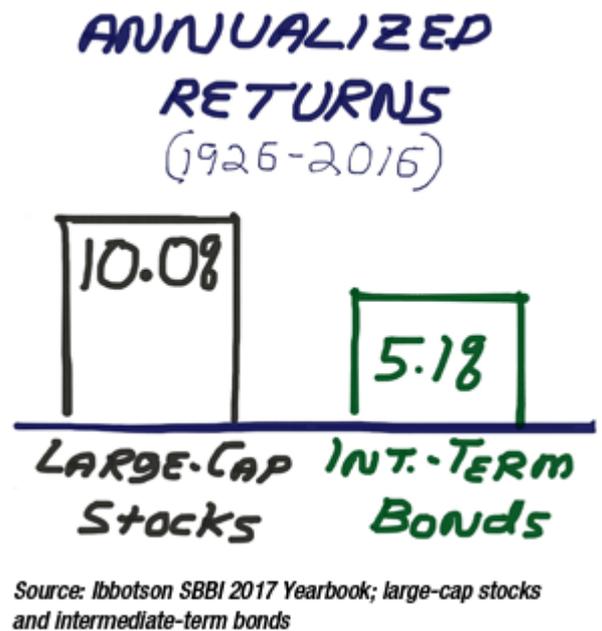


Guidelines for Projecting Retirement Savings

- ❌ One of the challenges of retirement planning is projecting how much money you will have in the future. For those of us who are many years away from retirement, this a big uncertainty. We can use various tools and calculators, but they often rely on us making assumptions.



The assumptions largely focus on three things: age, savings and rate of return. Age is how old you will be at your planned retirement date. This is the easiest of all the assumptions. For most people, retirement will be between 65 and 70. (The greater your ability to work to 70, the more money you will have accumulated for retirement.) Obviously, the actual date will depend on both your health and what happens to your career between now and the planned retirement date.

The next two factors are tougher to forecast. Savings is what we intend to set aside between now and our retirement date. The rate of return is what we expect to earn on our portfolio between now and then. Both are levers we can pull either through the percentage of income we set aside or the allocation we choose.

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AAll Model Portfolio Update

No changes were made to the [Model Shadow Stock Portfolio](#) this month. The next quarterly review will take place at the end of May.

The Model Shadow Stock Portfolio, which is a real-money portfolio of micro-cap value stocks, gained 1.33% in March. The Vanguard Small Cap Index fund ([NAESX](#)) added 1.12% for the month, and the DFA U.S. Micro Cap fund ([DFSCX](#)) added 1.71% in March.

Since its inception in 1993, the Model Shadow Stock Portfolio has a compound annual average return of 15.4% versus the Vanguard 500 Index fund's ([VFINX](#)) gain of 9.4% per year on average. Over the same period, the Vanguard Small Cap Index fund ([NAESX](#)) posted an average annual gain of 10.2%.

More on AAll.com

- [Valuation's Usefulness for Forecasting and Setting Asset Allocation](#) - Valuation ratios can work for setting long-term expectations, but not for predicting short-term price moves.
 - [Longer-Term Inflation Forecasts Are Less Accurate](#) - Even professional economists become worse at making predictions the longer their forecasts go out into the future.
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Highlights from this month's *AAll Journal*

- [Are You Spending Too Little in Retirement?](#) - The same mental tools that help us save for retirement can cause us to be too frugal in retirement, says Meir Statman.
 - [The Traits Successful Business Visionaries Share](#) - Learn about the five primary types of vision that business leaders have.
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AAll Sentiment Survey

Optimism rebounded to an eight-week high as pessimism pulled back from last week's unusually

high level. [More about this week's results.](#)

This week's results:

- Bullish: 37.8%, up 11.7 points
- Neutral: 33%, up 1.8 points
- Bearish: 29.2%, down 13.5 points

Historical averages:

- Bullish: 38.5%
- Neutral: 31.0%
- Bearish: 30.5%

Take the [Sentiment Survey](#).

What's Trending on AAll

1. [Are You Spending Too Little in Retirement?](#)
 2. [The Impact of Out-of-Pocket Medical Spending on Retiree's Income](#)
 3. [Using Bonds Instead of Stocks for Portfolio Income](#)
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The Week Ahead

First-quarter earnings season will hit full steam with 184 members of the S&P 500 index scheduled to report. Included in this group are 12 Dow components: 3M Co. (**MMM**), Caterpillar Inc. (**CAT**), Coca-Cola Co. (**KO**), Travelers Companies Inc. (**TRV**), United Technologies Corp. (**UTX**) and Verizon Communications Inc. (**VZ**) on Tuesday; Boeing Co. (**BA**) and Visa Inc. (**V**) on Wednesday; Microsoft Corp. (**MSFT**) and Intel Corp. (**INTC**) on Thursday; and Chevron Corp. (**CVX**) and Exxon Mobil Corp. (**XOM**) on Friday.

The week's first economic reports will be the April Purchasing Managers' Index (PMI) composite flash and March existing home sales, both released on Monday. Tuesday will feature the February S&P Case-Shiller home price index, March new home sales and the Conference Board's April consumer confidence survey. March durable goods orders and March international trade will be

released on Thursday. Friday will feature the preliminary estimate of first-quarter GDP, April Chicago PMI and the University of Michigan's final April consumer sentiment survey.

The Treasury Department will auction \$32 billion of two-year notes on Tuesday, \$17 billion of two-year floating rate notes (FRN) and \$35 billion of five-year notes on Wednesday and \$29 billion of seven-year notes on Thursday.

Local Chapter Meetings

AAII Local Chapter Meetings offer you a variety of presentations from expert speakers who will give you their view on the world of investing. A bonus of attending a Chapter Meeting near you is the opportunity to meet other AAI members who share your interest and enthusiasm for investing. You can even share the Chapter experience with your family and friends by inviting them to attend Chapter Meetings with you!

[Upcoming Meetings »](#)