SEVEN MORE MAJOR MISTAKES

Investors Make With Their Money...

And What You Need to Do Today to Sidestep the Destruction

PENNY STOCK PUBLISHING

SEVEN MORE MAJOR MISTAKES

Investors Make With Their Money…

And What You Need to DO Today to Sidestep the Destruction

You already know Baby boomers are retiring in droves.

With 75 million baby boomers on the verge of retirement and 10,000 crossing the threshold every single day, it's all many investors focus on.

Suddenly, many people are having their retirement nest eggs thrust into their hands… and they're now on the hook for managing their retirement.

The problem…

Many investors are making MAJOR MONEY mistakes and it's going to cost them dearly.

In our first report – *Five Major Mistakes Investors Make With Their Money* - we showed the top five mistake investors are making.

Here is a brief recap:

- Not Investing At All… many investors are confused between simply saving for retirement and investing. You need to deploy your money into investments that will grow over time… things like stocks and bonds and mutual funds… even real estate!
- Not Investing In Stocks… Stocks are one of the best ways long-term to generate an investment return. Over the last 100 years they average greater than 10% returns for steady investors… and everyone should have exposure to some stock investments.
- Not Diversifying Your Stock Investments… many people think that if a little stock investing is good, then a lot is better. That's not always the

case, unfortunately. If you're going to invest your money in stocks, you need to spread that money out… don't put all your eggs in one basket (or money in one stock).

- Taking Too Much Risk… everyone knows to invest you need to take on some risk… but taking on too much risk is a huge problem. Spread your investments out, and set up a strategy for normal and aggressive investments… and stick to it!
- Making The Wrong Investments… this has more to do with jumping on the wrong investments and putting your money in places for the wrong reasons… just because your brother has a great idea, doesn't mean you should mirror his every move.

The problem is, there are many more than FIVE mistakes someone can run into. You want to make the smartest choices when investing and that comes with having a well developed plan.

There are a lot of potential mistakes to be made, but don't let them scare you away from investing in your retirement. The biggest mistake you can make is not investing.

You've worked hard in your career, so get your money working for you.

Now here are seven more mistakes you can make when investing your money. By simply sidestepping these mistakes you'll save yourself thousands of dollars over time!

So Let's jump in…

Major MONEY Mistake #1:

Not Saving Enough for Retirement

If you're saving for retirement, you're already ahead of the game.

You may be shocked to learn how many of your friends and peers don't pay any attention to retirement savings.

While you might be head & shoulders above your peers, don't get too comfortable. You might be shocked to find the modest sum you're putting away isn't as substantial as you might have thought.

The fact is, money doesn't go as far as it once did.

According to some, the standard $1 million figure many used as a retirement target may now be $2 million!

With inflated lifestyle costs, increasing healthcare costs, and other factors, your nest egg needs to be larger… much larger.

Right now, a $1 million retirement savings, if invested just right, might give you $40,000 or $50,000 to spend every year.

Ten years ago?

That same $1 million would have been plenty… but Ten years from now, it won't be enough.

The reality of the situation is investments just don't have the same kind of returns they once did.

For some individuals quickly approaching retirement, the argument between saving $1 million or $2 million seems pointless.

According to a survey by Capital One Sharebuilder, only 72 percent of Americans are actually saving for retirement.

Of those saving, people are only putting away an average of 6.4 percent of their annual income.

Other data from the survey shows that nearly two-thirds of Americans plan to retire by the age of 65, **yet nearly the same percentage say they'll never have enough money to do so.**

Here's the best advice I can give you on saving enough – **You need more!**

Don’t mess with calculations and percentages… save every penny you can. Years from now you’ll thank me!

So that’s the biggest retirement mistake a person can make from the get go… but a close second has more to do with cost than saving…

Major MONEY Mistake #2:

Ignoring High Healthcare Costs When Budgeting

One of the reasons retirement savings don’t go as far as they once did is the rising cost of healthcare.

While everyone wants to focus on buying a vacation home or little red convertible, it’s much more realistic to think about what could be a major expense during your retirement years: healthcare.

When you are healthy and mobile, it’s often hard to think about a time when you may need considerable medical assistance.

However, for most people, major medical care becomes necessary at some point in time.

While the total cost of healthcare can drastically vary depending on the individual, it’s estimated most will need $220,000 or more to cover medical expenses throughout retirement.

It’s also important to note that this figure is in today’s dollars. **Inflation will only increase the amount needed.**

How can you properly prepare and budget for high healthcare costs in retirement?

There are a few ways to make sure you are ready.

First off, don’t retire too early. For couples that decide to retire at age 62 – as opposed to 65 – there will be additional estimated annual costs of close to $17,000 per year.

However, for those that can delay retirement until age 67, there is a potential reduction of $10,000 per year. That can mean a savings of $71,000 for the average couple.

The second piece of advice is to budget properly.

You must prepare for high premiums, anticipate deductibles, budget for expenses insurance won’t cover, and most importantly, be realistic.

Healthcare will be expensive in retirement; don’t ignore that fact when budgeting.

So that’s a major mistake people make when planning to spend their retirement dollars, now let’s look at a mistake people make when investing their money…

Major MONEY Mistake #3:

Not Having Liquid Investments

When saving for retirement, people often make the mistake of saving too much money in hard-to-reach investments.

They put money in investments like CDs or real estate that are locked up and can’t be accessed for everyday needs.

Essentially, there isn’t enough money readily available to comfortably live off.

This issue usually has nothing to do with the size of your nest egg, but how you chose to invest when planning for retirement.

According to one rule of thumb, you need enough liquid money available to cover a minimum of three to six months of standard living expenses.

This amount will vary depending on lifestyles, location, and other factors, but the rule applies to everyone.

If you need $3,000 per month, you should have between $9,000 and $18,000 tucked away in safe, liquid investments. By liquid, I mean money you can get your hands on and spend – without penalties or fees – in just 24 to 48 hours.

What are safe, liquid investments you may ask? These are generally things like bank savings accounts, treasury securities, and money market funds.

The rest of your money can be put in higher growth investments to protect against inflation.

Many people put their money in baskets or groups… short term baskets hold money they need to spend in the next 6 – 18 months. Medium term baskets are needed in 5-7 years… and of course the long term baskets for investments of 10-20 years or more!

Whatever you decide to do, don't get caught without liquid investments when you need cash pronto.

Ok, now let's look at a major assumption many people use in investing their money for retirement and why it's a big risk…

Major MONEY Mistake #4:

Relying on Social Security

According to some sources, Social Security is the major source of income for 53 percent of eligible couples and 73 percent of eligible singles.

Even more striking is 21 percent of eligible couples and 44 percent of eligible singles rely on Social Security for 90 percent of their income!

Those are very unhealthy signs and point to a major mistake.

While Social Security is a great thing for those of retirement age, it should be viewed as the frosting on the cake – not the main meal!

Social security was never intended to be the only retirement plan for millions… but that's what it become.

Trust me, you do not want to rely on Social Security for a big part of your retirement…

Why?

The Social Security program is bankrupt.

You see they've made big promises to millions of people, but the money has been used already. And in just under 20 years, they won't have enough money to pay full benefits.

Don't believe me? *They say it right on the Social Security website.*

The bankruptcy of Social Security is a combination of a few factors – namely the increasing average age of Americans and decreasing birth rate.

<u>It means more people are taking money out of Social Security and fewer are putting money into it.</u>

If you look at those facts, it's easy to see where things are trending. Many expect the benefits age of Social Security to rise in the future. It's best not to count on Social Security at all.

This brings us to major mistake number 5… and it's all about your investment strategies…

Major MONEY Mistake #5:

Chasing Hot Trends

Far too many people get caught up in the moment when investing.

They start chasing hot investment trends, rather than patiently waiting out long term investments.

You just need to spend 30 seconds watching CNBC or any other financial program. What you will see is a never-ending stream of information about where to put your money now…

The real key to long term investing is to let your money work for you.

And don't touch it.

Seriously.

Once you start letting your emotions run your investment portfolio, you're destine for destruction!

Look for long term trends that are steady and constant.

Chasing hot trends is almost like playing the lottery. You may occasionally walk away with something, but in the long run, you'll almost certainly lose money.

Now for the next money mistake… and it has to do with a mistake we all make at one point in our lives…

Major MONEY Mistake #6:

Not Monitoring Your Investments

Making smart investments with your retirement dollars is only half of the equation.

The other portion involves monitoring and managing investments.

Investing for retirement is not “Set-It-And-Forget-It” retirement planning. Once you find a great investment and make that great investment, now comes the hard part… watching patiently.

If you don’t properly monitor your savings, you may lose out.

While investments are designed to work for you, they don’t always pan out the way you think they will.

Smart investing involves constant monitoring.

One of the best ways to ensure your investments are working for you is to have a system for reviewing your investments. I recommend spending at least 5 minutes once a quarter to make sure what you’re investing in is still something you want to focus on.

Your other option is paying a professional to watch over your investments…

And that brings us to major money mistake number 7…

Major MONEY Mistake #7:

Not Educating Yourself

Look, not everyone can do everything…

As a matter of fact, I’m sure you’re not a brain surgeon – so why spin your wheels trying to do your own brain surgery. You don’t… you go to a professional.

And the best professionals I know teach people.

Look, if you're having Brain surgery, you just don't say OK and lie down on the gurney.

Nope… you do your research.

You find out what's wrong… you ask questions of the doctor… you educate yourself. And you keep asking question after question until you are satisfied you have all the answers.

That's what so many people forget. The take for granted the number onw rule of investing…

NOBODY cares for your money more than you do.

That's right.

Look this rule is so important I'm going to say it again:

NOBODY cares for your money more than you do.

Not your friends, not your family, and not somebody you hire to help you.

If you use a professional, don't blindly trust everything they have to say. And if they are asking you to do things that are very complicated, find a new advisor.

What you need to do eventually is set appropriate goals, develop a realistic and accurate retirement budget, set up a savings plans, learn to evaluate investments, and manage existing your existing investments.

It's not ROCKET SURGERY!

You've worked hard for your money; don't let it slip away by foolishly thinking you can do everything on your own. Educate yourself on the basics. Understand how investments work and think through how you're going to take money out for retirement.

If things get complicated a trained financial advisor is worth his weight in gold.

But watch them like a hawk.

Start YOUR Financial Education Early

If you are of retirement age, you likely have adult children in the workforce themselves.

One of the smartest parental decisions you can make is to stress the importance of saving for retirement from an early age.

Imagine if you had seriously considered retirement when you were 23, 24, or 25 years old?

How different would your nest egg look today?

Financial education should be a priority for everyone. Learn to look at stocks and at least understand how the markets work. The more you understand the better off you will be.

And education is very inexpensive. Read the paper, study the financial reports, review your investments. Take your time and most importantly…

Be a Smart Investor

Investing for retirement is a big deal.

You are setting a financial standard for your quality of life !

If you are serious about living off of your investments, don't make the mistakes so many others often do.

A happy, comfortable retirement is less about how much money you make during your career and more about how you manage your money and protect your money.

Do it the right way and you'll be just fine.

Foolishly throw money at the wind and you'll have to find out the hard way what you did wrong.

The choice is all yours!

Profitably yours,

The Penny Stock Research Team

100% Unbiased Pledge: Owners, employees, and independent contractors of Penny Stock Publishing, LLC are expressly forbidden from actively trading any of the penny stocks that they are recommending to subscribers unless fully disclosed. Further, no compensation is received from any of the companies mentioned in our reports. This ensures you are getting 100% unbiased research on stocks our analysts have come across in their own due diligence.

LEGAL DISCLAIMER: Neither Penny Stock Publishing LLC nor any of its employees or independent contractors are registered investment advisors or a Broker/Dealer. As such, Penny Stock Publishing, LLC does not offer or provide personalized investment advice. No communication by our employees or contractors to you should be deemed as personalized investment advice. Although Penny Stock Publishing, LLC employees and contractors may answer general customer service questions, they are not licensed under securities laws to address your particular investment situation. Nothing in this report, nor any communication by our employees or contractors to you should be considered personalized investment advice.

Past performance is no guarantee of future results. All information is issued solely for informational purposes and is not to be construed as an offer to sell or the solicitation of an offer to buy, nor is it to be construed as a recommendation to buy, hold or sell any security. All opinions, analyses and information contained herein are based on sources believed to be reliable and written in good faith, but no representation or warranty of any kind, expressed or implied, is made including but not limited to any representation or warranty concerning accuracy, completeness, correctness, timeliness or appropriateness. Investments recommended in this publication should only be made after consulting with your financial advisor.

This report has been brought to you by:
www.PennyStockResearch.com