

A Do-It-Yourself Approach to Target Date Retirement Investing

This week's AAI **Weekly Digest** highlights these “must-read” AAI articles:



How Much Should You Have in Equities Until Retirement?

For many retirees, running out of money is their biggest worry during their retirement years, ranking above terminal illness or even death. Unfortunately, many of the popular asset allocation strategies suggest going overly conservative once you reach retirement. While this may limit your downside, you are also severely limiting the upside of a portfolio that may need to sustain you for decades to come. This article suggests that staying aggressive in retirement is preferable.

A Do-It-Yourself Approach to Target Date Retirement Investing

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Target date mutual funds have become increasingly popular as one-stop shopping, automatic-pilot retirement vehicles. However, using index funds, it doesn't take a lot of difficult work to adopt the do-it-yourself approach to target date investing if you want to save on fees and possible expenses. The effort can potentially provide you with a greater retirement nest egg and retirement income.



Retirement Spending on Planet Vulcan: Longevity Risk and Withdrawal Rates

Recommendations from financial planners regarding retirement spending rates deviate considerably from utility maximization models (models that assume consumers optimize how they spend money). This article argues that wealth managers should advocate dynamic spending in proportion to survival probabilities, adjusted upward for pension income and downward for longevity risk aversion.

Living off Retirement Savings in a World of Uncertain Return Patterns



Look in almost any financial publication or informational brochure aimed at individual investors and you will find broad asset allocation recommendations for the various stages of one's life. In general, most assume that retirees become more conservative. However, why the general assumption that retirees become more conservative and risk tolerance decreases? Do one's risk cells gradually die off as one ages?

Our [Member Question](#) for this week is:

What do you think is the primary force behind the strong stock market performance to

start the new year?

Vote Now »

Vote to answer this week's Special Question: *How has the strong stock market performance to start the year changed your view on the market's prospects for the rest of the year?*

Last Week's Results:

The yield on the 10-year Treasury note recently closed above 2.5% for the first time since March of last year. For some, this is a sign that inflation is on the rise. How worried are you about inflation?

Not very concerned: 46%

Somewhat concerned: 41%

Not at all concerned: 7%

Very concerned: 6%

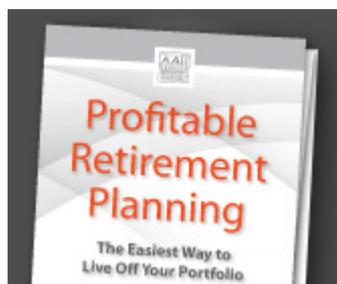
Poll results are as of 9 a.m. (Central) on Monday. 2,601 respondents.



[AAll Survey: Readers Split Regarding Fed's Ability to Control Inflation](#)

As we near the ninth anniversary of the current bull market, inflation remains tepid; to the point that the Fed is revisiting its inflation target rate to give it more room to increase short-term interest rates. Our weekly survey question asked our readers how worried they are about inflation and how

well-equipped they think the Federal Reserve is to handle inflation.



[AAII e-book: Profitable Retirement Planning](#)

This e-book, which is available exclusively to AAI members, was written to help our members achieve a financially secure retirement. The book offers an overview of many of the primary considerations for retirement planning, including: how much you need to save; where your retirement income will come from; what asset classes you should invest in; and what you should take advantage of in your company's defined contribution plan (if available).

The AAI Weekly Digest is one of the many **benefits** of AAI membership. To learn more, consider a **30-day Trial AAI Membership** to start becoming an effective manager of your own assets.