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## Immediate annuities unattractive today: Journal of Financial Planning

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By Editor Test     *Mon, Jan 21, 2013*

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*David Blanchett's article is filled with charts and tables demonstrating the value of an immediate annuity at different ages, different withdrawal rates, and different prevailing interest rates.*

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Given today's low payout rates from immediate fixed annuities (IFA), many retirees would likely be better off waiting until interest rates improve or delaying the IFA purchase decision to an older age.

So concludes an [article](#) published in the current issue of the *Journal of Financial Planning* by David M. Blanchett, CFP, of Morningstar, who also asserted that IFAs appear more attractive for individuals than couples.

"IFAs remain an attractive longevity hedge for retirees age 80 or older, as well as for retirees who have a strong preference for guaranteed income and want to simplify the income-generation process, versus attempting to self-fund from a traditional retirement portfolio," Blanchett writes.

The article is filled with charts and tables demonstrating the value of an immediate annuity at different ages, different withdrawal rates, and different prevailing interest rates.

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