
Two retirement experts launch a planning start-up

By Kerry Pechter Mon, Mar 4, 2024

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Two retirement industry thought-leaders, Michael Finke and Tamiko Toland, have launched IncomePath, a goals-based retirement income planning tool that financial professionals can use to help their clients better visualize the income challenge and test alternative strategies.

"By clarifying how investment volatility and an unknown lifespan impact spending, IncomePath allows a client to select the right combination of investment risk, portfolio withdrawals, and annuity income," Finke and Toland said in a release.

IncomePath (www.incomepath.com) is expected to be available for individual financial professionals in early 2024. Finke and Toland introduce the methodology behind the IncomePath In a new [white paper](#). (See excerpt below.)

The IncomePath methodology:

- Empowers individuals to choose a spending strategy best suited to their needs and revisit that strategy in the future.
- Allows a retiree to spend more early in retirement if they have greater spending flexibility to adjust for bad luck in the portfolio.
- Provides a visual representation of possible income paths that take into account income planning objectives that include investment risk, initial spending amount, and ability to adjust future spending.
- Allows a retiree to benefit from the rewards of investment risk by spending more throughout retirement on average.
- Provides a clearer understanding of the lifestyle benefit of allocating a portion of savings to a product that reduces longevity risk.

Retirement income planning is not a one-time event but it is an ongoing process of reevaluation based upon current conditions. The IncomePath methodology offers a valuable lens to make decisions not only for the future but also to adjust along the way, as the underlying withdrawal strategy suggests.

From "Freedom to Spend," by Michael Finke and Tamiko Toland.



Finke

“Most planning software focuses on failure,” said Finke in the release. Finke is IncomePath’s co-founder and chief strategist. He was a former chief academic officer and current professor at The American College of Financial Services.

“But failure isn’t a realistic way to plan since it ignores our ability to adjust spending in response to uncertainty. What people really need is a better way to understand the choices they can make to build an income that fits the way they want to live,” he wrote.

IncomePath’s visualizations help an individual see how “good” or “bad luck,” and the use of financial products that transfer risk could shape their retirement.



Toland

“We want to help consumers to make a personal decision about how much lifetime income they want— if any—through a simple planning experience,” said Toland in the release.

Tamiko Toland is IncomePath’s CEO. Self-described as the “annuity Yoda,” she advises clients on retirement income through her consulting firm and has held leadership positions at TIAA, Strategic Insight, and Cannex Financial Exchanges.

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