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

This week's AAII **Weekly Digest** highlights these "must-read" AAII 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

Ben Branch

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 up for pension income and down for longevity risk aversion.

A Simple Formula for Calculating "Safe" Retirement Spending

For nearly two decades, the 4% rule has served as a benchmark of how much retirees can safely afford to withdraw from their nest eggs initially. New research suggests a different method may be needed.

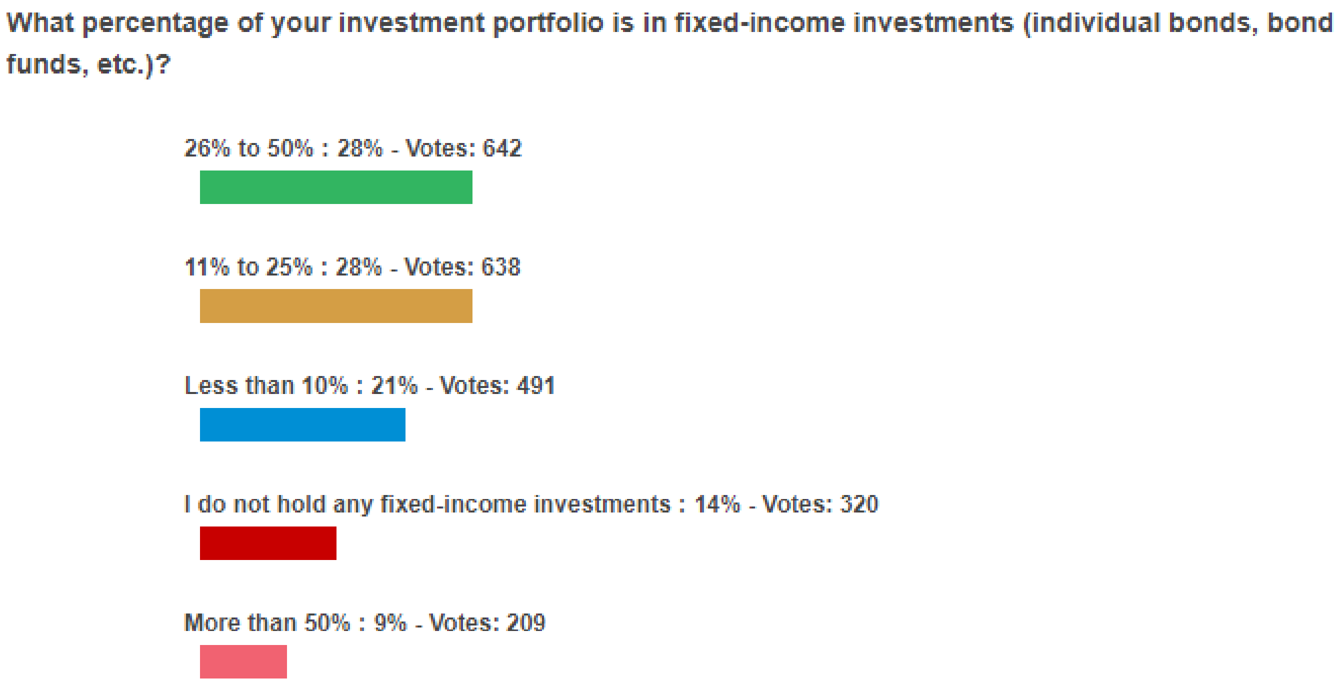
Our **Member Question** for this week is:

How important is a mutual fund's turnover rate when deciding whether to invest in it?

Vote Now »

Vote to answer this week's Special Question: ***What is your primary reason for selling a mutual fund?***

Last Week's Results:

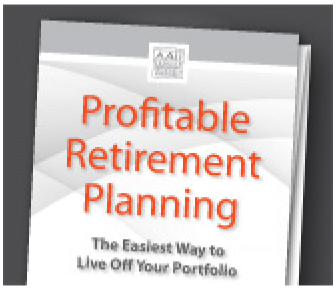


Poll results are as of 9 a.m. (Central) on Monday. 2,360 respondents.

AAII Survey: Retail Investors' Taste for Fixed Income

As we are living longer, the prominence bonds hold in investment portfolios has faded. Investors are holding a greater percentage of their portfolios in stocks as they get older in order to generate enough returns to see them throughout their retirement. This week's survey asked what percentage of their portfolio our readers hold in fixed income and our special question asked how their perception of bonds has changed over the years.

AAII e-book: Profitable Retirement Planning



This e-book, which is available exclusively to AAII 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; which asset classes you should invest in; and what you should take advantage of in your company's defined contribution plan (if available).

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