

## **Investing Options for Your Retirement Fund**

When it comes to your retirement funds, personally executing your own wise investment decisions enables you to reap the unique benefits offered by IRA savings plans. Many people are moving toward self-directed retirement investing to give themselves a greater amount of flexibility and control over their current portfolio and financial future.

To these investors, the idea of depending on someone else to manage their retirement portfolio has become less appealing due to either a history of bad investment decisions made on their behalf, or simply the desire to control their own financial destiny.

### **IRA Personal Investments**

Personal **self-directed IRA investing** can be accomplished through many different methods. Two of the most common types of IRAs are the Roth IRA and the Traditional IRA. A Roth IRA has certain unique advantages, including the ability to receive tax free withdrawals after the age of retirement and the absence of minimum withdrawal requirements.

However, your contributions to a Roth IRA are not deductible for tax purposes. A Traditional IRA allows you to deposit money into your account and lets it grow tax free. When you withdraw funds from the account, then you pay taxes.

### **Self-Directed Diversification Advantage**

**Self-directed retirement plans** enable investors to diversify their portfolios and thus build a more secure financial future. Those who have failed to diversify in the past have suffered greatly when upheavals of the stock market have shaken the financial markets.

There are so many ways to utilize self-directed investing to both you and your family's advantage. Even if a bearish market prevails for a period of time, the intelligent distribution of your financial assets through properly self-directed investment planning can make your position much more stable than that of many investors.

### **Leveraging and Self-Directed IRAs**

A great advantage resulting from the self-directed IRA portion of your retirement fund is the ability to leverage your investment to purchase real estate property. Normally, a bank will require between 40 to 50 percent as a real estate down payment from the amount in the retirement plan.

For instance if you have \$150,000 in your IRA account, you may be eligible to purchase a property for \$300,000. Banks will grant a non-recourse loan that removes the requirement of a personal loan guarantee from the individual. Therefore, an individual can utilize the leverage of his investment to effectively double his buying power.

### **Self-Directed IRA Management Services**

A self-directed IRA company can serve to inform and educate you with respect to your IRA investment activities. They can act as a custodian to protect the investor from unauthorized activities and supervise the proper administration of the account. However, you retain control over all investing decisions, with the custodian serving at the discretion of the owner.