How Well is Your Retirement Plan Being Managed?

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FINANCIAL VIEW

We're now well into 2012 and many of those well-intended New Year's resolutions have been strained or maybe even forgotten. But if one of your resolutions was to save for retirement or to get your financial house in order, it's not too late!

The deadline for 2011 retirement savings plan contributions is only two weeks away. This year, it's February 29th. I'm sure many people are getting calls from their Financial Advisor or Bank/Credit Union to book an appointment and get those last minute retirement contributions in for the tax season. How long has it been? Was the last call from them about 12 months ago? Sadly, this is the case for many investors.

Banks, in particular, often hold internal competitions for their staff to get as much money brought in as possible during this time. Pre-determined targets are set by their Head Office and they receive bonuses if they meet or beat that target. That's why the phone calls are ratcheted up starting in mid-December. It's not all negative though…it gets people thinking about their retirement, which is always a good thing. Once the money is in and invested, the pressure is over. Far too often, so is the focus on managing that money.

The Financial Advisor must actively manage that money to ensure the customer's retirement and financial goals stay on track. You may be contributing to your retirement plan, but how much does your Financial Advisor contribute to your plan? Let's look at what it means to have a retirement or investment plan actively managed.

"Actively managed" means that the Financial Advisor recommends and invests according to the client's risk tolerance. It means that the selection of investments bought and sold within the plan are based on financial markets and client comfort. It means that the client is educated on the investment product and not investing on a "leap of faith".

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When it comes right down to it, actively managing a client's portfolio means that the Financial Advisor reviews and evaluates the investments of his or her client on an ongoing basis. They meet with the client during the year to discuss the retirement or investment plan and make sure it continues to move in the right direction, revising investments where necessary.

If this isn't happening with your retirement or investment plan, perhaps it's time to consider moving your account. In the very least, a second opinion might be in order. To arrange a free no obligation review of your portfolio, or to discuss this article, contact me at larry.gallant@queensbury.com, visit my website at www.gallantfinancial.ca or call 905-892-2100.

Larry J. Gallant is a independent investment advisor with Queensbury Securities Inc., a member of the Canadian Investment Protection Fund and the Investment Industry Regulatory Organization of Canada.

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