

The Impact of Saving Versus Return on Wealth

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

The Impact of Saving Versus Return on Wealth



The dramatic impact on wealth from compound returns really starts to pick up after an investing period of 20 to 25 years. Older investors should place a bigger emphasis on saving more than on building aggressive portfolios with higher risks of large losses in a given year. Lower savings rates require higher returns to achieve the same ending wealth, but those higher returns may not be feasible or realistic.

A Quantitative Method for Asset Allocation



The quantitative method considers not only the target allocation but also the prevailing valuation of stocks and the relative valuation of bonds.

Insights on How to Manage a Concentrated Portfolio



Concentrated investing is investing in such a way that one is not relying on diversification to keep the effect of individual errors in one's portfolio remaining tolerably small. As such, investing in a small number of stocks requires a focus on margin of safety and valuations as well as the ability to invest for the long term.

A Primer on How to Plan for a Future Sum



Whether you are planning for a major purchase, financing an education or planning for retirement, an analysis structure that explicitly considers investment returns, cash flows and horizon is crucial to your eventual success. This article outlines step-by-step procedures for evaluating pension investments and future investment goals.

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

How worried are you about running out of money in retirement?

[Vote Now »](#)

Vote to answer this week's Special Question: *What steps would you take if you thought you were going to outlive your retirement savings?*

Last Week's Results:

Which of the following do you think is the biggest error an investor can make?

Lacking objectivity (making decisions based on emotions) : 45% - Votes: 875



Trying to time the market : 34% - Votes: 664



Not adequately diversifying : 17% - Votes: 321



Keeping too much cash : 4% - Votes: 85



Poll results are as of 9 a.m. (Central) on Monday. 2,021 respondents.



[AAll Survey: Biggest Errors Investors Can Make](#)

As investors, we have all made mistakes. Last week's survey asked our readers what they thought was the biggest mistake an investor could make. We then followed up to ask about the biggest investment mistakes our readers have made.

[AAII e-book: Portfolio Building](#)



“Easier said than done” is a common saying that applies well to developing an overall strategy for your investment portfolio. The basic concepts are relatively easy, but they become more complex and less clear-cut when it comes to applying them to real-world situations. This e-book, available exclusively to AAI members, is designed to bridge the gap between theory and practice.

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.