

# RETIREMENT PLANS THAT “CLEARLY” WORK FOR YOU.



Prizant Group



**DROP THE HAMMER:** To punish or deal with someone or something with great severity or ruthlessness.



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## **WHAT DOES IT MEAN TO DROP THE HAMMER?**

*In the world of cycling, the phrase “dropping the hammer” can refer to a cyclist pedaling at a very fast pace. It’s a phrase that is often used to describe a cyclist who is trying to make a breakaway from the rest of the riders. Essentially, they are using a burst of energy and speed to make an escape.*

*The phrase itself is believed to be derived from the hammering of a blacksmith. When a blacksmith is forging a metal object, they need to apply a series of quick, powerful strikes to shape the metal. In cycling, “dropped the hammer” implies that the cyclist has put forth a similar effort over a short period of time, usually in the last few hundred meters of a race.*

*This phrase has been around for quite some time, but it has gained more popularity in recent years. Professional cyclists, especially those in the Tour de France, often use it to describe an impressive burst of speed. It is usually used in the context of a race, where a cyclist is trying to get away from the other riders.*

*Statistics show that it takes a lot of power to drop the hammer. Studies have found that a cyclist needs to generate more than 400 watts of power to reach a speed of 40 kilometers per hour. That’s roughly the same as running a 4-minute mile!*

*In addition to being used in the context of a race, the phrase “dropping the hammer” is also used to describe any cyclist who is pushing themselves to the limit. It can be used to describe a cyclist who is putting in extra effort in a training session, or someone who is pushing themselves to the brink of exhaustion in a race.*

*So the next time you hear someone say they are “dropping the hammer”, you’ll know that they’re pushing themselves to the limit in order to reach their goals.*



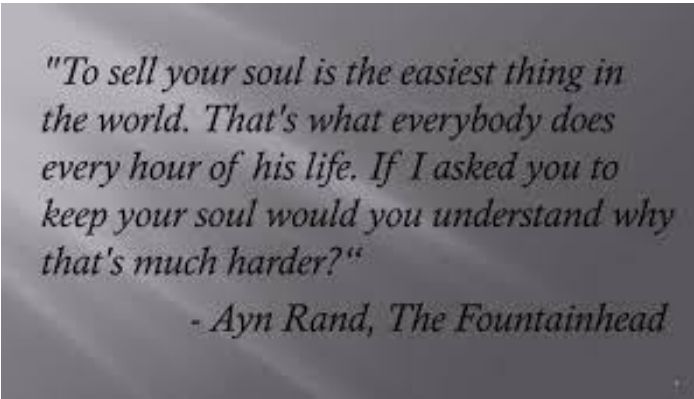
Silver Hammer



Recently, I had a frustrating conversation with a 23 year-old young man who had become eligible for his company's 401(k) plan. For background, he is a first-generation immigrant and has few living expenses as he lives with his parents. I went through my normal spiel of the benefits of saving a few dollars every paycheck and the beauty of compound interest at his age. [Compound Interest](#) With over 25 years in the retirement plan space, I have "thrown in the towel" on trying to convince anyone of anything. I present the facts and figures with the understanding that one can always participate at a later date. He asked intelligent questions which showed that his financial acumen was fairly advanced for his tender age. Ultimately, my words went unheeded, as he wanted to open a "Trading Account" and follow the "Sage Advice" of Roaring Kitty [Klitty](#) along with buying a 4-flat in a Chicago neighborhood. I do not have to remind my audience that investing fads, like all fads, leave the late adopters much wiser, but way poorer. The current "Meme" [Meme](#) stock mania has made Roaring Klitty quite a wealthy guy! [Roaring's Wealth](#) There is no question in my

mind that his devout "Kittens" will be so lucky.

Back to the retirement plan business and the woeful state of **Retirement Readiness**" (whatever the hell that means anyways!). As you will see in the Schroder's Report below, the prospects of a financially secure retirement are bleak for a good percentage of the working population. The numbers mentioned in the 1st paragraph are a **WAKE-UP CALL** for the entire retirement plan industry. Something is terribly wrong with no fix in sight. I used to blame the private sector for their unwillingness, due to cost, to offer a retirement plan to their workers. Though that still remains the case for companies with less than 500 employees (a miserly 26%), the benefits of having a plan have become a **"GIVEN"** to a large percentage of employers. I wouldn't say that I am an Ayn Rand acolyte (damn far from it!), but (the ever pregnant "But"); there comes a point when each worker needs to take a small amount of responsibility for their financial future. holding down multiple gig jobs, economically challenged single parents who have income and family responsibilities, and individuals with physical/mental disabilities or chronic debilitating diseases. For the rest of you, get your rears in gear!



*"To sell your soul is the easiest thing in the world. That's what everybody does every hour of his life. If I asked you to keep your soul would you understand why that's much harder?"*

*- Ayn Rand, The Fountainhead*

The Right to the Pursuit of Happiness means man's right to live for himself, to choose what constitutes his own private, personal, individual happiness and to work for its achievement, so long as he respects the same right in others."

Ayn Rand



Americans are not in the position to retire anytime soon, finds a new Q2 report by Schroders.

The “DC Lens Q2 2024” report, a flagship series of quarterly market insights and news updates, underlines some bleak updates to the state of participants’ retirement readiness. According to the analysis, 28% of people have zero savings for their retirement, 39% are not contributing to a retirement fund, and 30% don’t see a future where they can retire.

Schroders points to underutilization of retirement accounts for the lack of savings, noting that a Bureau of Labor Statistic (BLS) report found that while 69% of private industry workers have access to an employer-sponsored retirement plan, only 52% participate for a take-up rate of 75%.

Still, workers continue to look to their employer for enhanced savings benefits, and the government for added support. A survey of Millennials by IRALOGIX found that 25% say their employer is responsible for ensuring sufficient savings, and 20% believe the government should provide retirement savings. Schroder’s analysis argues that all three groups—workers, employers, and the government—can work together to maximize retirement readiness.

What employees can do

According to Schroders, when preparing for retirement, savers should work on budgeting to ensure they are not overspending and can dedicate sufficient funds for retirement. Yet, studies show that participants continue to struggle with budgeting, as rising day-to-day costs, inflation and market rates impede on their savings abilities.

Other tactics include starting their retirement savings once eligible; maximizing the employer match; increasing contributions when they receive a raise, bonus, or obtain extra money; choosing appropriate investments aligned with their retirement goals and risk tolerances; utilizing catch-up contributions for those ages 50 or older; considering Roth options; and seeking professional advice.

#### What employers can do

Plan sponsors can maximize plan effectiveness by incorporating more retirement-focused features outside of the workplace retirement plan. For example, provisions brought on by SECURE 2.0 allow employers to now add emergency savings features linked to the 401(k) plan, along with matching student loan payments in accordance with retirement plan contributions.

Employers should also review their plans' investment lineup to ensure an appropriate, diverse bundle of investment options, Schroders adds. This includes incorporating both passive and active funds.

#### What the government can do

Schroders' analysis touches on the role Social Security plays in securing retirement income for participants, noting that the longer participants wait to receive payments, the more they'll receive throughout retirement.

Those who delay Social Security benefits past their full retirement age (FRA) could even take advantage of an 8% increase per year of delay. Schroders' notes this option could work best for retirees who believe will live long enough to benefit from the delay.

Still, Schroders adds that some participants could benefit from taking Social Security early, such as those needing income due to retirement, overcoming health issues, unemployment, or if they believe their life expectancy would not justify waiting for a higher monthly amount.

[Zero Savings](#)



**401(WHAT?) – While 39% of American adults consider themselves more financially literate than the average person, 43% don't know what a 401(k) is, over one-third (35%) do not understand the meaning of the term "interest" in the context of finance and only 30% think they could win a game of personal finance trivia. (Source: Beyond Finance)**

We, at **The Prizant Group**, have seen our hair/beard, what's left of it, turn "White" without getting significant traction in retirement savings rates over the past 25 years. On a sidebar, "Why Does Hair Grow So Fast In Older Men's Ears and Nose?" Anyways, as the Schroder's report indicates, a good third of Americans are **"Up A Creek Without A Paddle"** when it comes to old age financial security. Despite all our efforts in the retirement plan community over the years, a significant portion of Americans will be driving the trolleys at Disney World, checking receipts at Costco, taking latte orders at Starbucks, greeting Walmart customers, monitoring the self-checkout lanes at Target or taking tickets at the movie theater (if there are any left!). And just because some of your cheap-ass employers didn't want to spend the money to sponsor and/or contribute to retirement plan (and there are still way too many!) [Small Employers](#) , does **NOT** get you off the hook. It may seem harsh and unsympathetic, but **"You Made Your Bed, Now You Have To Sleep In It"** You can blame "The Man," but ultimately the lack of preparedness rests with each person that is able to earn a living (no matter your annual income). I understand that in an era of "Instant Gratification" that long-term planning is a back-burner issue. Nonetheless, the **"Chickens Come Home To Roost"** eventually (Evidently, to the dismay of my adult children, I have become a walking, talking, belching, regurgitating "Idiom Disgorger") Preferring to end this particular Missive on a more congenial and empathetic note (though my wife maintains that I am missing the "Empathy Gene"), I bring you the folk singer trio of Peter, Paul and Mary with one of their most popular songs "If I Had A Hammer." [If I Had A Hammer](#)

**PEACE, LOVE, GRANOLA**



REMASTERED  
IF I HAD A HAMMER



**PETER, PAUL & MARY**



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