

Question: The recent mood swings in the stock market and my declining 401k balance are making me feel like I'll never be able to retire. Do you have any suggestions?

Answer: Yes – invest in Grecian Formula. The market gyrations are giving me more gray hairs every day and I'm gonna have to start buying it in bulk to keep my youthful looks. Seriously though, this market volatility is causing a lot of angst but there are some things you can consider.

- 1. Consider increasing your annual savings:** This is one area you have direct control over. It may require that you reduce your current spending, but putting more away will allow you to buy more shares now at cheaper prices (since the market's are lower). Also, every dollar you invest in your 401k plan today is one less dollar included in your income this year so you can lower your tax bite.
- 2. Consider reallocating your 401k to higher yielding investments:** It's counter-intuitive since the markets are declining but perhaps you should invest more aggressively. Every extra 1% you can earn on your money will go along way to helping you enjoy the retirement you envision sooner. Remember to manage your risks though.
- 3. Consider retiring later:** Every year you earn an income is another year you defer money into your 401k, lower your tax bill and allow your savings to grow tax deferred. The longer you work the less you would need to accumulate to afford your desired lifestyle.
- 4. Consider lowering your investment costs:** Review your 401k choices and see what the best performing investment choices are and choose those with the lowest costs. Again, every dollar you lower your costs by is another dollar in your pocket.
- 5. Consider reducing your retirement income needs:** If you can reduce your expenses, live on less and/or work longer, you may feel more in control of your future.

Bill's Bottom-line: Control what you can control. Market volatility is normal and expected. Learn to deal with it.



Bill Losey, CFP®, CSA, America's Retirement Strategist™, has nearly 20 years experience in the financial planning industry and has been interviewed on the CBS Radio Network, CNNfn, and FOX's "Hannity & Colmes". Bill publishes *Retirement Intelligence*®, a free weekly award-winning newsletter that reaches over 5,000 subscribers worldwide, and is the author of *Retire in a Weekend! The Baby Boomer's Guide to Making Work Optional*. Bill can be reached by calling 1-866-786-2521 or online at www.MyRetirementSuccess.com and www.RetireinaWeekend.com.