

# THE WALL STREET JOURNAL

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## Five Common 401(k) Mistakes

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Mistake #1: Not Getting Help to Improve Performance and Optimize Risk

In a recent study based on nearly 400,000 401(k) participants, the average participant who did not seek help fared poorly in comparison to those who did seek help. On average, the median annual return for participants who did not seek help was almost 2% worse (net of fees) than participants who did seek help. Note: The study included one bull market year (2006), one mixed market year (2007) and one bear market year (2008).

When seeking help, verify the information is coming from a reputable and unbiased source. Many 'Financial Advisors' responsible for providing help on your 401(k) plan are not qualified. Few have a graduate degree in finance and/or a certification in portfolio management, such as the Chartered Financial Analyst (CFA). Few have formal training and experience in portfolio construction and risk control.

To make matters worse, even fewer will accept true fiduciary duty. True fiduciary duty legally obligates the provider of help to place the participant's interests before any other party: the provider of help, the provider's employer or the shareholders of the employer.

Unfortunately, many of the largest wealth and investment management companies are publicly traded companies owned by shareholders. And, like all publicly traded companies, they must act in the best interest of their shareholders — not their clients. A privately owned Registered Investment Advisor (RIA) is legally obligated to accept true fiduciary duty, without conflicts.

Remember, this is your life savings not an experiment for the inexperienced. Work closely with a credentialed, experienced Financial Advisor affiliated with a privately owned RIA, legally obligated to accept true fiduciary duty, without conflicts.

Aaron Skloff, AIF, CFA, MBA  
CEO - Skloff Financial Group

Aaron Skloff, Accredited Investment Fiduciary (AIF), Chartered Financial Analyst (CFA), Master of Business Administration (MBA), is the Chief Executive Officer of Skloff Financial Group, a NJ based Registered Investment Advisory firm. The firm specializes in financial planning and investment management services for high net worth individuals and benefits for small to middle sized companies. He can be contacted at [www.skloff.com](http://www.skloff.com) or 908-464-3060.