

# RETIREMENT PLANS THAT “CLEARLY” WORK FOR YOU.



Prizant Group

In 1912, Teddy Roosevelt was shot just before giving a speech. He began with: “Friends, I shall ask you to be as quiet as possible. I don’t know whether you fully understand that I have just been shot; but it takes more than that to kill a Bull Moose. Fortunately I had my manuscript- I was going to make a long speech- and there is where the bullet went through, and it probably saved me from it going into my heart. The bullet is in me now, so that I cannot make a very long speech, but I will try my best,” then talked for 90 minutes before he finally agreed to seek medical attention.



**TALK A BLUE STREAK: To talk quickly and without stopping.**



The phrase “to talk a blue streak” means: To talk rapidly and, usually, interminably.

We seem to have made this up from two or more other American expressions, all referring to lightning.

As long ago as 1830, for instance, mail coaches, though drawn by horses, moved with such rapidity as to leave a “blue streak” behind them.

And if one “made a streak for home,” or any other designation, he was in such a hurry to get there that, figuratively, he ran like lightning.

Or it could be that we have partly taken a German expression, *das Blaue vom Himmel schwatzen*, to chatter the blue from the skies.

The British equivalent is “to talk off a donkey’s hind legs,” which with us is “to talk one’s arm off,” in modern slang.

John Moschitta



*Fedex*

I have been accused (and rightly so) of being overly loquacious on more than a number of occasions. As a matter of fact, I can, and will, talk your damn ear off! My wife (Juli), grown-up boys (Elliot/Ethan/Oscar) have struggled since the dawn of time to get in a **"Word In Edgewise" (To manage to say something in a conversation being monopolized by another or others)** Juli, my ever patient better half, will watch me jabbering to someone, and make her one hand "Open and Closing Motion." It doesn't help that I have a natural tendency to "Talk with My Hands" with assuredly comes from my Jewish heritage and Eastern European lineage. [Talking Hands](#)

In fact, I always warn my clients that I am only getting "Warmed Up" after 20-30 minutes, so expect a lengthy interaction. The "Strong, Silent Type"(Think John Wick [Wick](#)) has never been and never will be my Modus Operandi. The saying that **"God Gave You One Mouth and Two Ears"** (i.e. listen more, talk less) appears to have been deselected from my DNA pool. I wish that my "Motor Mouth" had a cruising speed, but as of this date (and assuredly until death); I am either rapping incessantly or quiet as a church mouse. As a matter of fact, I can (and assuredly will) talk to anyone, anywhere, at anytime. Beware if you are in or conversing with me in: checkout lines, deli counters, shopping aisles, produce section (The Best, as who doesn't want to talk about the quality of the fruit? ), hardware stores, fitness center locker rooms, saunas, Schvitz (steam room in Yiddish), USPS/UPS/Fedex drivers, landscapers, gas station attendants, call centers, medical office staff doctors/nurses/lab technicians, financial service representatives, retail clerks, networking events, standing in line for anything, random outside workers, repair people, parents with small children (having no grandchildren, that we know of, I dutifully ask mothers if I could "rent" their child for a few hours at a reasonable rate. The standard answer is **"You Can Have Them For Free!"** BTW, my wife is convinced I will be arrested one day for child endangerment), elevators, airplanes, cocktail parties, street walking, and dogs walking people. I am constantly gabbing with myself, in or out of the shower and certainly while walking my Labradors- Clementine/Otis (which I find incessantly entertaining). Naturally, being long-winded has an adverse effect on someone "trying to finish a sentence or thought" ( Juli being Exhibit A) or attempting to partake in said conversation. Upon meeting my future father-in-law at dinner, he commented to Juli with the proverbial question **"Does He Ever Let You Talk?"** Though I can certainly "Talk A Blue Streak," I am no match for these fellows. [Longest Speeches](#)



As a retirement plan professional, I look upon company matching as an incentive to encourage employee savings. My old boss use to call it "Free Money," but unless you contribute "Your Money" it ain't free! Though matching may not be "gratis," I urge all my participants to take advantage of it even though it may be a "stretch" in their budget. The real beauty of a matching contribution is the "**Cushioning Effect**" of the gyrations of the stock/bond markets. A fairly typical match these day is: 100% on the 1st 4% of employee deferral. Sometimes the match is "Safe Harbor i.e. 100% Immediate Vesting) or it is "Discretionary" with a vesting schedule. The important point is that if the aforementioned matching formula provides a return of 100% on your deferral of 4% thus the daily machinations of the markets become secondary on that deferral amount. I wish more participants would understand the impact of matching as it would increase participation and lessen the whining and hand-wringing over investment returns.

### **One in Four Workers Miss Out on Full 401(k) Match**

**Participants who under-contribute lose, on average, \$1,300 annually**

**If employees were offered a \$1,300 bonus, they'd take it. So why do so many pass up the chance to potentially receive thousands of dollars every year in the form of a 401(k) match from their employer?**

**A May 2015 research report, "Missing Out: How Much Employer 401(k) Matching Contributions Do Employees Leave on the Table?" by Financial Engines, an investment advisory firm, estimates that Americans leave \$24 billion in unclaimed 401(k) company matches on the table each year. The company examined the saving records of 4.4 million retirement plan participants at 553 companies, and found that 25 percent miss out on receiving the full company 401(k) match by not saving enough.**

The typical employee who did not receive the full match left \$1,336 of potential “free money” on the table each year, which equates to an extra 2.4 percent of annual income. With compounding, this could amount to as much as \$42,855 over 20 years.

According to research by consultancy Aon Hewitt, referenced in the report, 92 percent of employers with 401(k) plans match employees’ 401(k) contributions, with the most common match being \$1 for every \$1 an employee contributes up to 6 percent of the employee’s annual salary.

“The 401(k) match is one of the best deals going for employees, providing an immediate guaranteed return per dollar invested, ” said Greg Stein, director of financial technology at Financial Engines, in a news release. “Maximizing [their] available 401(k) match is a key way for millions of American employees to improve their retirement security. While many people might feel like they can’t afford to save more, we hope that this study helps them realize what they are leaving behind.”

#### Those Most Likely to Miss Out

Lower-income and younger employees were much more likely than others to miss out on at least part of their employer matching contribution, according to the report. For example:

- 42 percent of plan participants earning less than \$40,000 per year do not take full advantage of the employer match, compared to just 10 percent of employees earning more than \$100,000 annually.
- Employees under age 30 are approximately twice as likely to miss out on the employer match compared to employees over the age of 60 (30 percent vs. 16 percent).

However, for many employees, middle age poses additional savings challenges. Financial Engines found that as employees grow older, they are more likely to take advantage of their company match—with the exception of those between the ages 35 and 45, when the costs of raising a family or buying a home could be making it more difficult for employees to save for retirement.

#### Maximizing the Match

While some employers may not see a problem with employees failing to take full advantage of the match, in that it means lower employer expenses in the short run, many studies point out the challenges that

result when employees fail to save enough for a secure retirement. These consequences include older workers who would like to retire but feel they can't afford to do so, and financial stress that negatively affects workers' productivity and engagement, as well as their health and health care expenses.

Best practices among plan sponsors seeking to improve savings rates, according to Financial Engines, include:

- Automatically enrolling employees into the plan at the full-match rate, and automatically escalating savings rates over time.
- Encouraging employees to save at least enough to get the full match, and to proactively save more when they can.
- Designing a saver-friendly 401(k) plan and making high-quality independent advice available.

"By saving more today and taking advantage of the full employer match benefit, American employees can improve their chances of enjoying more secure retirements," said Stein. "If they can't afford to save enough to get the full match today, show the importance of increasing their savings rate when they receive their next raise and each raise thereafter."

Match

Take The Money



**A NEW RETIREMENT ADVICE STANDARD** In a proposal released on 10/31, the US Labor Department is seeking to make the fiduciary standard applicable to any advisor, broker, or agent who provides retirement advice in Rollover IRAs. The White House claims the measure will cut 'junk fees' and increase returns in these accounts by between 0.2% and 1.2%, or 20% over the lifetime of a retirement.

(SOURCE: WHITE HOUSE)

Bravo to the White House as to "Junk Fees." We, at [The Prizant Group](#) have championed the "Transparency of Fees" since the inception of our company. We demand our vendors to quote prices based on "**ZERO REVENUE SHARING, 12B-1, OR SUB-TA FEES.**" The only way a participant and plan sponsor can get a "Fair Shake" is to know exactly what fees they are paying, for what services, and to whom. Furthermore, we prefer "**Hard Dollar**" (i.e. not based on plan assets but required work) as our compensation. Though, we leave it to the plan sponsor to decide whether to pay our fees directly (taxable deduction), or "charge it" to the plan (Pro-Rata or Asset-Based-No tax deduction).

**\*Lest we forget: Merry Christmas, Happy Hanukkah, Joyous Kwanzaa, Happy Diwali (my sincerest apologies if I have forgotten your religious holiday at this time of the year) and a Happy, Healthy, Prosperous New Year! In keeping with the "true" spirit of the holidays, we close with Leonard Cohen's soulful, unforgettable version of Hallelujah. Hallelujah**

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