Feb. 17, 2011 - We all want to enjoy a comfortable retirement. But to do so, we need to make different moves, and consider different issues, at different times of our lives.

To help illustrate this point, let's look at three individuals: Alice, who is just starting her career; Bob, who is nearing retirement; and Charlie, who has recently retired.

Let's start with Alice. As a young worker, Alice most likely has four decades ahead of her until she retires. Yet she realizes that it's never too soon to start saving for retirement, so she has already begun contributing to her 401(k) and to an IRA. And since she has so much time ahead of her, she has decided to invest aggressively, putting much of her contributions in growth-oriented vehicles. The market will certainly have its "dips" in the future, and Alice's account values could rise and fall from year to year, but the longer she holds her investments, the less of an impact that market extremes should have on her 401(k), IRA and other accounts.

Now let's turn our attention to Bob. Since he is within a few years of retirement, he has some key decisions to make. For one thing, he must decide if it's time to change the investment mix in his IRA, 401(k) and other accounts. Because Bob doesn't have much time to overcome market volatility, and since he'd like to maintain the gains he has already achieved, he may decide to become more conservative with his investments. Consequently, he may choose to move some of his investment dollars from stocks to bonds and other fixed-income securities. Realizing, however, that he may spend two or three decades in retirement, and knowing that he will need to stay ahead of inflation, he doesn't abandon all his growth-oriented investments. Furthermore, Bob decides that he may need to bolster his retirement income, so he considers whether an annuity, which is designed to provide him with an income stream he can't outlive, is appropriate for his situation.

Our final "life stages" investor is Charlie. He has recently retired, so his biggest concern is making sure he doesn't outlive his financial resources. Therefore, he may need to consider a variety of moves. For starters, he should determine when to start taking Social Security and when to begin taking withdrawals from his IRA and 401(k) plans. [For a traditional IRA and a 401(k) or other employer-sponsored plan, Charlie, like all investors, must start taking withdrawals no later than age 70.] After deciding when to start taking withdrawals from his retirement plans, he'll also need to calculate how much he can afford to take each year without emptying the accounts. Finally, he might need to rebalance his overall investment portfolio to provide himself with more income.

For help in making the types of choices described above, you may want to work with a financial professional, but in any case, you need to be prepared to take the right steps, at the right times, to enjoy the retirement lifestyle you've envisioned.

This article was written by Edward Jonesa for use by your local Edward Jones Financial Advisor.