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## **Self directed IRAs - Good choice for baby boomers**

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Self directed IRAs are a logical choice for the growing number of baby boomers who are fed up with market volatility and a lack of control over retirement savings.

Self directed retirement accounts, or SDRAs, enable investors to legally invest all or part of their tax-deferred retirement portfolio in a wide range of non-traditional investments, such as real estate, businesses, even show horses, cemeteries or airspace rights, to name a few.

SDRAs are appealing in part because people saving for their retirement can make investments in what they know and understand.

And that makes self directed IRAs ideally suited for the millions and millions of baby boomers at or near retirement age who desire more investment choices

Many baby boomers have owned homes, started businesses, and intensely pursued hobbies and passions, which has given them a deep understanding, or core competency, in a number of areas. With SDRAs, they can put their life experiences and wisdom to work for them as they pursue a comfortable retirement.

The baby boom generation has experienced both the tremendous highs and the frightening lows on Wall Street over the past few decades and is looking for an alternative, she said.

We've been on this wild roller coaster ride for so long now and I think there's a sense out there that we don't have any control over the future, that we have to go wherever the stock market takes us.

Investors have been led to believe that their retirement investment choices are limited to traditional stocks, bond or mutual funds and that diversification is achieved by shifting money between different asset classes within those areas.

The goal is to have a low correlation in your portfolio. But that is proving almost impossible as recently the stock and bond markets have been behaving as if they are highly correlated, which means more risk and less diversification.

As a result, one of the best ways to truly diversify a retirement portfolio is to include non-traditional investments that are more resistant to stock market fluctuations.

Investing in markets that a retiree understands may also help them gauge the level of market volatility in that specific sector, giving them more control over the investment and reducing the risk of jeopardizing their retirement income in an unfamiliar market.

Especially with the last market downturn, I'm finding more and more investors middle-aged and up who are fed up and want to gain more control over their future. They are tired of having their retirement nest egg beholden to the whims of Wall Street. For them, creating a self directed retirement account is a huge step in the right direction.

The concept of self directed IRAs is not a new one. Since the creation of the IRA in 1974, Americans have been able to invest their tax-deferred retirement accounts, which now include traditional IRA, Roth IRAs, Health Savings Accounts or Coverdell Education Savings Accounts, in

almost any asset of their choosing.

Aside from a few investments, per the Internal Revenue Code (IRC), which exclude life insurance and collectibles to be held in a retirement account, the list of possibilities is virtually endless. If the IRC rules and regulations are adhered to, the imagination becomes the only limitation.

Yet, only a fraction of Americans are aware of this important option. A recent study showed that non-traditional investments make up less than 3% of the total IRA market.

IRAs were originally intended for individuals to be able to invest in assets that make sense for the individual investor, but unfortunately, somewhere along the way that got lost. NUA Advisors, hold free workshops and seminars to educate the public, including investors as well as financial professionals, about SDRAs.

NUA's goal is to bridge the gap between traditional and non-traditional investing, she said.

Wealth managers work with interested clients to identify, analyze and structure sound investments for SDRAs. While the non-traditional investment is in the SDRA, the firm monitors the investment and all income and expenses associated with it, and also develops an exit strategy.

Our platform is not intended to replace traditional investments, which we still believe in, but to supplement them. We introduce investors to strategies designed to provide true diversification that does not correlate with the traditional equity and bond markets.

And for baby boomers in these uncertain times, the addition of a self directed IRA to their portfolio just might provide some much-welcomed peace of mind on their journey toward retirement.

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