



Retirement Planning

Five Resources For Learning To Retire Rich

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In the United States, the topic of retirement planning is largely ignored by the administrators who set the education curriculum for primary and secondary students. As a result, many people find themselves in the precarious position of having to plan for their retirement during their working years. Unfortunately, few are prepared to handle such a complex undertaking.

The good news is that there are resources available to help people with this responsibility. However, it is imperative that people focus their time and energy on educational materials that will bring them up to speed quickly, competently and in a manner that will allow them to take immediate action concerning their retirement planning decisions. We make it easy. Here we provide our top resources for learning to plan for a rich retirement.

5. *The Wall Street Journal Guide To Understanding Money & Investing (1999)* by Kenneth M. Morris, Virginia B. Morris and Alan M. Siegel

The Wall Street Journal Guide To Understanding Money and Investing serves as an excellent primer for people who want a well-rounded fundamental investment education about the structure and makeup of the U.S. banking system, the types of investment products that are available to them and information about specific investment terms that are frequently misunderstood.

The publication begins with an overview of the origin and purpose of money, and explains the money cycle in a clear and concise manner. The book then delves into the role of the Federal Reserve, the approaches that economists use to measure the economic health of the economy and techniques that are used to measure consumer confidence. Following this macro-level overview, the book then explains the characteristics and makeup of stocks, bonds and mutual funds, and then addresses more complex investment products such as commodities, futures and options.

Finally, the very important topics of performance measurement and investment fees are explained in a manner that will allow investors to correctly evaluate performance and to

determine how much it will cost them to invest in certain types of investment products. What more could a data-hungry investor ask for?

4. *Essential Guide to Your 401(k) Plan* (2001) by Virginia B. Morris and Kenneth M. Morris

For many people, their first experience in dealing with retirement planning begins when they realize that they need to start saving for retirement. With this in mind, the *Essential Guide to Your 401(k) Plan* is highly recommended because it serves as a quick and easy source to bringing people up to speed in handling their retirement planning responsibilities.

This book teaches people about the nuances surrounding the different types of retirement plans that may be available to them, the advantages of pretax deferrals vs. after-tax investing, the provisions associated with eligibility requirements, the mandates associated with contribution limits, the provisions associated with company matching contributions, and the provisions associated with vesting, hardship withdrawals, loans, portability and payout options.

3. *Understanding Wall Street* (1991) by Jeffrey B. Little and Lucien Rhodes

Understanding Wall Street was written for individuals who know little or nothing about Wall Street, but always wanted to understand it, and for more experienced investors who realize that there is a world of information about investing. This book provides a wonderful narrative that covers the history of Wall Street, and overlays its historical account with information about investing in individual securities. In addition, the specific focus of this book on company analysis is particularly beneficial because it provides an overview of the income statement, balance sheet and statement of cash flows, and touches on company analysis in a manner that makes it easy for most people to understand.

2. *Winning the Loser's Game* (1998) by Charles D. Ellis

For the avid tennis player, the title of this book may be somewhat revealing of the author's position toward retirement planning. However, for those who cannot glean the general premise of this book from its title, it is imperative that they realize that this publication is quite possibly one of the best investment books ever written, because it explains the typical investment mistakes that amateur investors make and, more

importantly, how to avoid making them. The author of this book admits that it will not teach people how to invest, but he does insist that it will teach people how to become a successful investor in a short period of time. Based on this premise, the general theme of the book makes the case that the key to investment success is not tied to making winning investment decisions, but rather to minimizing mistakes.

1. "The Tortoise and the Hare" (~600 BC), an Aesop Fable

Given the simplicity of the famous fable "The Tortoise and the Hare," it may seem out of the ordinary to recommend it to people as a guideline for their retirement-planning decisions. However, the moral overtone provides meaningful insight in terms of helping people plan for their retirement by keeping them grounded in proper virtues that will likely lead to successful investing over time. Unfortunately, the simple principle of this story seems to have been largely forgotten, as evidenced by the fact that many people do not prepare adequately for retirement, and they tend to make very foolish mistakes while investing.

"The Tortoise and the Hare" is a story that is based on a race between a rabbit and a turtle, and the story explains why a turtle ends up winning a race that should have been won by a hare. The simple moral of this fable is that a slow and steady pace will win a given race. The essence of the story has pertinent meaning to the retirement planning process, because it stresses the need for people to start saving at a young age, and to follow a systematic and methodical approach to building their retirement nest egg over time, rather than getting greedy.

Conclusion

For many people, the world of retirement planning may seem overwhelming, foreign and difficult to understand. However, if people take the time to read the five books referenced in this article, they should be in a better position to understand the basics of retirement planning, and they should also be in a much better position to recognize the steps that they need to follow in order to meet their long-term retirement goals.