

Plan Confidence Can Eliminate the Guesswork for 401(k) Investors

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Many words can describe the state of American retirement, but some I hear a lot are “unsure” and “frustrated.”

There are more than 79 million Americans covered by some sort of workplace retirement plan, according to U.S. Department of Labor data. The collective account balances total \$27.1 trillion, per the Investment Company Institute, with \$7.5 trillion of it in 401(k) plans.

And a great deal of those people are frustrated and confused about which investments to choose.

For many folks, their 401(k), 403(b) or other similar plans are simultaneously their biggest asset and a source of consternation. And it's primarily because they don't know what to do with their investments.

This is a big deal because the days of pension-funded retirements are largely gone. Six out of every 10 Americans will count on their retirement account for retirement income, according to an August 2018 Charles Schwab study.

Want a paycheck while you're retired? It's up to you.

Employers sponsoring the plans can't legally give advice. Similarly, there are strict rules regarding “self-dealing” that prohibit most plan sponsors from providing investment advice. So, they look to third-party financial professionals to step in. But most financial professionals don't have the resources or tools to provide timely advice that matters because every workplace retirement plan is unique.

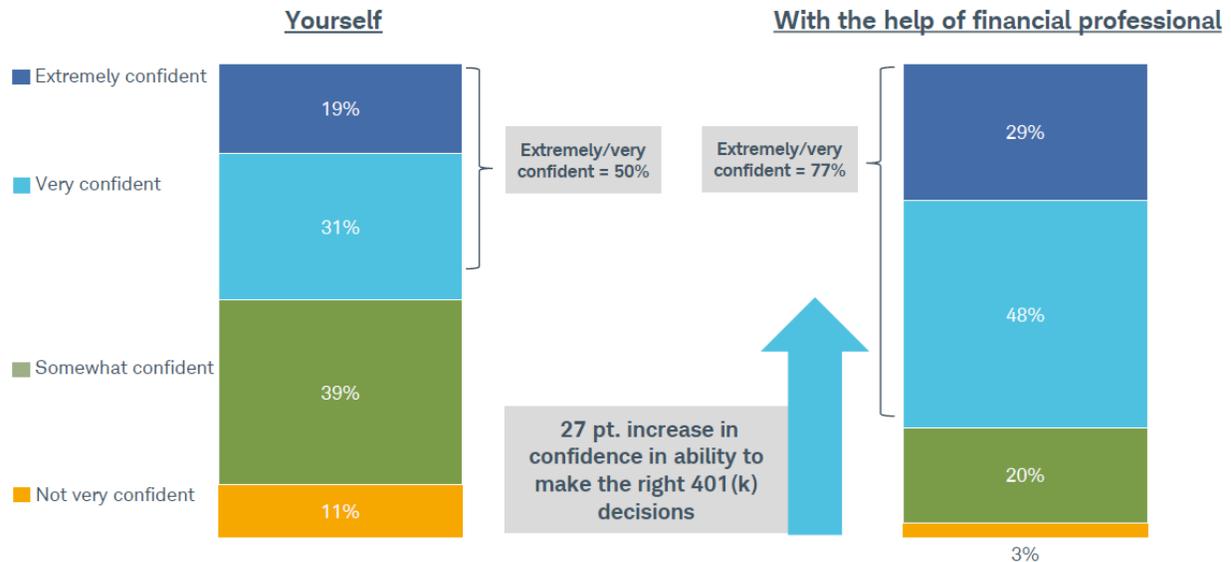
So, people often have nowhere to turn and guess at which approach to use and how to position their money. It ultimately leads them to doubt their ability to make informed financial decisions.

The Argument for More Confidence and Better Performance

The uncertainty investors experience with their workplace retirement plans has actually been documented in a study.

Investment firm Charles Schwab does an annual retirement survey and asked people how they felt about their workplace retirement plans. A big takeaway from the 2018 survey was that 71 percent of respondents said they would like professional help deciding exactly where to put their money, given the options available to them. And respondent's confidence level in investment decisions increased from 50% by themselves to 77% with the help of a financial professional.

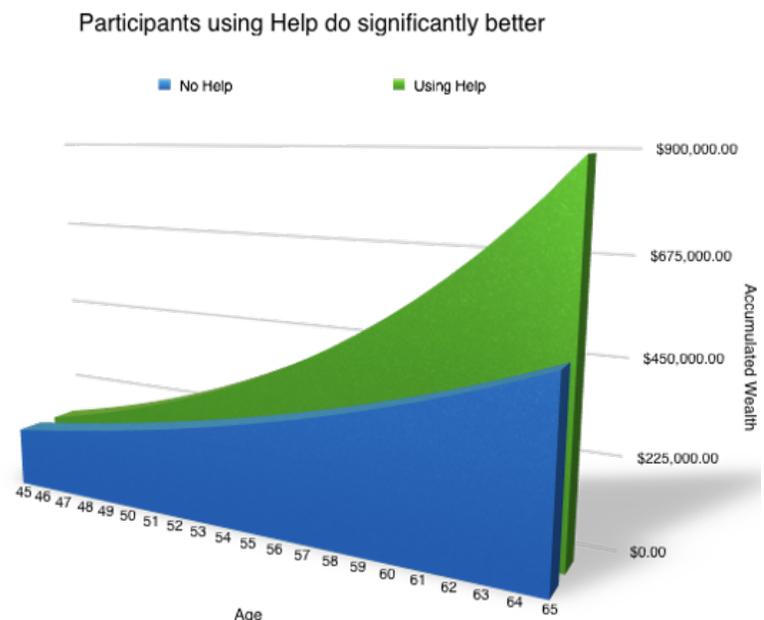
Confidence in ability to make the right 401(k) investment decisions
Total



Besides making investors more comfortable with their retirement plans, getting professional help can make a big difference in the account's performance.

Consulting firm AON Hewitt poured over six years of retirement account data from 2006-2012 and released a report detailing the findings. The portfolios of people receiving professional advice earned 3.32 percent more each year than those doing it on their own. And that was after the cost of the advice.

Earning an additional 3 percent on your portfolio annually can make an enormous difference over time. The report went on to show that over 20 years, the returns of those getting help were 79 percent higher than those who tried to do it on their



own.

That could be the difference between retiring with \$500,000 or nearly \$900,000. Which would you rather have?

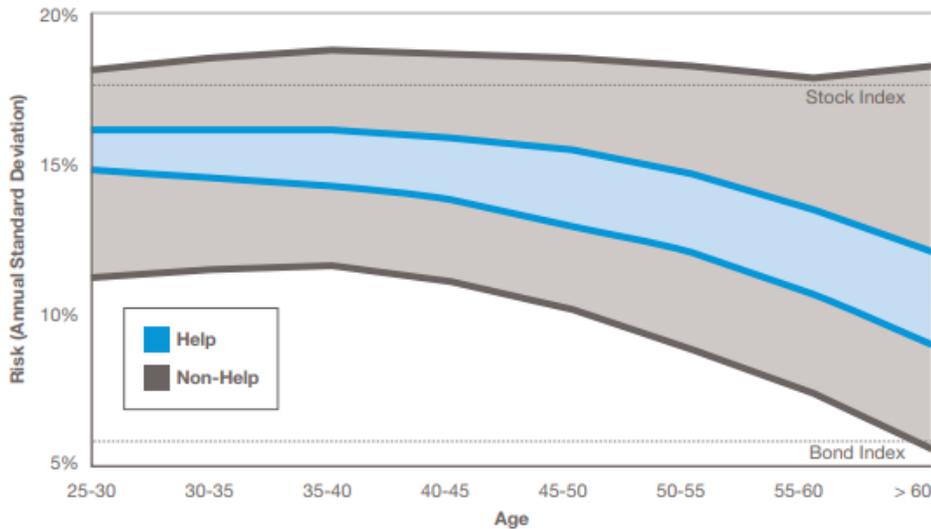
How Much Risk to Take

Aon Hewitt found that one of the biggest contributing factors to the disparity in returns between those having help with their investment choices versus those doing it on their own (“non-help”) was that approximately 60.5% of Non-Help Participants had inappropriate risk levels.

Approximately two-thirds of those were taking on **too much** risk, which makes them especially vulnerable to market downturns. Approximately one-third were taking on **too little** risk, which can result in insufficient portfolio growth. *Although opposing problems, both too high and too low risk can jeopardize a participant’s ability to retire at a time of their choosing.*

Results: Non-Help Participants Have Wider Risk Ranges

FIGURE 2: PORTFOLIO RISK RANGES

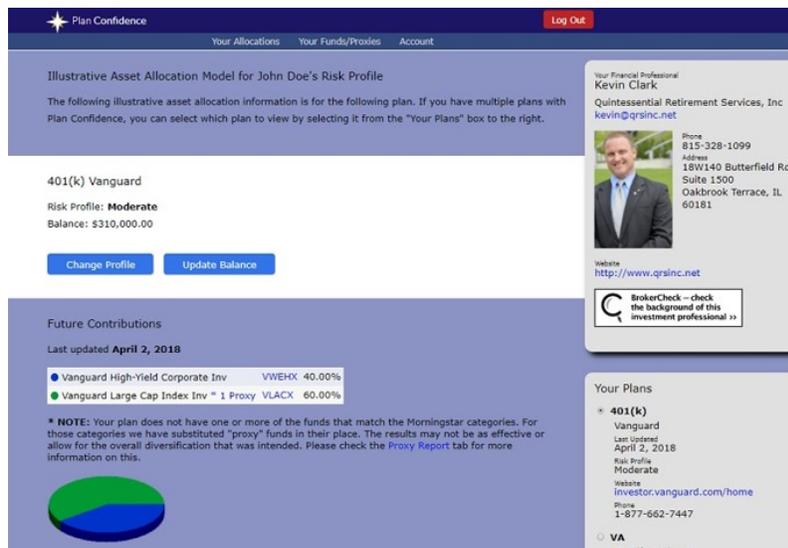


The Next Level of 401(k) Investing

The value of professional help with workplace retirement plan investments is clear. However, as already mentioned, there hasn't been a good way to deliver timely, relevant advice on a consistent basis.

Thankfully, that has all changed.

A tool called Plan Confidence allows financial professionals to give workplace retirement plan



investors specific, ongoing advice for their investments, including helping the plan stay on track with regular rebalancing reminders.

It gives people confidence by knowing their retirement accounts are working the way they want it to work. Plan

Confidence is professional help for one of your most important

assets, and the regular rebalancing "maintenance" required to make sure it stays the course.

Using specialized software tools, we can provide customized 401k investment advice unique to you and your retirement time frame. It's easy! There is no need to roll your account over to an IRA. **Your money stays right where it is** - in your 401k plan, and we help you choose from within the options your employer offers.

Step 1: Within your password-protected Plan Confidence account, we assess your risk tolerance with an easy-to-understand questionnaire

Step 2: We create personalized investment recommendations using your existing 401k options.

Step 3: We give you step-by-step instructions on how to implement our suggestions.

Step 4: We send you friendly quarterly reminders with rebalancing instructions and any updates.

The software analyzes 157 different Morningstar Categories, cross referencing them against asset allocation models and the 401(k) plan's investment options to deliver personalized asset allocations.

The service is available via a website and mobile app with a monthly subscription. Fees range, depending on account size:

Account Value	Monthly Subscription Price
\$20,000 to \$99,999	\$35
\$100,000 to \$299,999	\$55
\$300,000 to \$499,999	\$75
\$500,000 and up	\$95

Plan Confidence fees are paid with a credit card, so no plan assets are touched. And it is a month-to-month contract, so there is no long-term commitment.

If you think your 401(k) will be your biggest source of income in retirement, don't make the mistake of guessing at your investment choices. Go forward with confidence, eliminate the frustration of not knowing what to do with your money, and help make your money last.

Start building your Plan Confidence today. Go to <https://marshpros.com/401k-investment-advice/> today.