# Title: 10 Ways to Maximize Your Retirement Investments

Today we are going to talk about some options for maximizing investments. One of our sources for today's discussion is a U.S. News and Money Report article from January 2019 entitled, "10 Ways to Maximize Your Retirement Investments." In the article, author Kirsty Peev outlines several different steps you can take to potentially increase returns down the line. Let's discuss each one and talk about our reactions.

The first step may seem like something that should be obvious, but in order to maximize your retirement investments, you need to *have* some retirement investments. In short, you need to participate actively in retirement accounts. By law, employers must enroll employees in retirement accounts unless they opt out. That said, just because you are enrolled in a plan doesn't mean you are maximizing it for your future needs. Are you contributing enough to your account? Have you chosen the right type of investments? It can be worthwhile to take an active interest in how the investments in your retirement account are allocated. Just having one isn't enough.

The next way to improve retirement investments is … don't leave money on the table. According to a Motley Fool article from February 2018 entitled, "1 in 5 Americans Are Making a Terrible 401(k) Mistake," 20 percent of Americans are not taking full advantage of the matching funds offered by their employer. Most employer match programs are based on a matching percentage. So, the employee must decide to contribute a high enough percentage to get the full benefit of the employer match.

The very minimum amount that you should contribute to your 401(k) is whatever gets you the full company match. Otherwise, you are giving away money, money that would be otherwise growing over time. 50 cents on a dollar might not seem like a lot at first, but it can certainly add up to a big part of your investment over time.

I'm going to combine the next three ways the report suggests to maximize your retirement investment, because to me they are fairly connected. The next three ways mentioned in the article are:

- Maximize in a sensible way.
- Increase each year.
- Rebalance regularly, but not too often.

In my opinion, all three of these point to having a developed and defined retirement strategy. Working with a financial services professional to have an investment strategy can help achieve sensible maximization and annual increases. Through quarterly or yearly reviews, you can determine the correct time to rebalance.

The next way to maximize your retirement investments is to avoid obsessing about your daily account balances. Saving for retirement is a long-term strategy. You can easily drive yourself crazy living and dying with every change in the market. It's better to have a centralized financial portal to be able to monitor your investments easily when needed, and to avoid obsessing about the volatility of the market from day to day. At Strategic Wealth, we provide our clients with the Generational Vault. The Generational Vault is a secure, cloud-based portal that documents every step of the planning process and allows for 24/7 access to their financial lives.

The next way, the U.S. News and Money Report article from January 2019 entitled, "10 Ways to Maximize Your Retirement Investments." states to maximize your retirement investments is wise as well — pay your taxes. Unless you have a Roth 401(k), you have not paid taxes on the funds in your 401(k). You should keep in mind that the value of a traditional 401(k) may decrease by as much as 20 to 30 percent of its total value due to taxes upon withdrawal.

We are going to combine the next two ways as they have some similarities. In the article, they mention considering better investment options and to consider a health savings account, as well. I'll combine these into one: Keep your options open. It is important to make sure that you are investigating new investment options. Health Savings Accounts are a relatively new option — who knows what else could be coming the future, before your retirement?

Healthcare expenses are a big part of retirement for many retirees, and Health Savings Accounts allow investors to avoid tax implications if the money is used for qualifying medical expenses. The funds in a Health Savings Account roll over from year to year and can even potentially be invested to increase growth over time. You can use the funds to pay for out-of-pocket medical expenses in retirement; the kind of things that Medicare may not cover.

This last one is more about NOT doing something. Don't withdraw from your plan! It is possible in some scenarios to borrow from your 401(k). But it is not always a good idea. You may end up paying tax twice on any 401(k) loans. There may be tax penalty on the withdrawal and the money you use to repay the loan has been taxed as well. Also, the interest is not tax-deductible. That completes our list of 10 ways to maximize retirement investments.