

# BUSINESS

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Most participants in 401(k) plans surveyed by a Pewaukee retirement planning firm left their savings and investments alone during the financial crisis, and those who made changes did so mainly because of job issues or an immediate need for money.

Of more than 1,100 plan participants polled by Francis Investment Counsel LLC between July and December, 68% had not changed their 401(k) accounts in response to the financial crisis.

The most frequently cited reason was that they considered their 401(k) a long-term investment so they chose to "ride it out."

Thirty-two percent reported making changes to their 401(k) accounts, with 18% either reducing their savings rate or eliminating saving altogether, Francis Investment Counsel said. Of those who reduced their savings percentage, only 7% cited the market as the reason.

The loss of a job, a pay cut, or the immediate need for money were the primary reasons cited for reduced savings rates.

"Cooler heads have actually prevailed through this market cycle," said Kelli Send, senior vice president of Francis Investment Counsel.

The survey was conducted at seven companies in a variety of industries, including professional services and manufacturing. All of the companies participating in the survey offer education and advice to employees on their 401(k) plan.

The survey found that 61% of participants do not believe their retirement will be postponed as a result of recent market volatility.

"Many participants realize they should be saving more, but other factors, including overall economic uncertainty, the desire to pay down debt and job losses or wage reductions within the household are holding them back," Send said.