
GuidedChoice rolls out its participant income roadmap

By Editor Test *Thu, Feb 3, 2011*

"GuidedSpending was designed to replace the overly simplistic '4% rule' approach long used by financial planners," said GuidedChoice in a release.

GuidedChoice, the provider of investment advice and managed account services for defined-contribution retirement plans, is launching GuidedSpending 2.0, an update of its retirement income advice program.

Reactions from beta testers and early adopters, including a 13,000 participant Fortune 500 company, have been extremely positive and helped shape the final product offering. This is the first online tool of its kind to be offered to all participants within a plan, rather than just as an executive benefit.

GuidedSpending will be demonstrated in a by-invitation-only webcast for journalists and analysts on Wednesday, 9 February 2011. Chief Architect Harry M. Markowitz, Ph.D., creator of modern portfolio theory (MPT), and Sherrie Grabot, Chief Executive Officer, will explain key features and answer questions.

GuidedSpending was designed to replace the overly simplistic '4% rule' approach long used by financial planners. It addresses the need for an easy way to find a personal answer about the amount of money to withdraw each year in retirement in a way that is both more flexible and more effective. The new tool uses the same sophisticated analytics engine first developed for GuidedSavings, the flagship retirement planning product by GuidedChoice.

"A wise post-retirement policy must steer a course between two dangers: one, running out of money; the other, living too frugally, forgoing conveniences and experiences that the retiree can well afford," said Dr. Markowitz in a release. "A policy of spending a fixed percent of the retiree's capital, like the 4% rule—independent of the retiree's age, wealth, bequest and consumption aspirations, current interest rates, etc.—is likely to eventually run afoul of one or the other of these dangers."

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