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Making Difficult Financial Decisions in an Ever Changing World, written by Brian Card

When it comes to investments, once again, consumer confidence is dropping off due to a mixed bag of current economic indicators and world events. Concerns with domestic and foreign debt, unstable housing numbers, persistently high unemployment, the Gulf oil disaster and escalating international political strife have aided in the recent market pullback.

According to the Employee Benefit Research Institute's 2010 Retirement Confidence Survey, less than half of American workers have tried to calculate how much they'll need to retire comfortably. Additionally, workers saving for retirement are declining. More than half report that the total value of their household's savings and investments, excluding the value of their primary home and any defined benefit plans, is less than \$25,000.¹ If you left your job due to lay off, termination, or move, deciding what to do with a 401(k) only adds to the stress and uncertainty.

Unfortunately, the days when social security or a former employer will take care of your retirement needs are disappearing. So, in addition to actively participating in your own retirement savings, you also are required to intelligently decide how to invest before and after retirement. These conditions can lead to fear, procrastination and inappropriate investments.

So, what does one do?

1. Does it make sense to directly roll over your 401(k) account to an Individual Retirement Account (IRA)?
2. What happens if you choose to cash out?
3. Should you transfer your account to the new employer's retirement plan or leave it with the former employer?
4. Should you increase, decrease, restart or continue your contributions?
5. What is the appropriate mix of equities, and bonds and cash?
6. Do you need to make a hasty decision?

Rushing into a decision is rarely the best option.

Making an effective and viable decision requires planning. Fortunately, and most importantly, there are many financial professionals available to help those individuals who face this scenario and feel anxious, overwhelmed and confused. Consulting with the human resources department, an accountant or financial advisor can help in

understanding your current financial profile and if you're on track to succeed. Factors to consider when determining your best course of action include; determining your goals, needs, risk tolerance, time-frames, other retirement savings, current savings rates, future spending rates, tax consequences and the future of social security.

Whether you are a beginner or an aficionado on personal finances, seeking the independent counsel of a financial professional will help you in many ways. Your investment choices, tax consequences, deadlines and possible penalties will be explained. When faced with uncertainty and difficult financial decisions, a professional will provide guidance to ensure your smooth financial future.

1) The Employee Benefit Research Institute, 2010 Retirement Confidence Survey, Executive Summary, March 2010

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