

## Solving the Problem of Retirement

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



### **Vanguard's Dynamic Spending Strategy for Retirees**

A number of spending rules—each emphasizing different goals—have been developed to help retirees deal with changes in their individual circumstances and in the markets. Vanguard's hybrid approach adjusts withdrawals within preset limits, allowing retirees to benefit from good markets and more easily weather bad markets.

## **Solving the Problem of Retirement**

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Retirement is often a problem for those who have not saved enough to live comfortably. For many people in their 50s and 60s, that problem suddenly looms large as they are forced to confront a variety of realities. Retirement places potentially unlimited demands on finite savings, but there are three actions investors can take to mitigate the problem.

## Cash Flow and Allocation Strategies for Retirees

Jane Bryant Quinn, nationally known personal finance writer and commentator, sits down with *AAII Journal* editor Charles Rotblut to discuss how reverse mortgages, stocks, bonds and annuities can be used by retirees to ensure they have adequate levels of cash flow in retirement.

## Optimizing Your Retirement Income: What Works Best and Why



Only a small minority of baby boomers are accumulating enough savings to provide for their income needs. But those approaching retirement can improve their financial security in retirement, depending on their flexibility and their approach to four big decisions that are under their control.

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

*Which region holds the most investment risk over the next 12 months?*

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***Vote to answer this week's Special Question: How important do you think geographic diversification is when it comes to portfolio building? Why?***

## Last Week's Results:

Based on several widely followed measures, U.S. stocks appear overpriced. Personally, how overvalued or undervalued do you think U.S. stocks are?

**Somewhat overvalued: 58%**

**Very overvalued: 27%**

**Fairly valued: 10%**

**Grossly overvalued: 4%**

**Somewhat undervalued: 1%**

**Very undervalued: 0%**

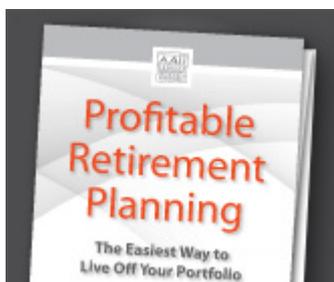
*Poll results are as of 9 a.m. (Central) on Monday. 2,122 respondents.*

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## Retail Investors Think U.S. Stocks Are Overpriced

With each passing day, more and more attention is being paid to the valuations of U.S. stocks and the overall market. One popular measure of the market's valuation, the Cyclically Adjusted PE Ratio or CAPE Ratio, stands at a 17-year high dating back to March 2002. Last week's survey question asked our readers whether they thought U.S. stocks and the market as a whole were under- or overvalued. The weekly special question then asked what metrics our readers use to arrive at their determination of stock and market valuation.



## AAI 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 how you should take advantage of 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.