

**Q3 2021**

## **PARTICIPANT PERSPECTIVES**

### **SWITCHING INVESTMENTS**

Your retirement plan gives you the flexibility to change your investment choices. Here are some instances when you might consider making a switch.

#### **When Your Retirement Is Drawing Closer**

Making your investment decisions based on the number of working years you have ahead of you is key to successful retirement investing. So, too, is basing your investing decisions on your tolerance for investment risk. Younger participants with many years left until retirement may be able to take on a higher level of investment risk since their long-term investment horizon gives them time to ride out any downturns in the investment markets. As you near retirement, you probably can't afford to take excessive risk with your retirement assets.

If you plan to retire in five years or less, it may be appropriate to shift from a strategy of growth to one that seeks to protect your assets. By emphasizing asset preservation, part of your retirement plan portfolio may be protected if the stock market falls significantly.

#### **When Your Tolerance for Risk Changes**

It's important to have a long-term perspective as a retirement plan investor since the market can have periods of volatility. However, your tolerance for the market's fluctuations may change due to unforeseen financial occurrences throughout your life—the loss of a job, the need to save for a child's college education, or a health crisis. If it does, you may want to review your asset mix to see if you can restructure your portfolio so that you are more comfortable with its risk level.

#### **When Your Portfolio Needs to Be Rebalanced**

You should choose how to allocate the investments among the different asset classes in your retirement plan account by considering your time frame for investing, your tolerance for investment risk, and other assets you may own. However, any change—up or down—in one investment class can throw your allocations off balance. When that occurs, you may want to rebalance your

retirement plan portfolio to reestablish the percentages you had initially allocated to stocks, bonds, and cash investments. You may have to sell some investments and buy others to achieve the rebalanced plan account you originally constructed.

## HAVE FUN AS YOU AGE

Participating in activities you enjoy is a good way to maintain your well-being as you get older. You may lower your risk of developing health problems, including dementia, if you engage in social and productive activities and hobbies you enjoy.

If you're already involved in a few enjoyable activities, great! If not, here are some suggestions to help you have more fun and remain healthy.



## Get Active

Staying physically active is one of the best things you can do for your health. It can help improve your physical fitness, manage and prevent diseases, improve your mood, and increase your chances of living longer. No matter your limitations, you can benefit from doing some form of exercise. It's important to choose activities that you enjoy and match your ability level.

Think about the activities you enjoy, such as:

- Walking
- Gardening
- Golfing
- Taking an exercise class
- Swimming
- Bicycling
- Dancing

Getting out and being physically active is great for your overall well-being. If you can have a friend or spouse join you in these activities, even better. Socializing while participating in an activity can increase your enjoyment of the activity, help you stay motivated, and prevent you from feeling isolated.

## Get Together with Friends and Family

Doing things with friends and family is fun and good for you. Seniors who are isolated may suffer from more health issues than seniors who have strong social connections. Interacting with others may reduce your stress level, feelings of depression, dependency, and risk of developing dementia. If you need help establishing more frequent social interactions, the following ideas may help.

- Joining a senior center
- Inviting a friend to lunch or dinner
- Babysitting your grandchildren
- Getting a part-time job
- Taking a continuing education class at your local high school
- Visiting relatives





## Volunteer

Participating in a meaningful activity, such as volunteering, may help you feel healthier and happier. Once you retire, you may have the time to volunteer in your community. And volunteering can help you feel productive and valuable to others. Think about your skills and the activities you find enjoyable when looking for opportunities to volunteer. Places you may be able to volunteer include your:

- Hospital
- Church
- School
- Homeless shelter
- Library
- Animal shelter
- Red Cross
- Senior center

If you need help finding opportunities to volunteer, the following resources may be helpful:

- America's Natural and Cultural Resources Volunteer Portal ([volunteer.gov](https://volunteer.gov))
- Corporation for National and Community Service ([americorps.gov](https://americorps.gov))
- VolunteerMatch ([volunteermatch.org](https://volunteermatch.org))

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