

Post-Retirement Financial Strategies for a Defined Contribution Plan Participant

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Abstract

What is the "best" post-retirement financial strategy for a particular participant of a defined contribution plan? The answer to this question must accommodate a number of risks, the most obvious of which are related to longevity, inflation, investment, and health. Moreover, what makes this question especially intriguing is that its solution must be molded to the wealth, features and agenda of a particular individual and/or family, many of the constraints and goals are qualitative, and standard market and population metrics may have limited significance.

A number of studies have dealt with post-retirement financial strategies. However, while these previous studies addressed many of the analytical issues needed to develop the "best" strategy for a particular participant of a defined contribution plan, they generally did not deal with implementation issues, qualitative goals and constraints, and tailor-made solutions. The purpose of this study is to address these issues.