Savings goals can run along widely different timelines. Saving for a car may be something you do over a year or two, while saving for retirement can be a decades-long process.

Here are some tips to help you make the most of your retirement investing:

1. Set a goal.
One of the most overlooked pieces of retirement planning is setting a goal. Think what it would be like if our favorite sports had no objective. The players would be out there doing their thing but to no end. Knowing what it takes for your team to win makes it a much more engaging game, right?

So it is with retirement planning. You can sock away money and invest without ever knowing what it takes to “win” — in this case, have enough money to live on in your retirement years. As a very loose goal, some financial planners say you should have at least eight times your final pay when you enter retirement.

If you want a goal that takes into account things such as your current savings, age and your estimated Social Security benefits, head to the AARP retirement calculator. You can find it at www.aarp.org/money.

2. Spread it around.
A smart strategy is to spread your money across different types of investments. Generally, the asset classes for retirement investing are stocks, bonds and cash. The chart below defines each of them.

By spreading your money across these classes, you reduce your exposure to risk from each of them. For example, stocks can gain or lose value on a daily basis. On the other hand, your return on cash investments won’t even keep up with inflation.

You also want to spread your money around within asset classes. For example, let’s look at stock investing. You can buy the stock of one company, and be tied to its fate. Or you can buy into a stock mutual fund, and spread your risk across many companies.

Here’s an eye-opening example of investing in single stocks from 2008. Investors in National City Corp. experienced a return of -88.75 percent. But those who invested in Family Dollar Stores saw a 38.62 percent return.

Putting money in stocks increases your investment risk, but avoiding them is risky, too. Without the upside of stock returns,
you’d likely have to sock away a lot more for retirement than is manageable. Mutual funds are a good way to spread your risk among stocks.

4. **Keep a cool head.**
Market ups and downs can cause anxiety and a desire to take hasty action. Letting your emotions lead you can wreak havoc on your long-term investing. Selling when markets fall locks in your losses. So make a plan, stick to it and keep emotions at bay.

5. **Understand fees.**
Investing comes with fees. Some may be on a transaction, when you buy or sell an investment. Others may be account fees that are assessed each year. It’s important to ask questions about the fees you’ll pay, because even a small difference can have a big impact on your investment gains. Here’s an example:

<table>
<thead>
<tr>
<th>Fee</th>
<th>Return after 20 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5%</td>
<td>$49,725</td>
</tr>
<tr>
<td>0.5%</td>
<td>$60,858</td>
</tr>
</tbody>
</table>

If you work with an investment professional, understand how he or she gets compensated. For example, she could make money when she buys or sells your investments. Or, she could charge an account maintenance fee. As you see with the example above, fees matter. Make sure you understand them when you invest.

**Take Action!**
- Head over to [www.aarp.org/money](http://www.aarp.org/money) and use the retirement calculator to set your retirement savings goal.
- Take a look at your investments. Make sure you’re spreading investment risk across and within asset classes.
- When markets go nuts, take a deep breath. When you’re investing for the long haul, make a plan and stick to it.
- To learn more about investing, head over to [www.investor.gov](http://www.investor.gov). This site, maintained by the U.S. Securities and Exchange Commission, has a lot of good information and calculators. You can also research investments and advisers while you’re there.

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