

How Likely Is It You'll Outlive Your Investment Portfolio?

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



- **Investing to Avoid the Consequences of Being Wrong**

Retirees should only risk the savings they don't need; young investors should allocate as much to stocks as their risk tolerance allows. William "Bill" Bernstein is a neurologist, co-founder of the investment firm Efficient Frontier Advisors and the author of several books. This discussion covers his approach to investing, which includes avoiding the risk of running out money.



Bob Collie

How Big is Longevity Risk?

In a defined-contribution pension arrangement (e.g., a 401(k) plan), individual retirees are subject to both investment risk (i.e., uncertainty about what their investment returns will be) and longevity risk (uncertainty about how long they will live). This article explores the question: Which of these risks is bigger?



- **Exploring the Optimal Equity Allocation for Retirees**

Until recently, a portfolio allocation that evolved over time (meaning followed a “glide path”) to become more conservative after retirement was the widely accepted standard approach. However, recent studies suggest the opposite: that retirees should increase their equity allocations over time. These relatively novel findings have left many investors and advisers unsure about how to build optimal retirement portfolios.



- **Words of Advice: A Letter to My Grandchildren**

Charles Ellis pens an investment letter to his grandchildren to share what he learned through 50 years of experience.

Our **Member Question** for this week is:

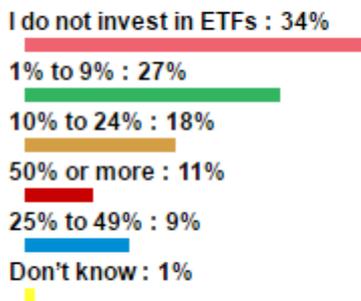
If your portfolio results failed to meet your expectations over a two-year time frame and your personal circumstances remained similar to those of today, which would you do?

[Vote Now »](#)

Vote to answer this week's Special Question: *Knowing what you know today about investing, what is the one thing you wish you had done differently through the years when building your portfolio?*

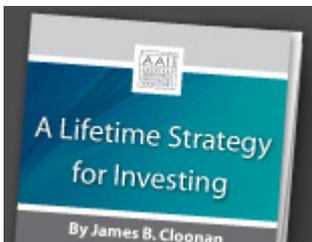
Last Week's Results:

What percentage of your investment portfolio is invested in exchange-traded funds (ETFs)? [Please do not include closed-end or traditional open-end mutual funds.]



Poll results are as of 9 a.m. (Central) on Monday. 2,410 respondents.

Last week we asked our readers whether they were currently invested in actively managed ETFs or of they would consider investing in them. Visit the [AAII Blog](#) for a summary of the responses.



[A Lifetime Investment Strategy](#)

Authored by the chairman and founder of AAI, this valuable publication shows you how you can outperform professional money managers and the market over the long run. It's not available in bookstores but is free to all members of AAI.

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