

Nobody Told Me

The year of 2020 makes me think of many things, including some of my favorite John Lennon lyrics.... “Nobody told me there’d be days like these..... strange days indeed, most peculiar Mama, whoa!”¹

At this time last year, no one could have predicted that business would be functioning in this strange new manner. If you are an advisor in the financial industry, so far, the effects of 2020 have meant that you have needed to adapt and embrace change. Change, that may have been, or still seems to be uncomfortable or difficult to familiarize yourself with. But hey - lucky for you, the need for your professional advice has not changed, it has only grown stronger.

Now is the time to be even more focused on your clients (the investors). If your clients are not already retired, and if they are active participants of a group retirement plan, they need your help more than ever before.

Extensive studies done over many years on investor behavior have shown that participants of group retirement plans need guidance and advice. Participants have shown that without guidance, they not only fail to calculate the savings rate they need, but they often take cognitive shortcuts instead of spending the time needed to plan for their own success.² Participants can no longer rely on choosing a simple “60/40 split” of fixed income and equities, nor do the traditional glide path (target-date) options suffice.

Current market volatility and an extremely low interest rate environment aside, the days of “set-it and forget-it” for plan participants are over. True diversification and risk monitoring are essential as the global market conditions as a norm are becoming increasingly volatile.

As an Investment Advisor Representative, your book of business may be filled with clients that are still working (hopefully), and contributing to their employer-sponsored 401(k), 403(b) or 457 plan(s). Now, ask yourself, are you truly holistically managing your client’s investments as their trusted advisor/fiduciary? If you are not advising them on their employer-sponsored plan savings, there is a large piece of their financial puzzle missing.

According to the Federal Reserve’s most recent [Report on the Economic Well-Being of Households in the U.S.](#)³, fewer than 40% of pre-retirees said that their savings was actually on track. Findings also showed that most people manage their own retirement savings process, with nearly 6 in 10 expressing discomfort with their retirement decision making. The statistics show that professional guidance was needed prior to the outbreak of COVID-19, with supplemental stats in April 2020 reflecting ongoing repercussions of the global pandemic.

Change always creates opportunity for someone with the vision to see that opportunity. At The Pacific Financial Group, Inc., our culture welcomes change as we have been preparing for “strange days like these” and stand ready, with clear vision for 2020 and beyond. Call us today and let us share our vision with you!

¹ “Nobody Told Me” was written by John Lennon for Ringo Star, and released in 1984 on the album Milk and Honey (four years after John’s death on Dec 8, 1980). www.Songfacts.com

² Benartzi, Shlomo, and Richard Thaler. 2007. “Heuristics and Biases in Retirement Savings Behavior.” *Journal of Economic Perspectives*, 21 (3): 81-104.

³ Federalreserve.gov “Report on the Economic well-Being of U.S. Households in 2019, Featuring Supplemental Data from April 2020.”



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“Lucky for you!”