

Withdrawal Plans: How Long Will Your Capital Last?

- *Do you have enough money to retire?*
- *Will your retirement portfolios enable you to maintain your current lifestyles?*
- *What is a sustainable withdrawal rate that won't deplete your savings over their lifetime?*

These are all difficult questions to answer. When it comes to developing models to solve for the challenges of retirement planning, even the most sophisticated algorithms, spreadsheets and planning software cannot perfectly capture every uncertainty and unexpected event. Real-life dynamics exceed the limits of conventional models. The sequence of returns and downside resilience become critical factors in retirement portfolio success.

If the Annual Withdrawal Rate of Your Initial Capital Is:

<u>Annual Growth %:</u>	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%
	<u>The Number of Years Your Capital Will Last Is:</u>										
1%	22	18	15	13	11	10	9	8	7	7	6
2%	25	19	16	14	12	11	9	9	8	7	7
3%	29	22	18	15	13	11	10	9	8	7	7
4%	37	26	20	16	14	12	10	9	8	8	7
5%	62	32	23	18	15	13	11	10	9	8	7
6%	*	49	28	21	17	14	12	10	9	8	8
7%	*	*	40	25	19	15	13	11	10	9	8
8%	*	*	*	33	22	17	14	12	10	9	8
9%	*	*	*	*	28	20	16	13	11	10	9
10%	*	*	*	*	*	25	18	14	12	10	9
11%	*	*	*	*	*	45	22	16	13	11	10

Assumes withdrawals are made annually at the beginning of the year.

**** Capital will last indefinitely.***