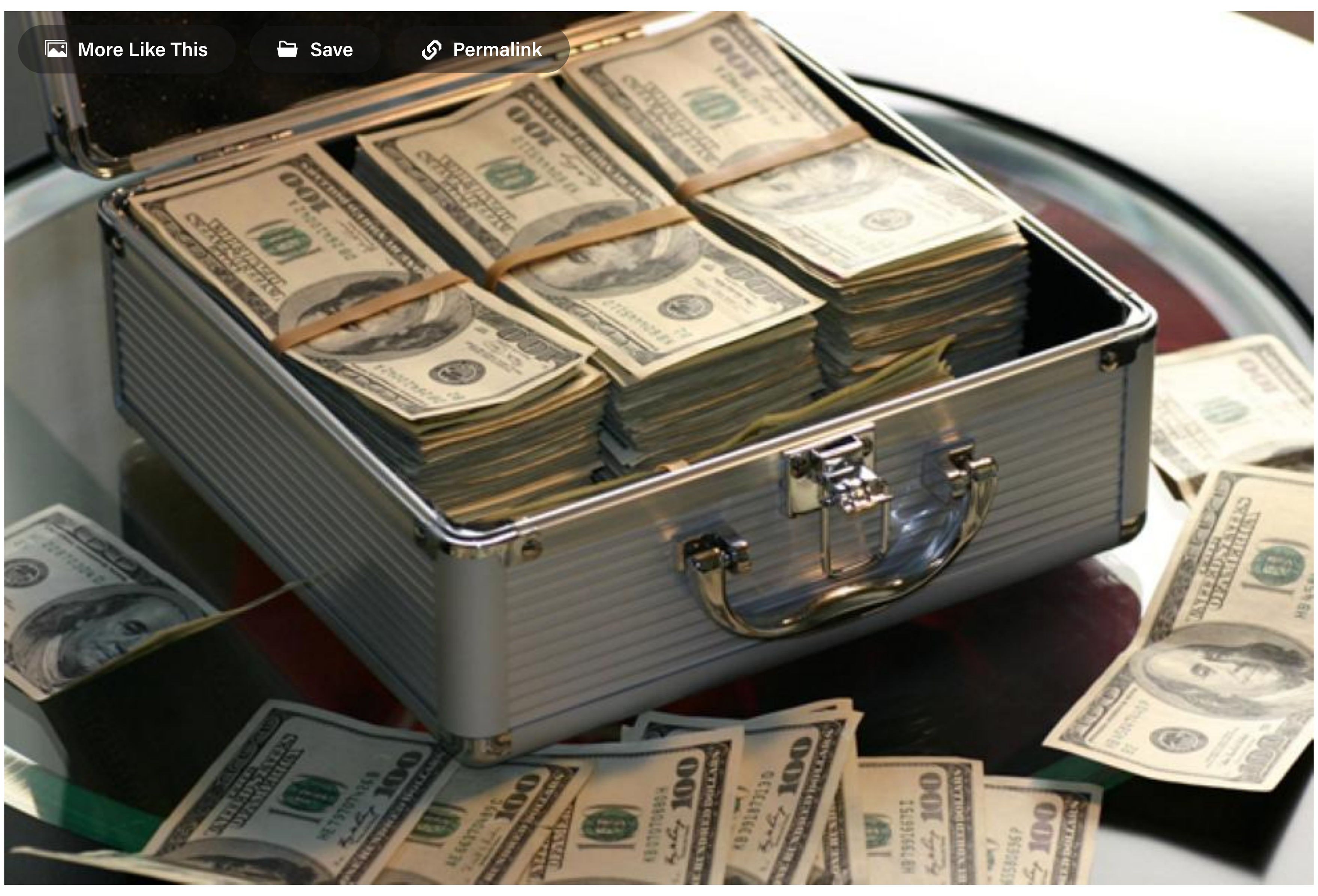
3 Mistakes People Make When Planning For Retirement



Avoid Making Common Mistakes in Retirement Plans: Learn Common Mistakes to Avoid

Paula de Vos, a Certified Financial Planner® professional and President of Synergist Wealth Advisors LLC for more than 15 years, has seen people make multiple mistakes when planning for retirement. According to Bankrate's Financial Literacy survey, one in five people expect to work until they die simply because they are not properly planning for retirement. As you plan for your retirement, you can avoid some of the most common missteps. Here are three mistakes people commonly make and the ways you can go about avoiding these mistakes.

A Top Mistake is Not Saving Early Enough

Synergist Wealth Advisors sees that one of the top mistakes people make when planning for retirement is not putting a plan together early in life and not saving early enough. When you are 20-years-old, it can be hard to plan for or even imagine the future 40 years forward. Nonetheless, saving money as early as possible helps you to build up a large amount that makes it possible to reach your life goals and possibly retire earlier in life. Setting aside even a small amount of money early on in your career can quickly add up.

Another Mistake is Not Having A Diversified Portfolio

Not having a fully diversified portfolio is another common mistake people make when planning for retirement. You should have a portfolio that includes multiple types of investments with different risks while taking into account your personal risk tolerance. Taking on risk can mean many different things in different scenarios. No one wants to outlive their assets. Risk-taking should be an informed decision and is best undertaken with ongoing, expert advice in all different kinds of assets (both liquid and illiquid) and a thorough understanding of ongoing life goals that can and frequently do change dramatically. Sometimes over time and sometimes immediately without warning.

A Third Common Mistake People Make When Planning For Retirement is Miscalculating Lifetime Portfolio Returns

In a widely distributed bankrate article, Paula de Vos, President of Synergist Wealth Advisors LLC, advocates that although people may think investment returns will remain static and "guaranteed" as you advance through your life, that is never the case. What is guaranteed is that there will be good periods (even decades) and bad periods over time. Different Asset Class Returns are not static and different types of assets can "zig" while others "zag," creating an overall more stable average return scenario over long periods. People need to be aware that retirement is not an "event" where you stop needing to earn returns on your investments. Often people live for 30 or 40 years beyond their retirement date and often require returns that last many decades.

Synergist Wealth Advisors, feels that comprehensive retirement planning can help ensure you can retire with the money you need when you want to retire and for the years beyond. Working with a CFP® Professional can help you make wise financial decisions to plan your retirement as well as ensuring you do not make common mistakes including overspending, not saving enough, ignoring the savings outlets open to you, disregarding taxes, overestimating returns, or burying your head in the sand and not properly planning.

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