Withdrawal Strategies That Work

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University of Delaware Lifelong Learning Center

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Will my portfolio balance decline during retirement?

Will I run out of money in retirement?

From 1926 to 2025 there have been 76 rolling 25-year periods. The first 25-year period was 1926-1950, the second from 1927-1951, and so on.

Let's assume that each of those 25-year periods represents a 25-year retirement "window" for 75 different retirees from the age of 73 to 98. Each retiree annually withdraws money.

We are now analyzing sequence-of-returns risk by analyzing outcomes over 76 rolling 25-year periods.

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How often was a 60% equity/40% fixed income retirement portfolio larger at age 98 than the starting balance at age 73? ***Portfolio cost = 125 bps.***

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How often was a 60% equity/40% fixed income retirement portfolio larger at age 98 than the starting balance at age 73? ***Portfolio cost = 125 bps.***

RMD annual withdrawal: 80.3% of the time.
4% annual withdrawal: 100% of the time.

How Often Was a Retirement Portfolio Larger Than the Starting Balance After 25 Years of Withdrawals?

Overall Asset Allocation	Sub Allocations	RMD From age 73-98	4% Annual Withdrawal	5% Annual Withdrawal
60% Equity 40% Fixed	40% Large Stock 20% Small Stock 30% Bonds 10% Cash	**80.3%**	**100%**	**94.7%**

Analysis of 76 rolling 25-year periods from 1926 to 2025

Large-cap US stock was represented by the S&P 500 Index.

Small-cap US stock was represented by the Ibbotson Small Companies Index from 1926-1978 and the Russell 2000 Index from 1979-2025.

U.S. bond returns were represented by SBBI US Intermediate Government Bonds from 1926-1975 and the Bloomberg Aggregate Bond Index from 1976-2025.

Cash was represented by the annual returns of the 3-month US Treasury Bill from 1926-2025.

Assumed portfolio cost was 125 bps

How Often Was a Retirement Portfolio Larger Than the Starting Balance After 25 Years of Withdrawals?

Overall Asset Allocation	Sub Allocations	RMD From age 73-98	4% Annual Withdrawal	5% Annual Withdrawal
40% Equity 60% Fixed	25% Large Stock 15% Small Stock 45% Bonds 15% Cash	**42.1%**	**98.7%**	**89.5%**
60% Equity 40% Fixed	40% Large Stock 20% Small Stock 30% Bonds 10% Cash	**80.3%**	**100%**	**94.7%**

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80% Equity 20% Fixed	50% Large Stock 30% Small Stock 15% Bonds 5% Cash	**90.8%**	**100%**	**100%**

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Point #1:

If the RMD governs your withdrawals AND you want your portfolio to grow…

You will need to have a large equity allocation.

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80% Equity 20% Fixed	50% Large Stock 30% Small Stock 15% Bonds 5% Cash	100%	100%

Point #2

If you are using a 4% or 5% withdraw rate AND you want your portfolio to grow…

The asset allocation is not as critical… meaning you can be more conservative without guilt!

Analysis of 76 rolling 25-year periods from 1926 to 2025

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Assumed portfolio cost was 125 bps

How Often Was a Retirement Portfolio Totally Depleted After 25 Years of Withdrawals?

Overall Asset Allocation	Sub Allocations	RMD From age 73-98	4% Annual Withdrawal	5% Annual Withdrawal
40% Equity 60% Fixed	25% Large Stock 15% Small Stock 45% Bonds 15% Cash	Never	Never	Never
60% Equity 40% Fixed	40% Large Stock 20% Small Stock 30% Bonds 10% Cash	Never	Never	Never
80% Equity 20% Fixed	50% Large Stock 30% Small Stock 15% Bonds 5% Cash	Never	Never	Never

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Overall Asset Allocation	Sub	RMD	4% Annual	5% Annual Withdrawal
40% Equity 60% Fixed				Never
60% Equity 40% Fixed				Never
80% Equity 20% Fixed	5% Cash			Never

Point #3:

Stop worrying about running out of money.
If the portfolio is prudently built and rebalanced annually
AND
your withdrawals are reasonable…

You won't deplete the portfolio within 25 years.
And likely not within 35 years.

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Let’s test drive your retirement portfolio!

Fire up the *Retirement Portfolio Analyzer* spreadsheet.

Analysis of 76 Rolling 25-Year Retirement Periods

by Craig L Israelsen, Ph.D.

www.7TwelvePortfolio.com

Retirement Portfolio Analyzer (RPA) --- January 2026 release date

ENTER YOUR DATA IN THE BRIGHT YELLOW CELLS

Current Year	2026
Retirement Portfolio Account Balance	$1,000,000
Your Current Age	73
Your Age When Portfolio Withdrawals Begin	73

Portfolio Asset Allocation (% per asset)	During Retirement	Raw Index Returns 1926-2025	Raw Index Std Dev 1926-2025	Historical Performance Adjuster (bps)	Adjustment YOU entered
Large US stock allocation	40.00%	10.49%	19.58%	0.00	None
Small US stock allocation	20.00%	11.05%	30.39%	0.00	None
US Bonds allocation	30.00%	5.01%	5.82%	0.00	None
Cash allocation	10.00%	3.27%	2.98%	0.00	None
Total Allocation	100.00%			Enter in basis points	

Guaranteed portfolio return? Y/N: N

Total Portfolio cost in basis points (as a Negative) (Expense Ratio + Advisory Fee) such as -60, etc.: -125

Four Ways to Withdraw Money From Portfolio
Enter "% Number", "RMD", "CUSTOM", or a Zero "0"

Cell C22 below: RMD

Minimum RMD age is 72

Information and ERROR Messages Below

Four ANNUAL withdrawal options in cell C22:
% number or RMD or CUSTOM or 0

100-Year Retirement Portfolio Analyzer from 1926-2025

Your Portfolio Return (1926-2025) (Minus portfolio costs & historical adjustments): 7.73%

Lowest 1-Year Portfolio Return: -29.13%

Your Portfolio Standard Deviation (1926-2025) (Std Dev of annual returns): 13.45%

The results BELOW are based on 76 rolling 25-year RETIREMENT periods between 1926-2025

Estimated Total Accumulated Capital after 25 Years: $3,077,303 (Dependent on "BUDGET" data)

Average WITHDRAWAL from Portfolio (over 25 years)

Annual Average: $109,722 | $9,144 Monthly

How Often Annual Withdrawals Increased Year-over-Year?

71.2% *Annual Increase*

How Often Annual Withdrawals Kept Up with Inflation?

90.0% *% of Time Beat Inflation*

Average Retirement Portfolio BALANCE After 25 Withdrawals

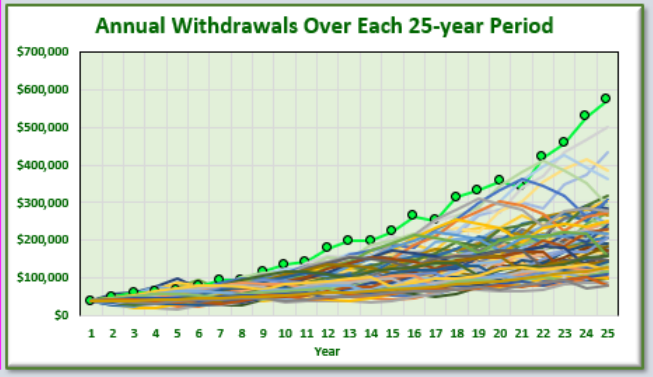
$1,506,670 *After 25 Years*

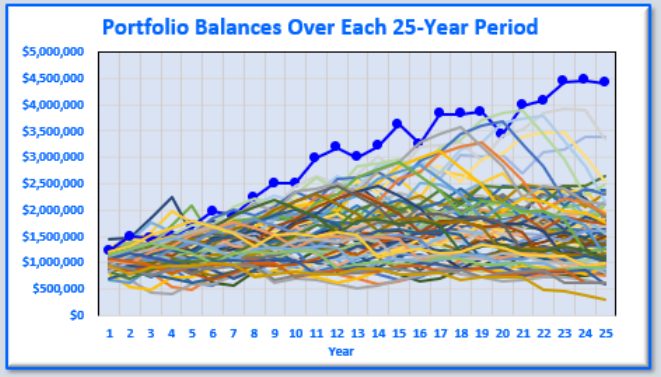
How Often the Balance Grew? (after 25 years of withdrawals)

80.3% *% of Time Larger After 25 Years*

Success Rate (How often portfolio survived at least 25 years)

100.0% *Success Rate (90% threshold)*





Analysis of 76 Rolling 25-Year Retirement Periods

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Total Allocation	100.00%			Enter in basis points	

Guaranteed portfolio return? Y/N: N

Total Portfolio cost in basis points (as a Negative) (Expense Ratio + Advisory Fee) such as -60, etc.: -125

Four Ways to Withdraw Money From Portfolio
Enter "% Number", "RMD", "CUSTOM", or a Zero "0": 4.00% (Cell C22 below)

Information and ERROR Messages Below

Four ANNUAL withdrawal options in cell C22:
% number or RMD or CUSTOM or 0

100-Year Retirement Portfolio Analyzer from 1926-2025

Your Portfolio Return (1926-2025) (Minus portfolio costs & historical adjustments)	Lowest 1-Year Portfolio Return	Your Portfolio Standard Deviation (1926-2025) (Std Dev of annual returns)
7.73%	-29.13%	13.45%

The results BELOW are based on 76 rolling 25-year RETIREMENT periods between 1926-2025

Estimated Total Accumulated Capital after 25 Years: $3,845,038 (Dependent on "BUDGET" data)

Average WITHDRAWAL from Portfolio (over 25 years)

Annual Average: $76,642 | $6,387 *Monthly*

How Often Annual Withdrawals Increased Year-over-Year?

63.7% *Annual Increase*

How Often Annual Withdrawals Kept Up with Inflation?

59.9% *% of Time Beat Inflation*

Average Retirement Portfolio BALANCE After 25 Withdrawals

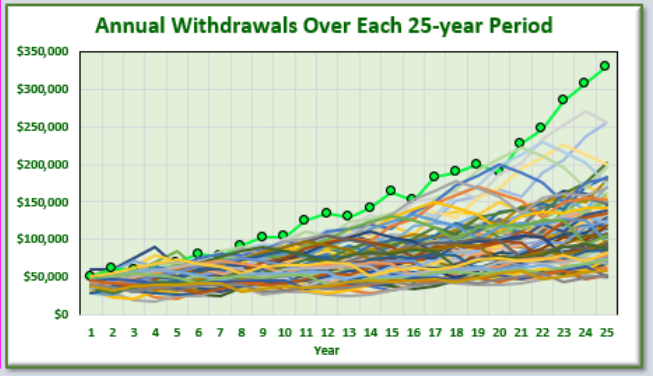
$2,894,654 *After 25 Years*

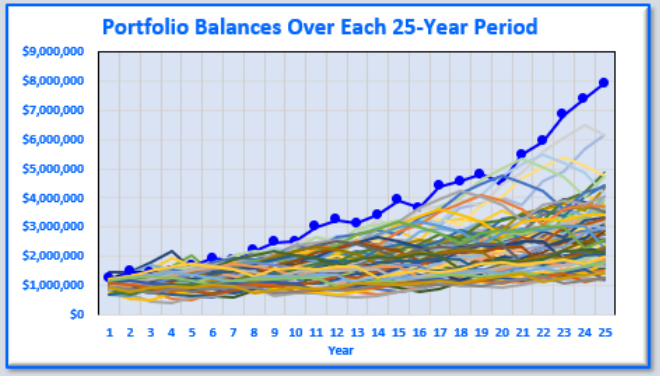
How Often the Balance Grew? (after 25 years of withdrawals)

100.0% *% of Time Larger After 25 Years*

Success Rate (How often portfolio survived at least 25 years)

100.0% *Success Rate (90% threshold)*





Disclosures

Performance in the past is not a guarantee of performance in the future.
Raw data source: Steele Mutual Fund Expert
Calculations: Craig Israelsen, Ph.D.

Indexes used for performance calculations on the previous slides.

- **Large-cap US equity** represented by the S&P 500 Index from 1926-2025
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- **U.S. Bonds** represented by SBBI US Intermediate Government Bonds from 1926-1975 and the Bloomberg Aggregate Bond Index from 1976-2025.
- **Cash** represented by 3-month Treasury Bills from 1926-2025.