12 COMMON FINANCIAL MISTAKES TO AVOID

Just as to-do lists can be a key part of planning, do-not-do lists can be helpful reminders to avoid mistakes that others have made.

1. **Impulse investing.** Avoid investing based on a whim or a tip. Don't invest a certain way just because a friend or colleague does. Instead, be thoughtful and strategic.
2. **Lacking an overall plan or strategy.** Don't look at financial decisions in isolation. Think about how they affect or are affected by other elements. For example, when deciding on your asset allocation, keep all of your investments in mind, not just those in a particular account.
3. **Not paying yourself first.** Saving should be your top priority. Put money aside with every paycheck. It's easy to do through payroll deduction or a similar automatic system.
4. **Not taking advantage of time.** Compound growth is like a gift from Father Time. If you wait too long to save for retirement, you will have lost tremendous potential growth. As a result, you might have to save significantly more later in your career, when many financial needs compete for your attention and your budget.
5. **Not paying attention to risk.** Risk and return tend to go hand-in-hand. Investments that offer higher potential returns, such as stocks, have elevated levels of risk. In contrast, conservative investments, such as money market accounts or stable-value investments, fluctuate very little, but they offer limited growth potential. Think about risks, as well as expected returns.
6. **Not diversifying.** The more concentrated your investments, the higher the risk of a substantial loss. Manage your risk by owning a variety of investments, and don't invest too heavily in your employer's stock.[1]
7. **Relying on someone else to handle your investments.** It's fine to consult with someone whose opinion you respect, but be ready to question anyone's suggestions. Ultimately, you must decide for yourself on the best strategy for your situation.

8. **Not working with your spouse toward the same goals.** Couples should talk about their financial goals and coordinate their investing strategies and budgetary practices.
9. **Not maximizing your retirement plan.** Your employer-sponsored retirement plan is one of your most important benefits. If you receive a matching contribution from your employer, contribute at least enough to the account to qualify for the full match. Anything less is like walking away from free money.
10. **Cashing out or borrowing from your 401(k) account.** In a financial emergency, you might have no choice but to make an early withdrawal from your retirement account. But taking money from your account is like borrowing from your future to pay for your present needs. Look for alternatives before you resort to that.

(continued)

[1] There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

WORKSITE
FINANCIAL SOLUTIONS

11. **Ignoring tax or inflation when estimating your net retirement income.** For anything other than a tax-free account, such as a Roth IRA or Roth 401(k), you'll owe taxes on your withdrawals. Similarly, remember that inflation will reduce your purchasing power.
12. **Not following your investments.** Monitor your investments and make sure they are performing roughly as you expect them to do. If they are not, try to understand why, and be ready to make changes if you need to.

Worksite Financial Solutions is a guidance-based, beginning-to-end retirement solution designed to help you create confidence in your financial life.

Wherever your retirement goals take you, we can help you get there.
Get in touch with a retirement specialist today.
(855) 575-4015 | worksitefinancialsolutions.com | retirementresults@lpl.com

RP-07839-0416
Tracking #1-493571

WORKSITE
FINANCIAL SOLUTIONS