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## **The 10 'most common and damaging financial decisions' that will wreck your retirement**

By Pamela Yip

More Americans are in a panic over their retirement planning than at any other time in history because of stock market uncertainty, and many are making expensive mistakes, says the Dallas-based National Center for Policy Analysis, a conservative think tank.

"Out of fear and the best intentions, we are seeing too many people reacting to a bad economic situation and liquidating their own retirement," said Pamela Villarreal, senior policy analyst at the center.

The group has identified 10 of "the most common and damaging financial decisions" that can wreck your retirement:

- Not saving regularly.

- Not taking advantage of your employer's matching contributions to your 401(k).

- Borrowing against your 401(k). "This is a surefire way to set back one's retirement plan by several thousand dollars through lost compound interest," Villarreal said.

- Cashing out your 401(k) when changing jobs. More than a third of the money could be eaten up by taxes and penalties.

- Jumping in and out of the market, which locks in investment losses when you sell stock funds in your 401(k).

- Relying on home equity.

- Not diversifying your investments.

- Underestimating how long you'll live.

- Ignoring inflation.

- Staying in debt.