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#### Media Inquiries

Sylvie Tse

[stse@marlomarketing.com](mailto:stse@marlomarketing.com)

617-375-9700



## INTRODUCING THE TRU™ METHOD

*New retirement income calculation is first to isolate and correct critical flaw within popular 4% Rule to optimize Americans' retirement income*

**Wakefield, Mass., November 13, 2018** – The president of Compass Point Retirement Planning in Wakefield, MA, is both a degreed engineer and financial advisor. His company manages retirement planning and investing for more than 600 families seeking what most retirees want – the largest steady and reliable monthly income they can count on.

Over the course of 25 years' experience helping people retire, Michael LaBrie, AAMS, AIF, RMA, realized that most people and their financial planners focus heavily on the first of two critical retirement planning questions, "How do we invest the money we've saved," but don't think enough about the second question: "What is the maximum monthly retirement paycheck we can withdraw safely from our retirement savings without running out?"

**Upending the popular 4% Rule:** Originally created by financial advisor William Bengen in 1994, the 4% Rule and its variants are commonly used by financial advisors to estimate how much retirees can afford to spend. Seeking an accurate answer to that critical "second question," LaBrie spent six years researching, developing and testing a mathematically engineered, patent-pending methodology entitled "The TRU™ Method," which he created specifically to overcome the high levels of failure he observed resulting from the traditional 4% Rule approach. His initial discovery of an important and unrealized valuation error commonly present at the start of retirement called "The ValueGap" was first published in July 2016 in a double peer-reviewed paper in the Retirement Management Journal (RMJ Vol. 6, No. 1). LaBrie's solution, the TRU Method, quantifies the ValueGap error, then mathematically eliminates it to determine an appropriate retirement withdrawal rate.

**Data-driven proof:** Analyzing more than two centuries of historical economic data to test how the 4% Rule would actually have performed over all 30-year periods from 1801 through 2017 using realistic assumptions, LaBrie's research showed two high percentage failure modes. First was a high frequency of premature depletion of the retirement portfolio when 4% proved to be too high a withdrawal rate. Second was an even higher frequency where retirees could have safely afforded a rate higher than 8%, meaning retirees using 4% would have dramatically and unnecessarily shortchanged the lifestyle they could have safely afforded. LaBrie then ran the same data using the TRU Method, which showed zero instances of retirees running out early and significant increases in income safely taken on average.

**Why the 4% Rule doesn't work:** The 4% Rule approach suffers from three distinct issues according to LaBrie. "First, while the process accounted for inflation, it never addressed real-world costs. Next, 4% is the number set for only one specific investment mix, and retirees need to set an investment mix aligned with their specific needs and risk tolerance. Finally, and most importantly, the static 4% methodology does nothing to account for the effects of the ValueGap error on real-world outcomes.

LaBrie explains, "Bengen's original work was inspired genius, but it never resolved the predominant driver of withdrawal rate failure. No static, one-size-fits-all withdrawal rate assumption will ever work

consistently for real-world retirees. The TRU Method isolates and corrects the unaccounted-for value deflection driven by the ValueGap to help retirees set a more accurately aligned path from day one of retirement." As a result, the TRU Method would have eliminated all instances of retirees running out of money early through any historical good or bad economic period – including during the Great Depression itself.

See the TRU Method in action in a short video here: <https://cprp.com/a-valuegap-solution-2>.

**About Compass Point Retirement Planning:**

Compass Point Retirement Planning, headquartered in Wakefield, MA, is a financial advisory firm specializing in retirement income planning for more than 600 client families. Compass Point Retirement Planning uses comprehensive financial planning to help retirees try to invest appropriately and design and operate an optimal retirement income plan over the rest of their lives. Compass Point Retirement Planning created a proprietary, patent-pending retirement planning process, the TRU™ Method, which offers a sophisticated and up-to-date approach aimed at improving retirement income dependability and overall asset management by rectifying the predominant cause of retirement planning outcome failure.

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