k)'s importance, the average participant's only investment strategy is to plow money into the accounts – then do nothing. They rarely if ever make changes to the investment selections their plans offer.

"I've known people who had the money in the same fund for 20 years," says Craig Wear (www.My401kInvesting.com), a Certified Financial Planner™ and founder of

Q3 Advisors and Game Plan Advisors. "That strategy doesn't usually yield good



Getting both financial advisors and plan participants more actively involved in managing the accounts has become a pet project for Wear. He recently launched Active401k, a service that enables any advisor to position him or herself as the go-to person for protecting and growing the 401(k) part of a client's net worth.

The system also is designed to provide 401(k) participants with non-discretionary investment advice to help them make more informed investment choices within their plan with guidance from a professional investment advisor.

Wear says finding a way to loop financial advisors into the process is critical.

"Less than 7 percent of 401(k) participants made changes to their investments last year," says Wear, citing a research report by the Investment Company Institute. "That indicates there's a need for financial advice."

Specific financial advice varies depending on an individual's situation. But Wear says there is general advice that could apply to just about anyone with money stashed away in a 401(k), including:

• **Take full advantage of company matches.** Many companies will match employee contributions up to a certain percentage. That's essentially free money. Yet many employees don't maximize their contributions to make sure they get the full company match.
• **Don't let a 401(k) be your only retirement investment.** "If you put all your savings in a 401(k), that doesn't leave you many tax-planning options after retirement," Wear says. You will be taxed when you begin to withdraw the money because taxes were deferred on income you contributed to the account. It might be wise to put some of your savings in an account that won't be taxed when you retire.
• **Take control of your accounts.** Many people aren't happy with their 401(k) plan's investment options, service levels or performance, but they don't think they can do anything about it. While it's true that normally you can't get your money unless you

change employers or retire, there may be an alternative. Many employers have