

The Evolution of 401(k) Account Advice

The transformation continues with 401(k) Maneuver. Discover more about the types of 401(k) account management strategies and how they have changed over the years.

Personalized Professional Account Management (PPAM)

We believe this is the highest standard of advice an employee can receive. At 401(k) Maneuver, the goal of *personalized* account management is to provide advice based on a person's *individual* risk tolerance and current economic/market conditions.

Managed Accounts

Some employers offer individual account management. However, most only consider age and expected retirement date, similar to target date or lifestyle funds. They do not take into consideration personal risk tolerance or rebalance quarterly, with the goals to improve performance and manage risk.

Target Date Funds (TDFs)

TDFs only consider age and expected retirement date. A "one-size fits all" approach may be simple, but doesn't pass the common sense test. Obviously two employees of the same age could have very different retirement goals, retirement dates and appetite for risk. Personal risk tolerance is ignored in TDFs.

Buy and Hold

Though a long term, patient approach may make sense. Obviously, things change over time. An investment made in the past may not be the best investment today. Current market conditions are ignored, so there is no attempt to manage risk. One positive is that you don't have to open your statements or make new decisions.

Auto Rebalancing

Rebalancing is an effective way to maintain a desired percentage allocation to specific investments. Though a step better than buy and hold, it does not take into consideration current economic and market conditions. There is also little attempt to be in investments that are working and out of those that are not.

