

How can I **Afford Retirement**[™]
Investor Education at
the Boston Public Library

Discussion and Resource Guide

Session 3

Investing Wisely to Avoid the Financial Risk of Longer Life Expectancy

Presenter
representing the

Financial Planning Association of MA



These events are funded by a grant from the Investor Protection Trust (IPT) as part of the Investor Education in Your Community Program. The IPT is a nonprofit organization devoted to investor education. Since 1993 the IPT has worked with the States to provide the independent, objective investor education needed by all Americans to make informed investment decisions. www.investorprotection.org

Discussion Points and Questions

At this point in the series you should have completed worksheets A – H from “*Taking the Mystery Out of Retirement Planning*.”

The result should be a snapshot of where you stand now; a projection of your future income expenses; and a rough idea of how large a gap there is between your projected income and expenses.

GOOD WORK!

Today’s session focused on investing wisely.

- Inflation is the gradual increase in the prices of things we buy over time. Does anyone have an investment idea to counteract inflation?
- Look at the Pyramid of Investment Risk on the next page. This risk pyramid is from the IPT’s *The Basics of Saving and Investing* guide. Complete the exercise of placing the investment products in the correct location on the pyramid.
- Asset allocation is a key principle. What is asset allocation and how does the Pyramid of Investment Risk relate to it?
- How does a person’s life stage determine how they invest their money?
- Do you think it is ever too late to do something about a difficult financial situation?

Taking the Next Step

- **Review worksheets from *Taking The Mystery Out of Retirement Planning* or use the online worksheets at www.dol.gov/ebsa/publications/nearretirement.html.**
- **Locate copies of your investment statements and complete the Pyramid of Investment Risk by placing your investment assets in the correct location on the pyramid. Where do you fall in terms of your investment risk?**
- **Check out a few other online resources included in this resource guide.**
- **Review one of the books or resources in previous session Discussion & Resource Guides.**
- **Attend the next session “Protecting Your Investments – The Best Defense is a Wise and Safe Investor” - and please bring a friend along.**

Material discussed during this non-commercial investor education and protection program is meant for general illustration and/or information purposes only. It is not to be construed as tax, legal or investment advice.

Insert the blank page of the Pyramid here.

Selected Resources for Session 3

Publications

Caruso, David and Robert J. Powell III. Decoding Wall Street. New York: McGraw, 2002.
(HG4521.C285)

Caruso tells us in plain language how the investment world works.

Tobias, Andrew. The only investment guide you'll ever need. Orlando: Harcourt, 2005
(HG4521.T6)

"Tobias shows you how to make the most of our money-no matter how much or how little you have."

Carlson, Robert. The new rules of retirement. Hoboken, NJ. : John Wiley, 2005.
(HQ1063.2.U6C37)

Retirement will require more planning and saving since boomers are part of the new age wave that is changing the rules of retirement.

Berg, Adriane G. How not to go broke at 102! Hoboken, NJ : John Wiley, 2004.
(HG179.B435)

In this book, Berg answers the question of how to achieve a "guaranteed lifelong cash flow".

Editor, Kiplinger's Personal Finance. Financial Solutions for the Sandwich Generation. Chicago, IL.: Kaplan Publishing, 2006 (HG179.K5573)

Online Resources

Web Address/Sponsor	Comments
http://moneycentral.msn.com/personal-finance/ MSN Money	MSN Money provides retirement and investment information
www.kiplinger.com Kiplinger Washington Editors, Inc.	Provides unbiased financial information for retirement and personal finance
http://moneycentral.msn.com/investor/calcs/n_expect/main.asp MSN Money	Life expectancy calculator.
www.iciief.org/research ICI Foundation	Retirement planning information including extensive information on mutual funds.
www.fool.com Motley Fool	Investment and retirement information from popular newsletter and radio hosts.
www.bankrate.com Publishers of Bank Rate Monitor	Provides interest rate figures from 4800 financial institutions
www.pbgc.gov Pension Benefit Guaranty Corporation	Website will help locate a "lost" defined benefit pension.
www.bylo.org/saferetr.html	Compilation of sites that address the issue of a safe withdrawal rate
www.investorprotection.org/learn Investor Protection Trust	Investor education and protection brochures such as "Getting Help With Your Investments"
http://www.investorprotection.org/learn/?fa=basics Investor Protection Trust	Link to: "The Basics of Saving and Investing: Investor Education 2020"