

A WORKSHOP FOR FEDERAL
EMPLOYEES

Retirement Distribution Strategies

To avoid outliving your money

CREATED BY

CLU **CAMPBELL** & associates
Financial Services Redefined



THE SOCIETY FOR FINANCIAL AWARENESS

DC METROPOLITAN CHAPTER

www.dcsdfa.org



T O D A Y ' S D I S C U S S I O N

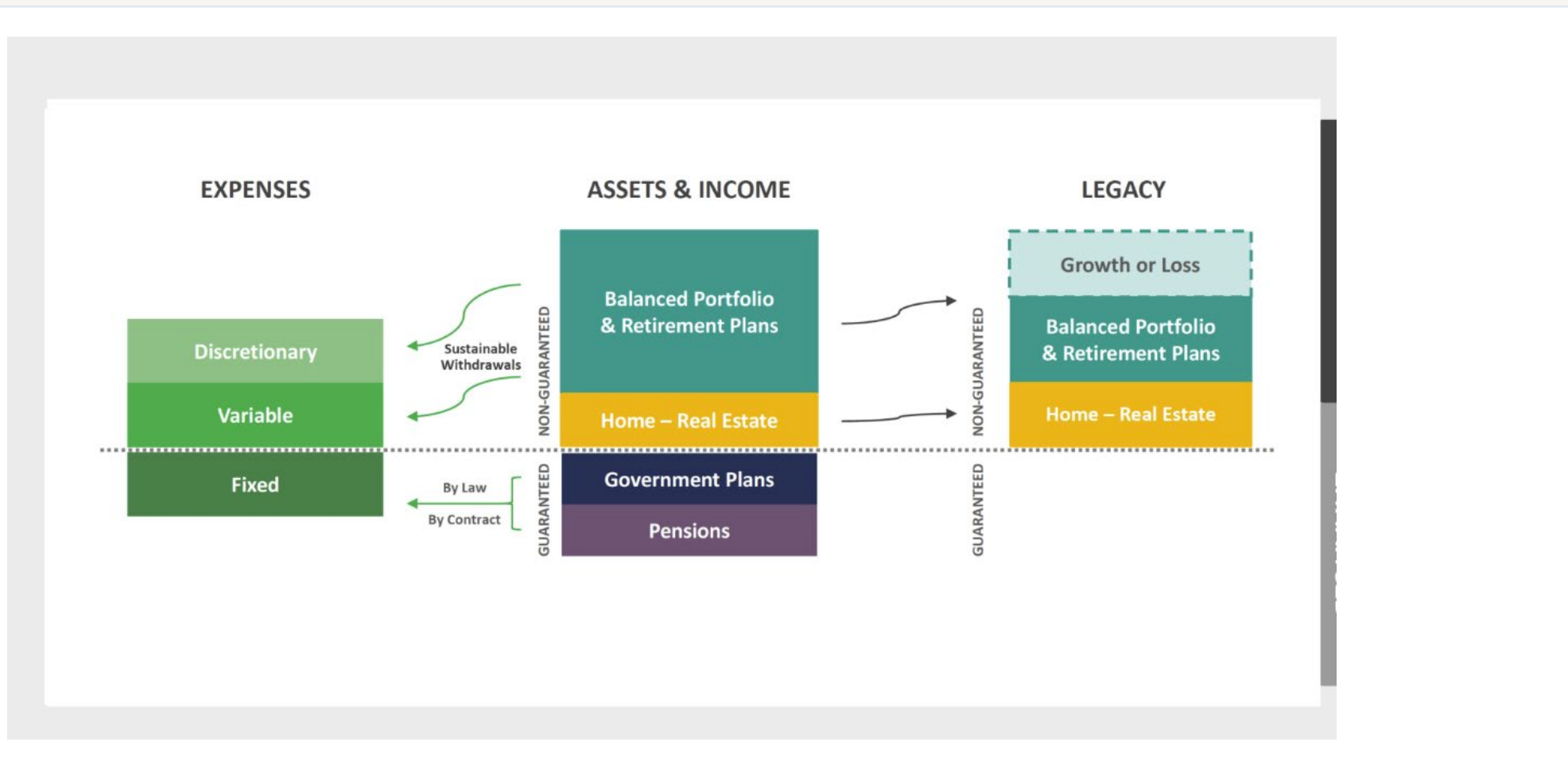
We're going to examine two different income distribution strategies.



01 THE
Conventional Approach

02 THE
Alternative Approach

Conventional Retirement Approach



What is the Conventional Approach?

01 Market-driven income

Uses stocks, bonds, and cash to distribute your income need through retirement.

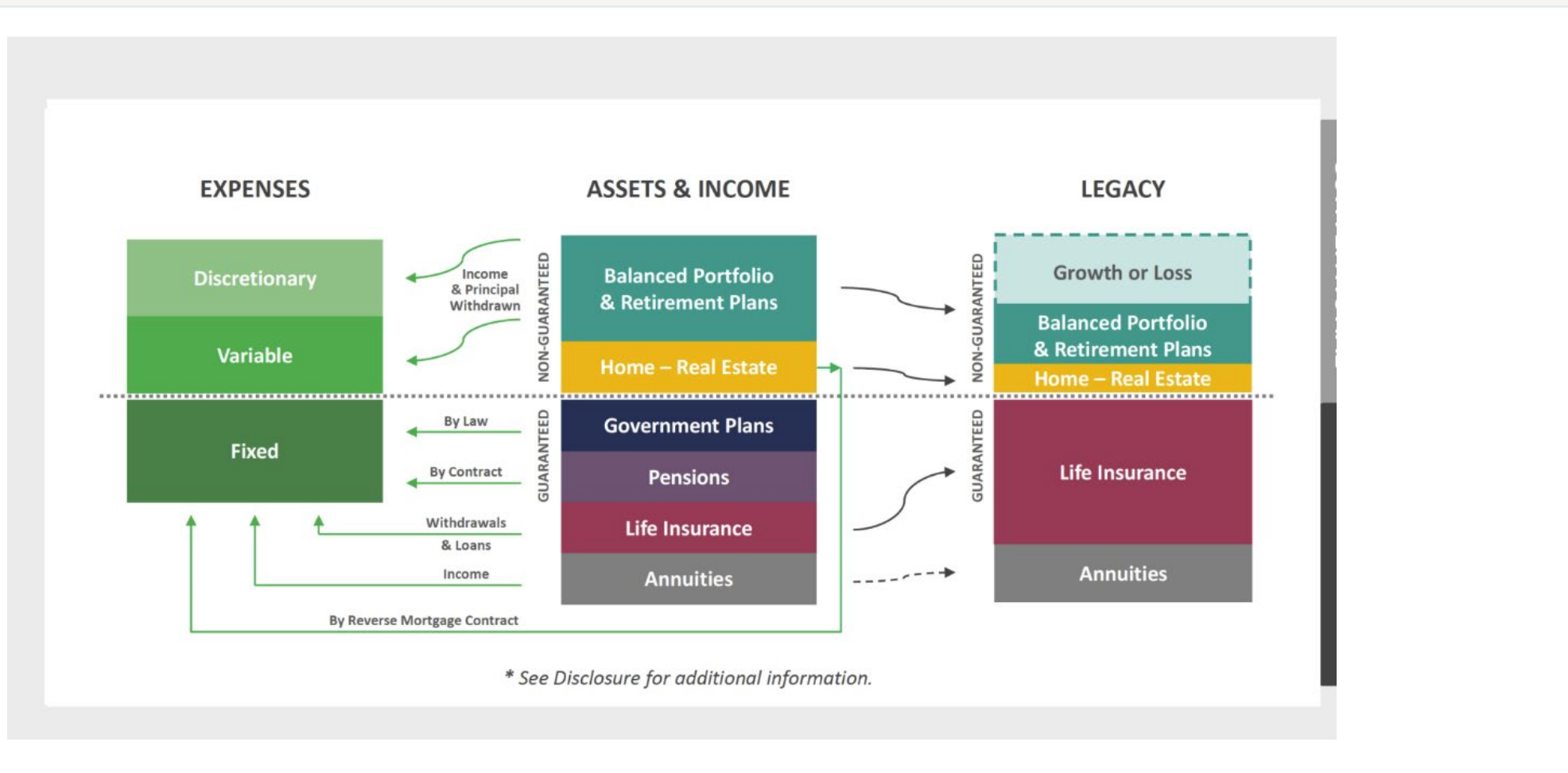
02 Return-dependent

Relies on the rate of return of stocks, bonds, and cash to sustain income, growth, and legacy.

03 Tied to market cycles

The majority of the plan is predicated by the ebbs and flows of the markets.

Alternative Retirement Approach



What is the Alternative Approach?

01 Markets, but not market-dependent

Still utilizes the markets for growth but doesn't rely solely on the markets to sustain income, protection, and legacy in retirement.

02 Strategy-driven diversification

Typically more strategy-driven, using various asset types to reduce income risk and increase legacy — for those who desire to pass on money to heirs, charities, or institutions.

03 Risk reduction with growth potential

The objective: reduce risk and increase income, protection, and ensure legacy if desired.

WHAT ARE WE REALLY TALKING ABOUT

Your investment income need.



Target Retirement Income **\$70,000**

Pension —————→ **\$20,000**

Social Security —————→ **\$25,000**

Investment Income Need **\$25,000**

INVESTMENT INCOME NEED **\$25,000**

$$\$70,000 - \$45,000 = \$25,000 \cdot TSP / 401(k) / Investments$$

THE TRANSITION

From climbing to descending.



ACCUMULATION

The Climb

DISTRIBUTION

The Descent

Retirement risks.



Inflation

Reduces buying power of our dollars over time.



Outliving Money

Need to make sure money lasts throughout your lifetime.



Tax Law Changes

Tax increases reduce spending power of income.



Volatility of Returns

Market fluctuations can negatively impact net returns and reduce future spending power.



Loss of Principal

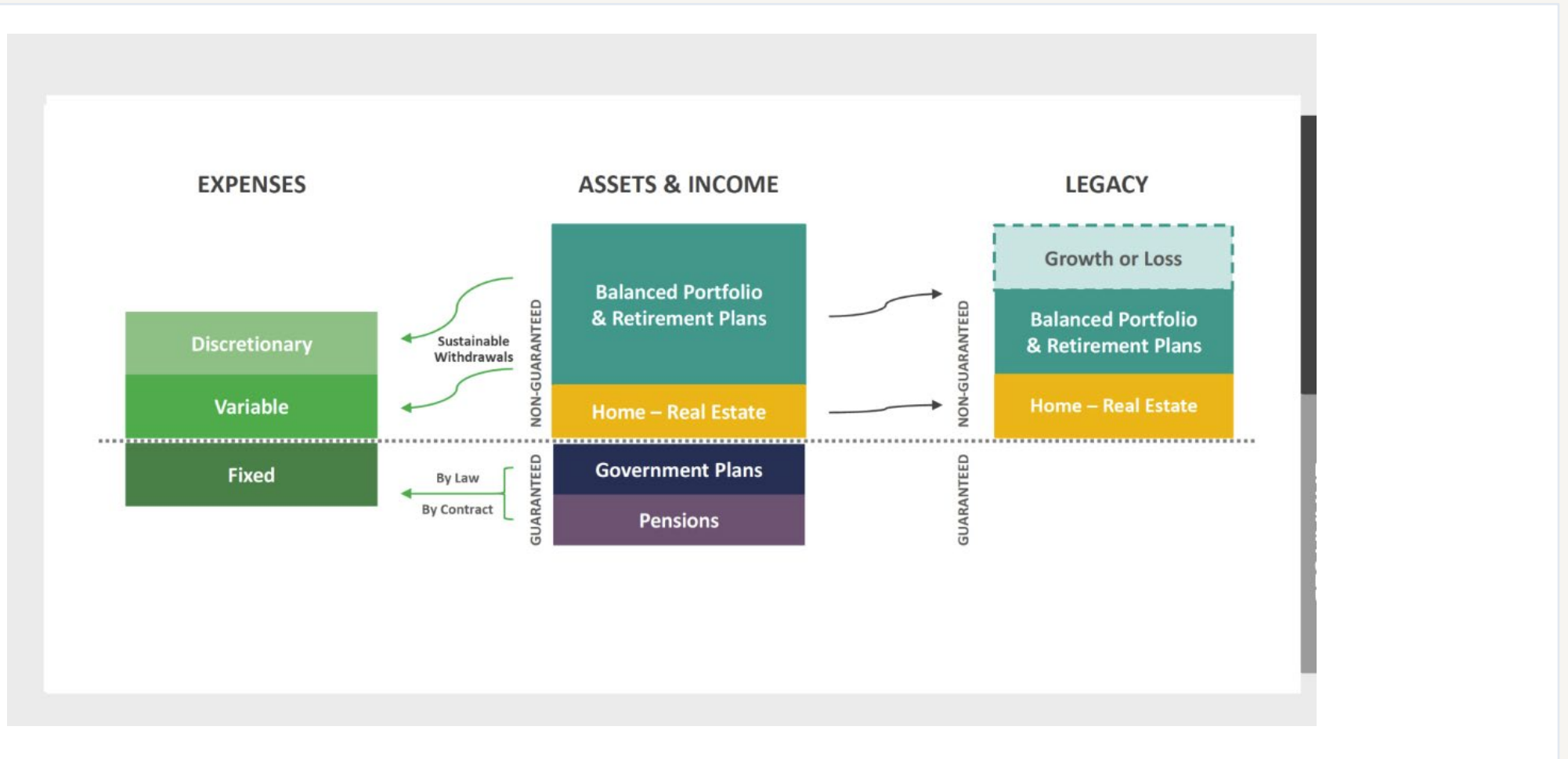
Market fluctuations, unforeseen needs, or other unknowns can reduce total account value.



Lifestyle Changes

Technological change, planned obsolescence, and standard-of-living increases.

Conventional Retirement Approach



Four problems that are more pronounced in the Conventional method.

01 Market Risk

Returns aren't guaranteed. Bear markets compound when you're depending on the portfolio.

02 Withdrawal Rate Risk

Take too much, and the math stops working. Take too little, and the lifestyle does.

03 Sequence Risk

When losses happen matters more than how big they are. Timing controls outcomes.

04 Human Behavior

The biggest threat to a portfolio isn't the market — it's how investors react to the market.

You must have a plan.

Especially when you are within 10 years of retirement.

01 What's your withdrawal rate need?

02 What's your targeted asset allocation?

P R O B L E M

Sustainable withdrawal rates.

Withdrawal rate research identifies a narrow band of sustainable rates — about 2.5% to 4.5% per year — for a portfolio designed to last a lifetime. Here's what that looks like in dollars on a \$1M portfolio.

\$ 1 , 0 0 0 , 0 0 0 P O R T F O L I O

\$1,000,000

$$\$1\text{M} \times 2.5\% = \$25,000$$

per year

C O N S E R V A T I V E

Lower end of the sustainable range. Safest in adverse markets.

$$\$1\text{M} \times 4.0\% = \$40,000$$

per year

T H E 4 % R U L E

The widely-cited "4% rule" from the Trinity Study.

$$\$1\text{M} \times 4.5\% = \$45,000$$

per year

A G G R E S S I V E

Upper end of the range. Less margin for sequence risk.

Source: Bengen (1994) and 20+ years of subsequent financial research. Range applies to a balanced portfolio over a 30-year horizon.

Understanding the 4% withdrawal rule.

If an investor withdraws a fixed percentage of their assets annually for retirement, what is the likelihood they will not outlive their savings?

STOCK / BOND ALLOCATION

Withdrawal Rate	100/0	75/25	50/50	25/75	0/100
3%	100%	100%	100%	100%	84%
4%	98%	100%	96%	80%	35%
5%	80%	82%	67%	31%	22%
6%	62%	60%	51%	22%	11%
7%	55%	45%	22%	7%	2%
8%	44%	35%	9%	0%	0%

Understanding your Target Retirement Income (TRI).

*The income you'll need each year to maintain your lifestyle in retirement
— gross income minus the deductions that go away when you stop
working.*

Component	Amount
GROSS INCOME	
Spouse A	\$150,000
Spouse B	\$100,000
Total Gross Income	\$250,000
LESS — DEDUCTIONS	
TSP / 401(k) — Spouse A	\$27,000
TSP / 401(k) — Spouse B	\$27,000
Social Security	\$17,540
Savings	\$0
Mortgage	\$0
Roth TSP / Roth IRA	\$0
Non-Qualified IRA	\$0
College	\$0
Credit Cards	\$0
Tax Equivalent	\$0
Total Payments	\$71,540

TARGET RETIREMENT
INCOME

\$178,460

Understanding your Investment Income Need.

Subtract guaranteed income sources from your TRI. What remains is what your portfolio actually has to produce — not your full lifestyle figure.

Component	Amount
Target Retirement Income	\$178,460
— Social Security	(\$52,775)
— Pension	(\$67,511)

INVESTMENT INCOME NEEDED

\$58,174

Understanding your *Withdrawal Rate Pressure*.

Your investment need divided by your portfolio balance is your withdrawal rate. The lower the rate, the longer your money lasts.

WITHDRAWAL RATE FORMULA

Investment Need

Investment Balance

Withdrawal Rate

$$\text{\$58,174} \div \text{\$1,600,000} = \text{3.64\%}$$

0% – 3%

SAFE

Portfolio is highly likely to outlast outlast you with growth potential.

3% – 4.5%

SUSTAINABLE

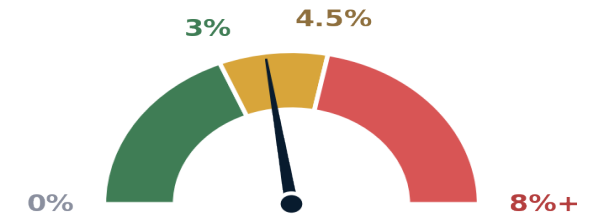
The classic 4% rule territory — close watch required.

4.5%+

UNSUSTAINABLE

High risk of depletion within a typical retirement horizon.

WITHDRAWAL RATE PRESSURE



3.64%

AVG WITHDRAWAL RATE · SUSTAINABLE

Understanding the 4% withdrawal rule.

If an investor withdraws a fixed percentage of their assets annually for retirement, what is the likelihood they will outlive their savings?

STOCK / BOND ALLOCATION

Withdrawal Rate	100/0	75/25	50/50	25/75	0/100
3%	0%	0%	0%	0%	16%
4%	2%	0%	4%	20%	65%
5%	20%	18%	33%	69%	78%
6%	38%	40%	49%	78%	89%
7%	45%	55%	78%	93%	98%
8%	56%	65%	91%	100%	100%

Recent investment returns for the TSP funds.

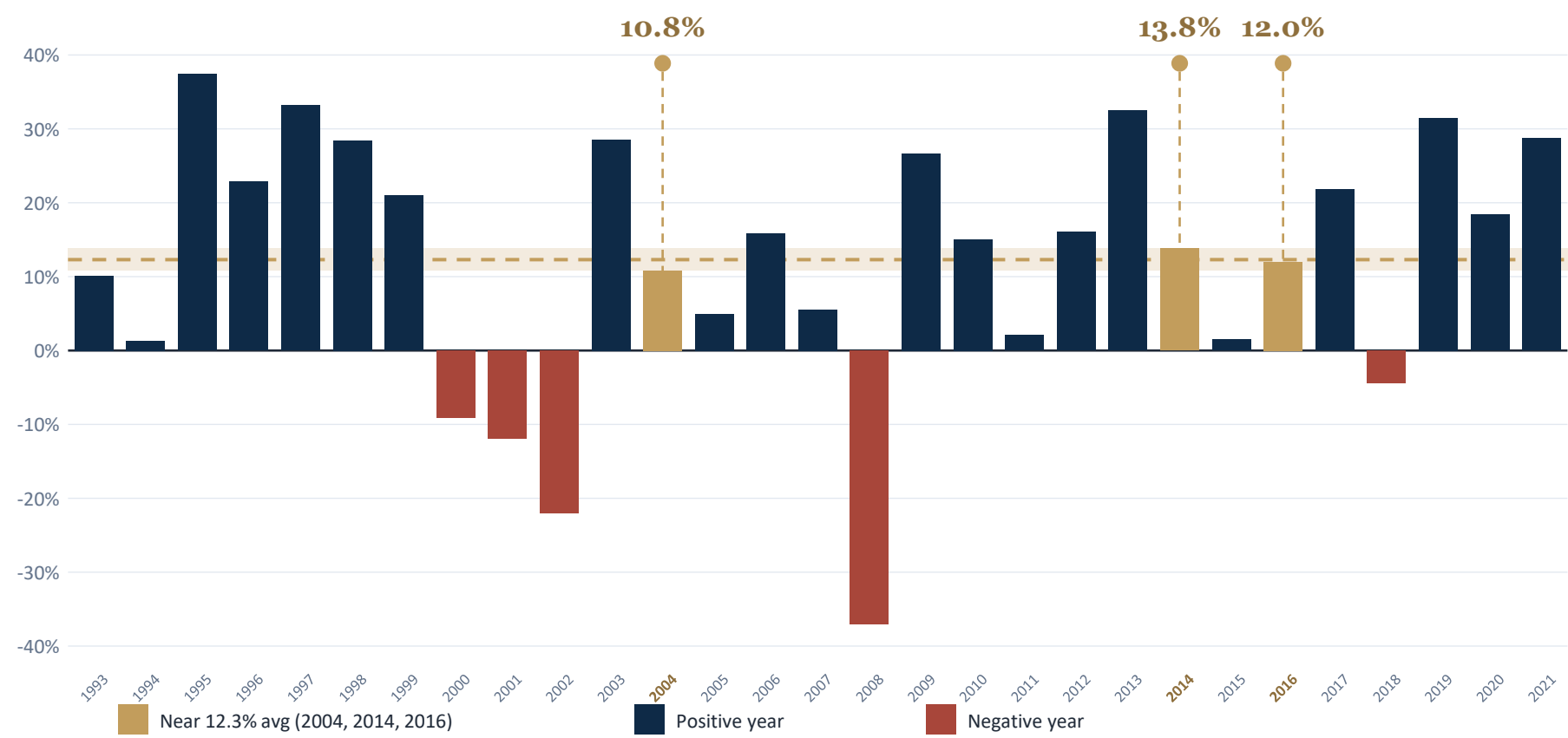
Rates of return as of November 30, 2025.

Period	G Fund US Govt Short-term	F Fund US Bond Intermediate	C Fund Large US (S&P 500)	S Fund Small/Mid US	I Fund International
<i>Inception date</i>	4/1/1987	1/29/1988	1/29/1988	5/1/2001	5/1/2001
1 year	4.46%	5.65%	14.96%	4.08%	24.91%
3 year	4.35%	4.54%	20.52%	15.31%	15.91%
5 year	3.42%	-0.22%	15.24%	7.85%	9.75%
10 year	2.74%	2.10%	14.60%	10.66%	8.15%
Since inception	4.65%	5.32%	11.36%	9.47%	5.90%

Source: TSP.gov. Past performance is no guarantee of future performance.

There aren't many "average" years for the stock market.

TSP C Fund Calendar Year Returns, 1993 to 2021. The 29-year average was 12.3% — but only three years (2004, 2014, 2016) came close to that average. Most years were far above or far below.



29 - YEAR AVG

12.3%

Years near average:

3 of 29

(within ±1.5%)

Asset class returns.

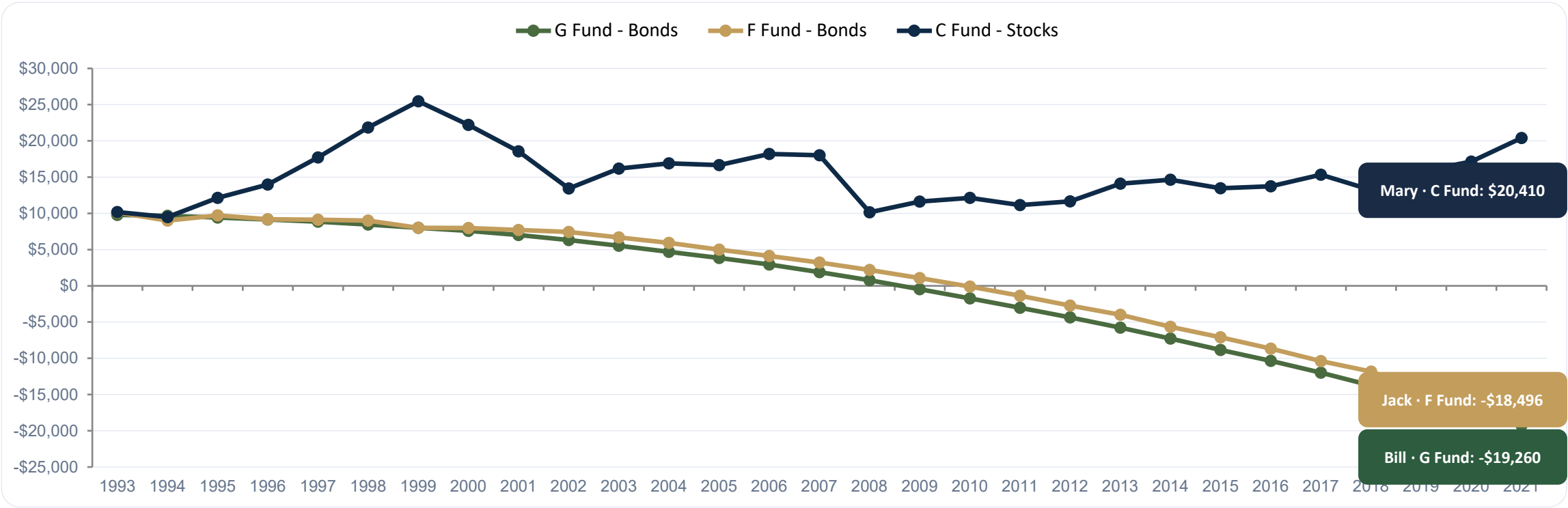
Leadership rotates. The chart that wins one year rarely wins the next — there is no permanent winner among asset classes.

2010–2024		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Ann.	Vol.																
Large Cap	Small Cap	REITs	REITs	REITs	Small Cap	REITs	REITs	Small Cap	EM Equity	Cash	Large Cap	Small Cap	REITs	Com dty.	Large Cap	Large Cap	DM Equity
13.9%	20.6%	27.9%	8.3%	19.7%	38.8%	28.0%	2.8%	21.3%	37.8%	1.8%	31.5%	20.0%	41.3%	16.1%	26.3%	25.0%	19.9%
Small Cap	EM Equity	Small Cap	Fixed Income	High Yield	Large Cap	Large Cap	Large Cap	High Yield	DM Equity	Fixed Income	REITs	EM Equity	Large Cap	Cash	DM Equity	Small Cap	EM Equity
10.3%	17.9%	26.9%	7.8%	19.6%	32.4%	13.7%	1.4%	14.3%	25.6%	0.0%	28.7%	18.7%	28.7%	1.5%	18.9%	11.5%	15.6%
REITs	REITs	EM Equity	High Yield	EM Equity	DM Equity	Fixed Income	Fixed Income	Large Cap	Large Cap	REITs	Small Cap	Large Cap	Com dty.	High Yield	Small Cap	Asset Alloc.	Asset Alloc.
9.4%	16.8%	19.2%	3.1%	18.6%	23.3%	6.0%	0.5%	12.0%	21.8%	-4.0%	25.5%	18.4%	27.1%	-12.7%	16.9%	10.0%	7.0%
Asset Alloc.	DM Equity	Com dty.	Large Cap	DM Equity	Asset Alloc.	Asset Alloc.	Cash	Com dty.	Small Cap	High Yield	DM Equity	Asset Alloc.	Small Cap	Fixed Income	Asset Alloc.	High Yield	High Yield
7.2%	16.5%	16.8%	2.1%	17.9%	14.9%	5.2%	0.0%	11.8%	14.6%	-4.1%	22.7%	10.6%	14.8%	-13.0%	14.1%	9.2%	6.8%
High Yield	Com dty.	Large Cap	Cash	Small Cap	High Yield	Small Cap	DM Equity	EM Equity	Asset Alloc.	Large Cap	Asset Alloc.	DM Equity	Asset Alloc.	Asset Alloc.	High Yield	EM Equity	Large Cap
5.9%	16.1%	15.1%	0.1%	16.3%	7.3%	4.9%	-0.4%	11.6%	14.6%	-4.4%	19.5%	8.3%	13.5%	-13.9%	14.0%	8.1%	6.2%
DM Equity	Large Cap	High Yield	Asset Alloc.	Large Cap	REITs	Cash	Asset Alloc.	REITs	High Yield	Asset Alloc.	EM Equity	Fixed Income	DM Equity	DM Equity	REITs	Com dty.	Com dty.
5.7%	15.1%	14.8%	-0.7%	16.0%	2.9%	0.0%	-2.0%	8.6%	10.4%	-5.8%	18.9%	7.5%	11.8%	-14.0%	11.4%	5.4%	5.5%
EM Equity	Asset Alloc.	Asset Alloc.	Small Cap	Asset Alloc.	Cash	High Yield	High Yield	Asset Alloc.	REITs	Small Cap	High Yield	High Yield	High Yield	Large Cap	EM Equity	Cash	Fixed Income
3.4%	10.4%	13.3%	-4.2%	12.2%	0.0%	0.0%	-2.7%	8.3%	8.7%	-11.0%	12.6%	7.0%	1.0%	-18.1%	10.3%	5.3%	4.0%
Fixed Income	High Yield	DM Equity	DM Equity	Fixed Income	Fixed Income	EM Equity	Small Cap	Fixed Income	Fixed Income	Com dty.	Fixed Income	Cash	Cash	EM Equity	Fixed Income	REITs	Cash
2.4%	9.4%	8.2%	-11.7%	4.2%	-2.0%	-1.8%	-4.4%	2.6%	3.5%	-11.2%	8.7%	0.5%	0.0%	-19.7%	5.5%	4.9%	2.1%
Cash	Fixed Income	Fixed Income	Com dty.	Cash	EM Equity	DM Equity	EM Equity	DM Equity	Com dty.	DM Equity	Com dty.	Com dty.	Fixed Income	Small Cap	Cash	DM Equity	REITs
1.2%	4.7%	6.5%	-13.3%	0.1%	-2.3%	-4.5%	-14.6%	1.5%	1.7%	-13.4%	7.7%	-3.1%	-1.5%	-20.4%	5.1%	4.3%	1.8%
Com dty.	Cash	Cash	EM Equity	Com dty.	Com dty.	Com dty.	Com dty.	Cash	Cash	EM Equity	Cash	REITs	EM Equity	REITs	Com dty.	Fixed Income	Small Cap
-1.0%	0.9%	0.1%	-18.2%	-1.1%	-9.5%	-17.0%	-24.7%	0.3%	0.8%	-14.2%	2.2%	-5.1%	-2.2%	-24.9%	-7.9%	1.3%	-1.8%

Source: BlackRock via AE Wealth Management

What happens when you start spending?

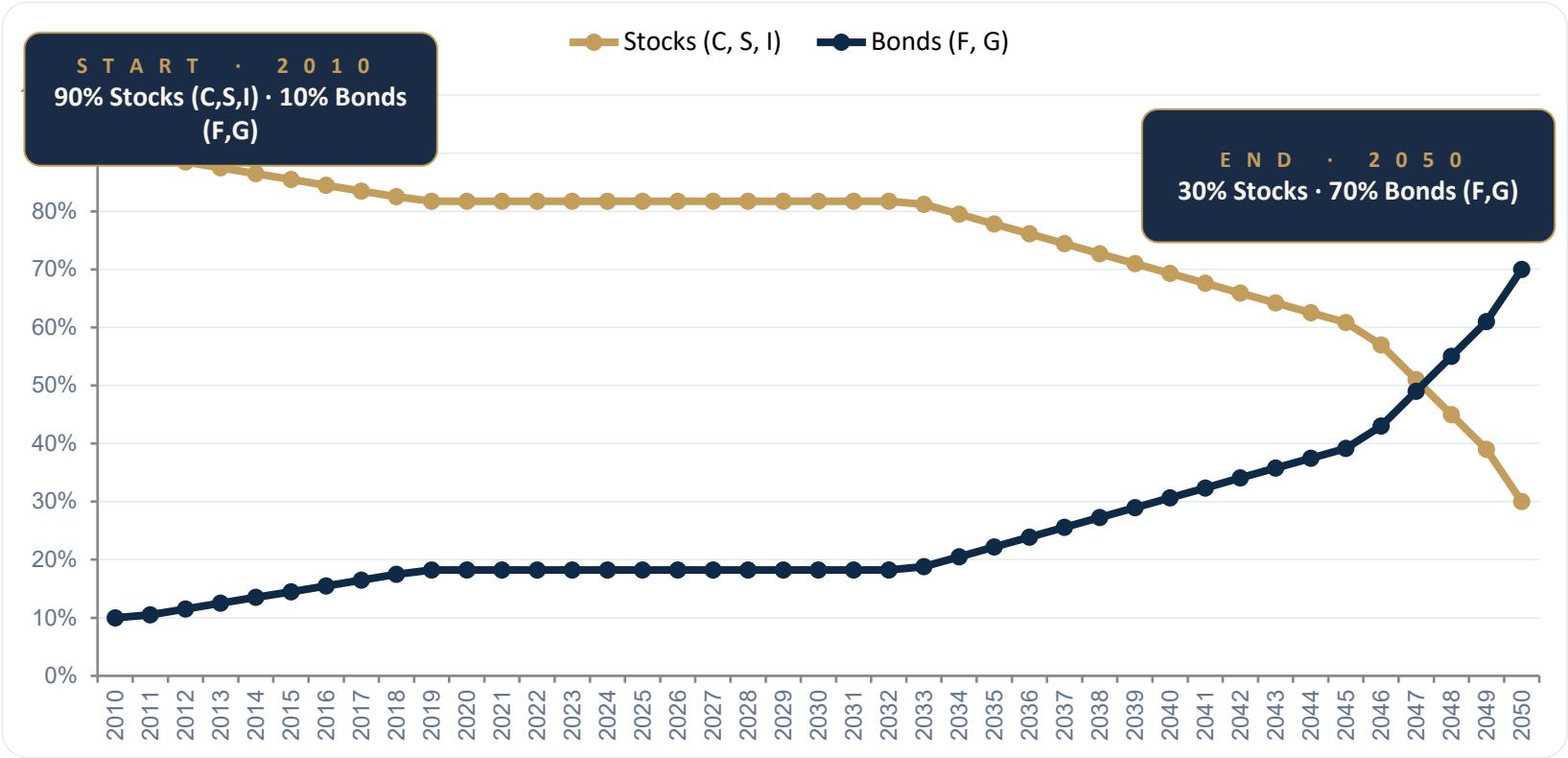
In 1993, retirees Bill, Jack, and Mary each have \$10,000 in the TSP. Each year they withdraw enough to buy 2,000 first-class stamps (after 30% tax). Same starting amount. Same withdrawal need. Three different funds.



Past performance is no guarantee of future performance. The data assumes reinvestment of all income.

Percentages in stock and bond funds over time.

The 2025–2050 Lifecycle funds begin with 90% stocks (C, S, I) and 10% bonds (F, G). Over time, stock allocation declines as F and G increase. Eventually they roll into the L Income Fund.



L I N C O M E F U N D	
Current Allocation	
G Fund	70.5%
F Fund	5.7%
C Fund	12.5%
S Fund	3.0%
I Fund	8.3%

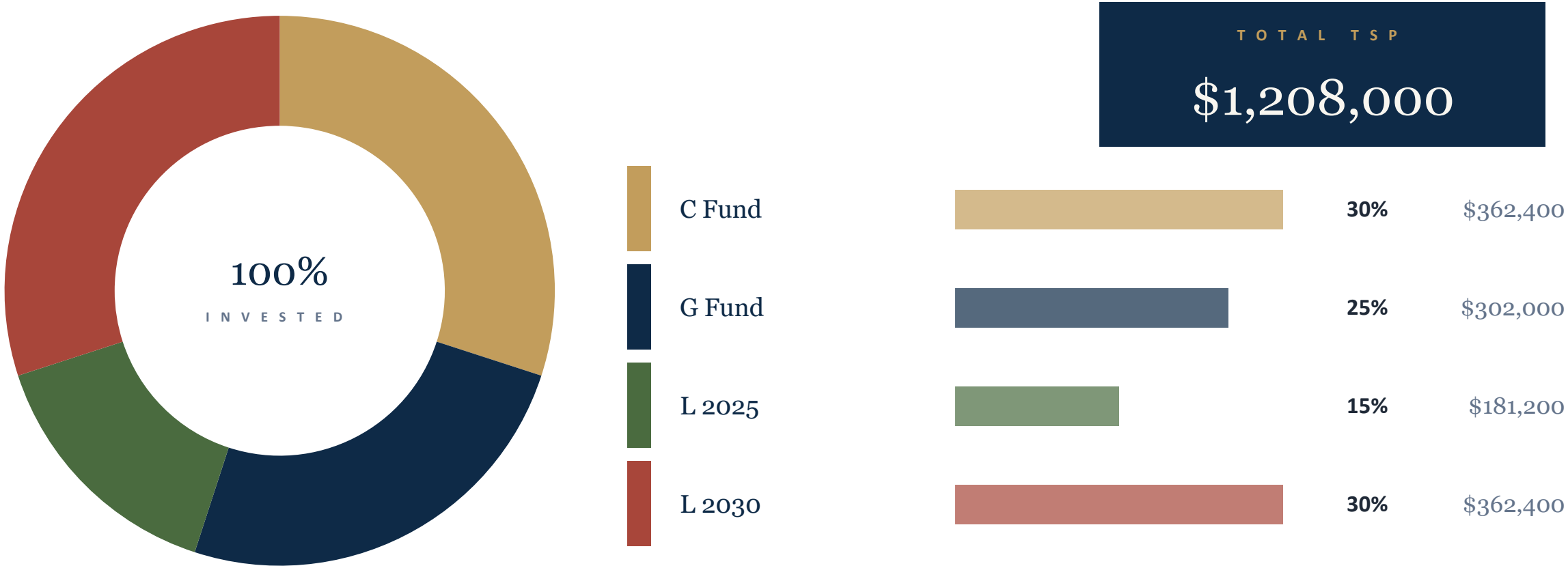
How allocations shift across vintages.

Each L Fund holds a different stock-to-bond ratio. Younger vintages tilt aggressive; closer-to-retirement funds tilt conservative.



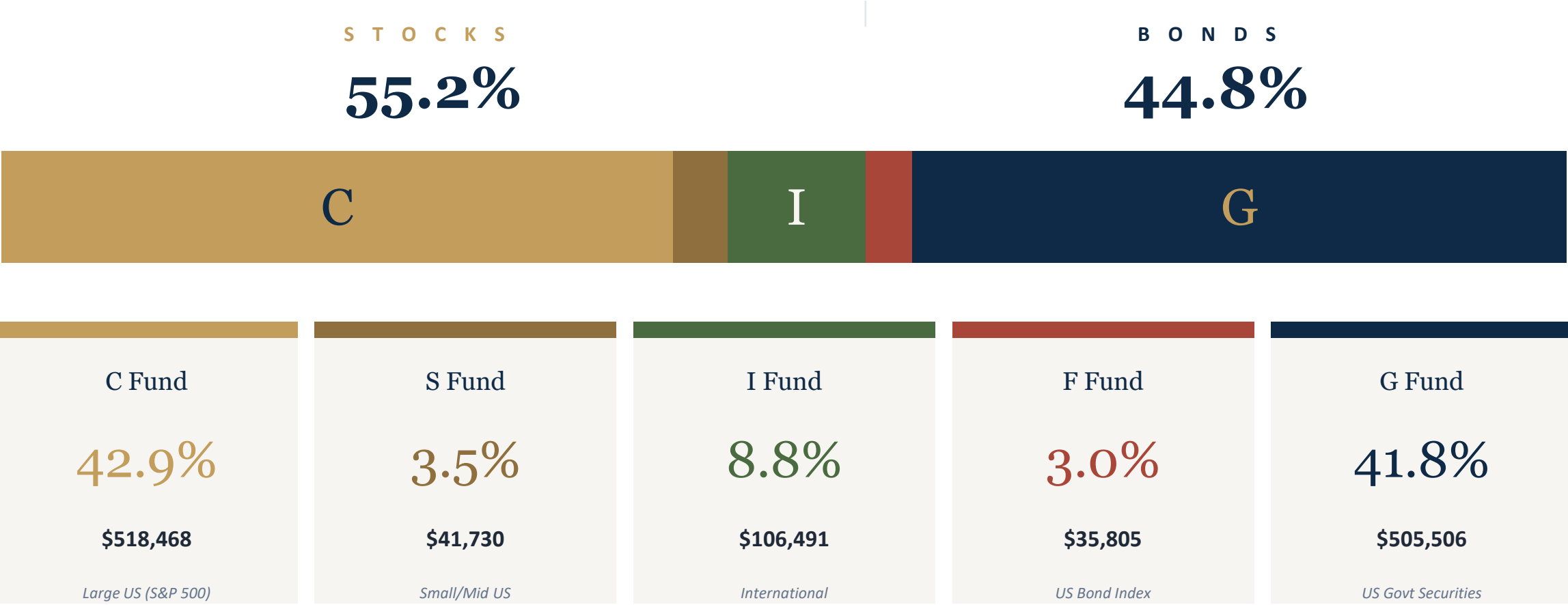
Where are you invested in TSP?

A starting view of the \$1,208,000 portfolio across direct fund holdings and L Fund vintages.



Current TSP allocation: 55 / 45.

L Fund vintages contain underlying holdings. Looking through to the actual five-fund mix: stocks 55% / bonds 45%.



Total portfolio breakdown by L Fund vintage.

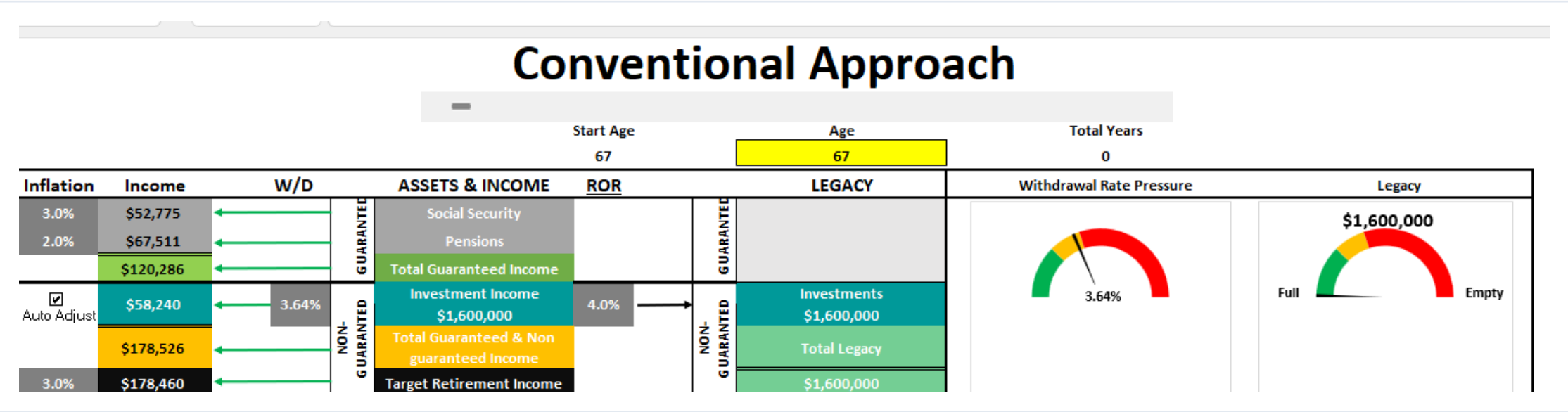
How \$1,208,000 splits across L 2025, L 2030, and individual holdings — by underlying fund.

ALLOCATION	C Fund	S Fund	I Fund	F Fund	G Fund	TOTAL
L 2025	\$44,557	\$11,615	\$30,242	\$11,198	\$83,588	\$181,200
L 2030	\$111,510	\$30,115	\$76,249	\$24,607	\$119,918	\$362,400
Individual	\$362,400	—	—	—	\$302,000	\$664,400
TOTAL	\$518,468	\$41,730	\$106,491	\$35,805	\$505,506	\$1,208,000

STOCKS (C + S + I)	\$666,689	BONDS (F + G)	\$541,311	≈ 55 / 45
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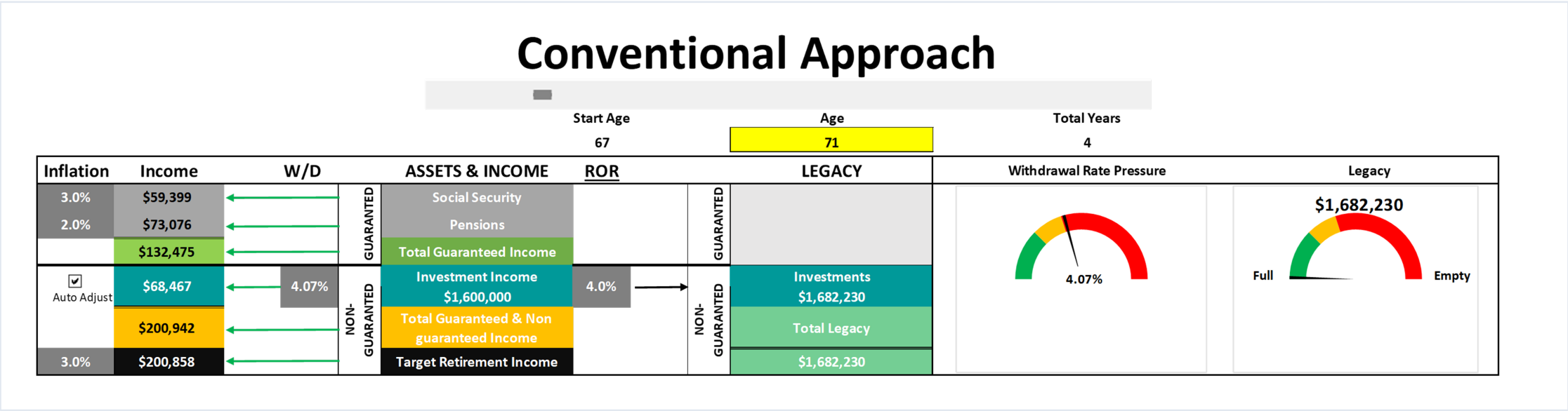
Conventional Approach at age 67.

A complete dashboard view: income flow, withdrawal rate pressure, and projected legacy at the start of retirement.



Conventional Approach at age 71.

After four years of distributions and inflation, withdrawal rate pressure climbs from 3.64% to 4.07% — and the path narrows.



PROBLEM

Markets can behave badly.

01 Having enough money can overcome financial risks — but it may not reduce financial concerns.

02 Negative market returns can undo the best-laid plans.

03 It's not a matter of if, but when.

"Past performance is not an indication of future results."

26

D O W N M A R K E T S S I N C E 1 9 2 8

1929	1930	1931	1932
1934	1937	1939	1940
1941	1946	1953	1957
1962	1966	1969	1973
1974	1977	1981	1990
2000	2001	2002	2008
2018	2022		

S&P 500. Roughly one down market every 4 years.

When losses come matters more than how big they are.

Forward chronological sequence — \$1,000,000 starting balance, S&P 500 returns, \$79,713 annual withdrawal.

Year	BOY Balance	Return	Withdrawal	EOY Balance
1973	\$1,000,000	-14.67%	\$79,713	\$785,281
1974	\$785,281	-26.31%	\$79,713	\$519,934
1975	\$519,934	37.14%	\$79,713	\$603,719
1976	\$603,719	23.81%	\$79,713	\$648,772
1977	\$648,772	-7.19%	\$79,713	\$528,144
1978	\$528,144	6.52%	\$79,713	\$477,670
1979	\$477,670	18.45%	\$79,713	\$471,380
1980	\$471,380	32.45%	\$79,713	\$518,764
1981	\$518,764	-4.88%	\$79,713	\$417,625
1982	\$417,625	21.50%	\$79,713	\$410,564

Year	BOY Balance	Return	Withdrawal	EOY Balance
1983	\$410,564	22.46%	\$79,713	\$405,161
1984	\$405,161	6.22%	\$79,713	\$345,691
1985	\$345,691	31.64%	\$79,713	\$350,134
1986	\$350,134	18.62%	\$79,713	\$320,774
1987	\$320,774	5.18%	\$79,713	\$253,548
1988	\$253,548	16.61%	\$79,713	\$202,710
1989	\$202,710	31.69%	\$79,713	\$161,975
1990	\$161,975	-3.10%	\$79,713	\$79,713
1991	\$79,713	30.47%	\$79,713	\$0
19 Yrs.	Avg ROR	12.98%	\$1,514,547	DEPLETED

Result: portfolio depleted in year 19. Total withdrawn: \$1,514,547.

Same returns. Reverse order. Different outcome.

Same returns, reverse chronological order — same \$1,000,000 starting balance, same \$79,713 annual withdrawal.

Year	BOY Balance	Return	Withdrawal	EOY Balance
1991	\$1,000,000	30.47%	\$79,713	\$1,200,698
1990	\$1,200,698	-3.10%	\$79,713	\$1,086,235
1989	\$1,086,235	31.69%	\$79,713	\$1,325,489
1988	\$1,325,489	16.61%	\$79,713	\$1,452,699
1987	\$1,452,699	5.18%	\$79,713	\$1,444,107
1986	\$1,444,107	18.62%	\$79,713	\$1,618,444
1985	\$1,618,444	31.64%	\$79,713	\$2,028,663
1984	\$2,028,663	6.22%	\$79,713	\$2,070,174
1983	\$2,070,174	22.46%	\$79,713	\$2,437,519
1982	\$2,437,519	21.50%	\$79,713	\$2,864,734

Year	BOY Balance	Return	Withdrawal	EOY Balance
1981	\$2,864,734	-4.88%	\$79,713	\$2,649,112
1980	\$2,649,112	32.45%	\$79,713	\$3,403,169
1979	\$3,403,169	18.45%	\$79,713	\$3,939,634
1978	\$3,939,634	6.52%	\$79,713	\$4,108,392
1977	\$4,108,392	-7.19%	\$79,713	\$3,739,017
1976	\$3,739,017	23.81%	\$79,713	\$4,530,585
1975	\$4,530,585	37.14%	\$79,713	\$6,103,925
1974	\$6,103,925	-26.31%	\$79,713	\$4,439,925
1973	\$4,439,925	-14.67%	\$79,713	\$3,719,986
19 Yrs.	Avg ROR	12.98%	\$1,514,547	\$3,719,986

Result: \$3,719,986 ending balance. Same total withdrawn: \$1,514,547.

How a sequence-defense strategy responds.

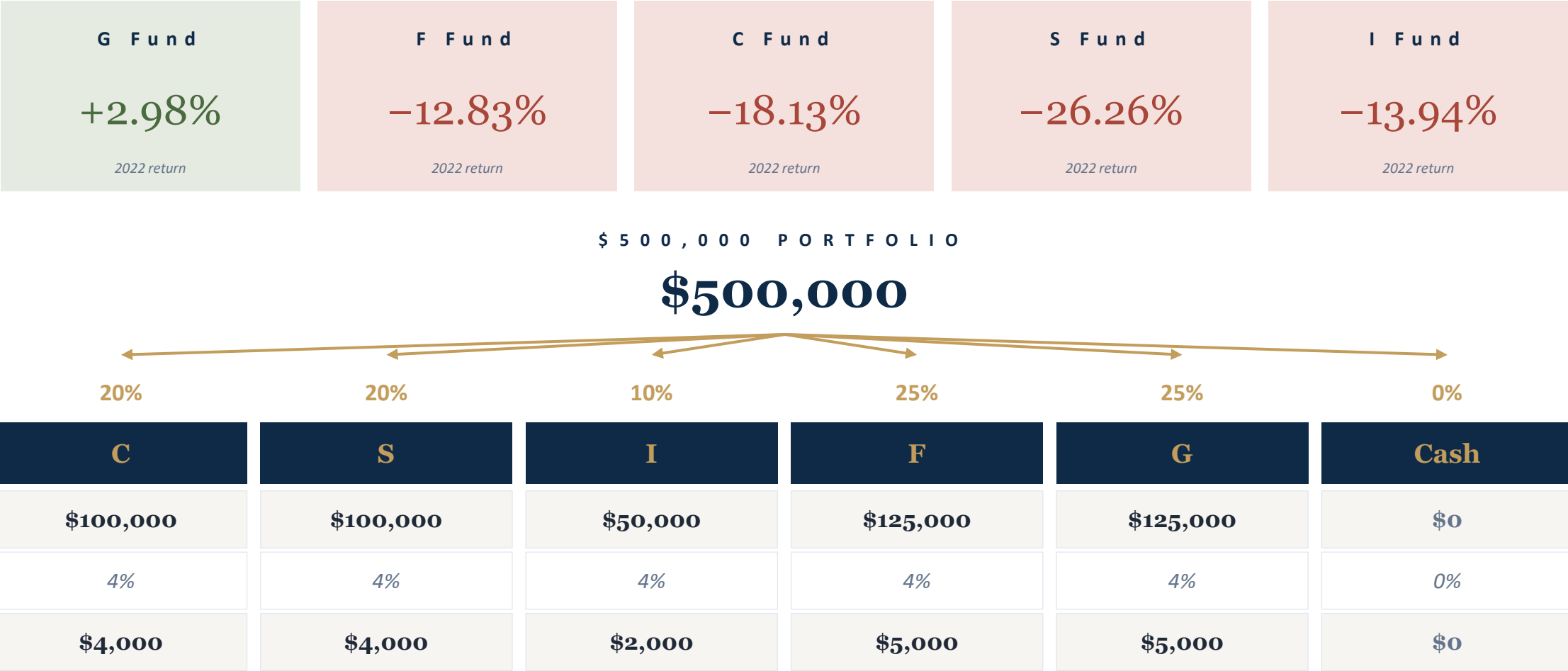
Sequence Defense skips withdrawals after a market loss — same \$1M, same returns, same \$79,713 income target.

Year	BOY Balance	Return	Withdrawal	EOY Balance
1973	\$1,000,000	-14.67%	\$79,713	\$785,281
1974	\$785,281	-26.31%	\$0	\$578,673
1975	\$578,673	37.14%	\$0	\$793,593
1976	\$793,593	23.81%	\$79,713	\$883,855
1977	\$883,855	-7.19%	\$79,713	\$746,324
1978	\$746,324	6.52%	\$0	\$794,984
1979	\$794,984	18.45%	\$79,713	\$847,239
1980	\$847,239	32.45%	\$79,713	\$1,016,588
1981	\$1,016,588	-4.88%	\$79,713	\$891,155
1982	\$891,155	21.50%	\$0	\$1,082,754

Year	BOY Balance	Return	Withdrawal	EOY Balance
1983	\$1,082,754	22.46%	\$79,713	\$1,228,324
1984	\$1,228,324	6.22%	\$79,713	\$1,220,054
1985	\$1,220,054	31.64%	\$79,713	\$1,501,145
1986	\$1,501,145	18.62%	\$79,713	\$1,686,103
1987	\$1,686,103	5.18%	\$79,713	\$1,689,601
1988	\$1,689,601	16.61%	\$79,713	\$1,877,290
1989	\$1,877,290	31.69%	\$79,713	\$2,367,229
1990	\$2,367,229	-3.10%	\$79,713	\$2,126,603
1991	\$2,126,603	30.47%	\$0	\$2,892,002
19 Yrs.	Avg ROR	12.98%	\$1,115,982	\$2,892,002

\$398,565 funded from Sequence Defense Resources. Total income delivered: \$1,514,547.

What if you had to take distributions in 2022?



Selling shares during a year like 2022 locks in losses. The portfolio takes years to recover what one bad sequence took in twelve months.

The biggest gap isn't in the markets.
It's in how investors react to them.

1-3%

LESS PER YEAR

*What the average investor earns versus a disciplined investor
who simply stayed invested.*

The cause isn't poor investments.

It's poor timing.

Multiple long-term studies have shown that the average investor earns 1–3% less annually than the funds they invest in. The gap doesn't come from picking bad funds — it comes from buying after rallies and selling after declines.

In retirement, this gap compounds. Withdrawals during fear-driven moments lock in losses that compounding can't undo.

What type of Fed are you?

There's no wrong answer — but there is a wrong answer for you.

TYPE 01

Do It Yourselfer

You love coming to financial seminars. You can't wait to be your own full-time advisor in retirement.

TYPE 02

Not Sure

You can handle the finances but not sure you want to. You can tolerate financial speak but unclear if you want to think about this in retirement.

TYPE 03

100% — I'm Not Doing It

You are in pursuit of finding the right advisor and relationships matter to you. Has anyone ever told you, "Oh it's not hard, you can do it"?

What is the Alternative Approach?

01 Markets, but not market-dependent

Still utilizes the markets for growth but doesn't rely solely on the markets to sustain income, protection, and legacy in retirement.

02 Strategy-driven diversification

Typically more strategy-driven, using various asset types to reduce income risk and increase legacy — for those who desire to pass on money to heirs, charities, or institutions.

03 Risk reduction with growth potential

The objective: reduce risk and increase income, protection, and ensure legacy if desired.

Six features of the Alternative approach.



Paydown vs. Interest-Only

Use the right asset for the right job — not every dollar should fund every need.



Reduce Pressure on Capital

Spread the load so no single asset class carries the full weight of your retirement.



Reduce Withdrawal Rate Pressure

Lower the percentage you take from at-risk assets — and raise the chance they last.



Reduce Income Risks

Address inflation, longevity, sequence, and behavior systematically — not by hoping markets cooperate.



Reduce Fear

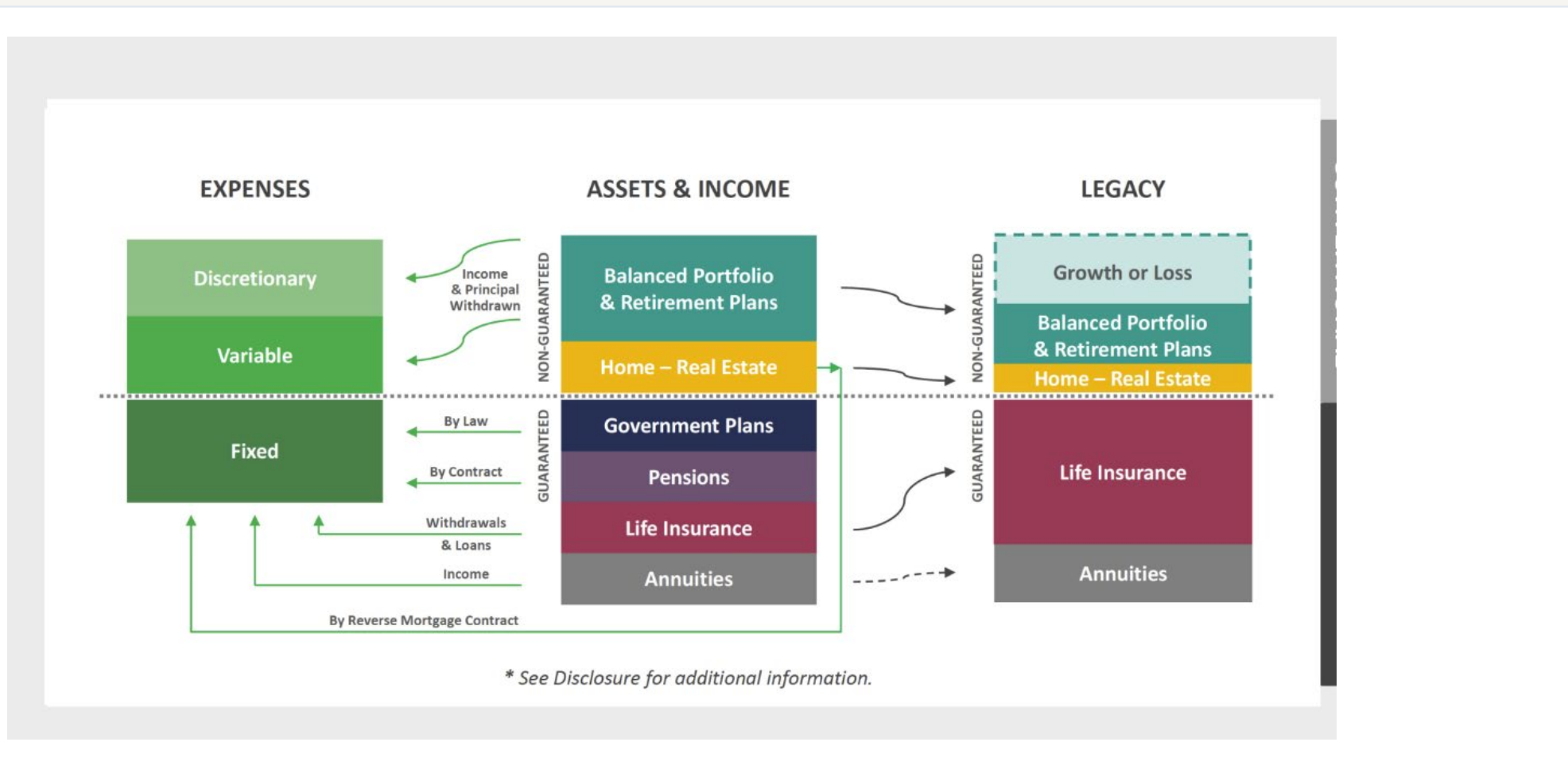
When the plan doesn't depend on the market every year, the market doesn't run your year.



Inflation Protection

Build in mechanisms designed to keep purchasing power on pace with rising costs.

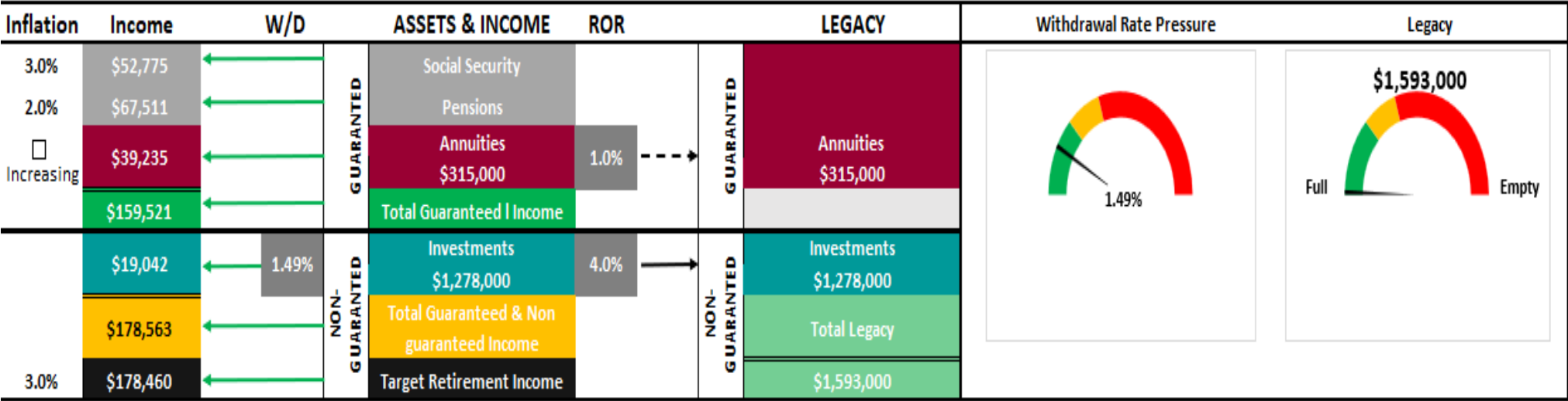
Alternative Retirement Approach



Alternative retirement approach.

An annuity layer adds guaranteed income — and reduces reliance on the portfolio's behavior.

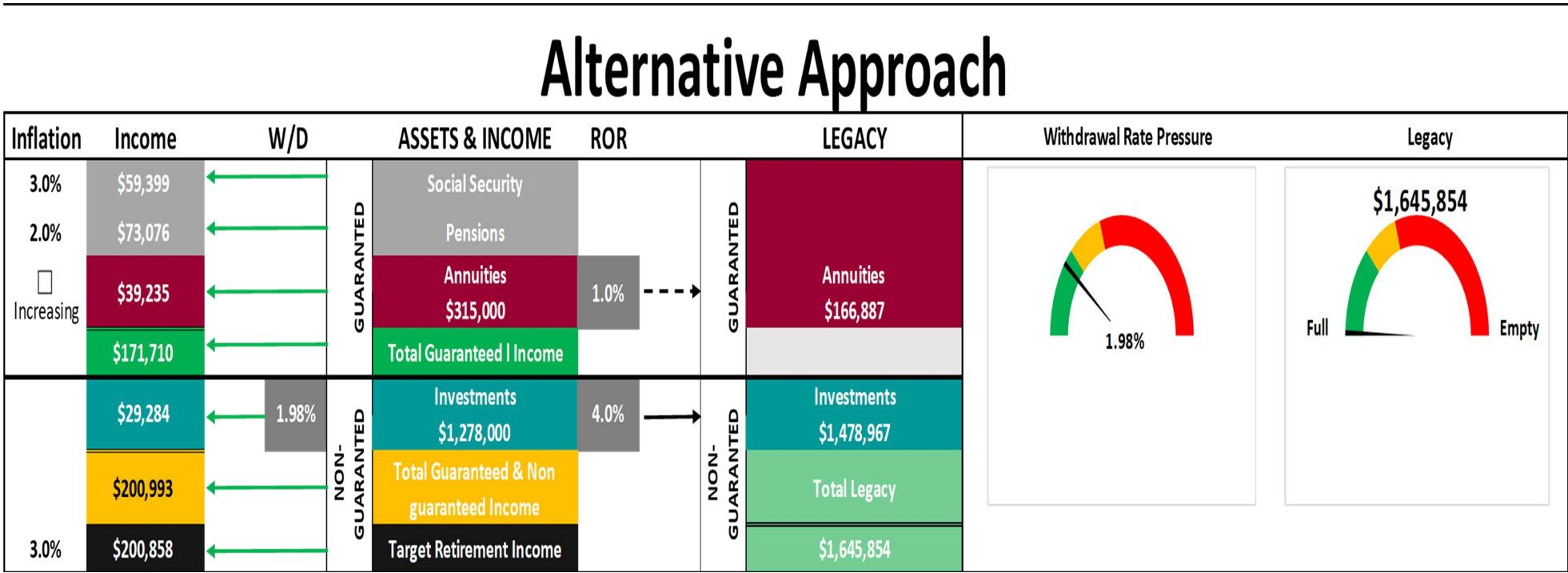
Alternative Approach



Source: CJ Campbell & Associates Retirement Income Model · age 67 · annuity layer of \$315,000 · 1.0% annuity income rate.

Alternative retirement approach.

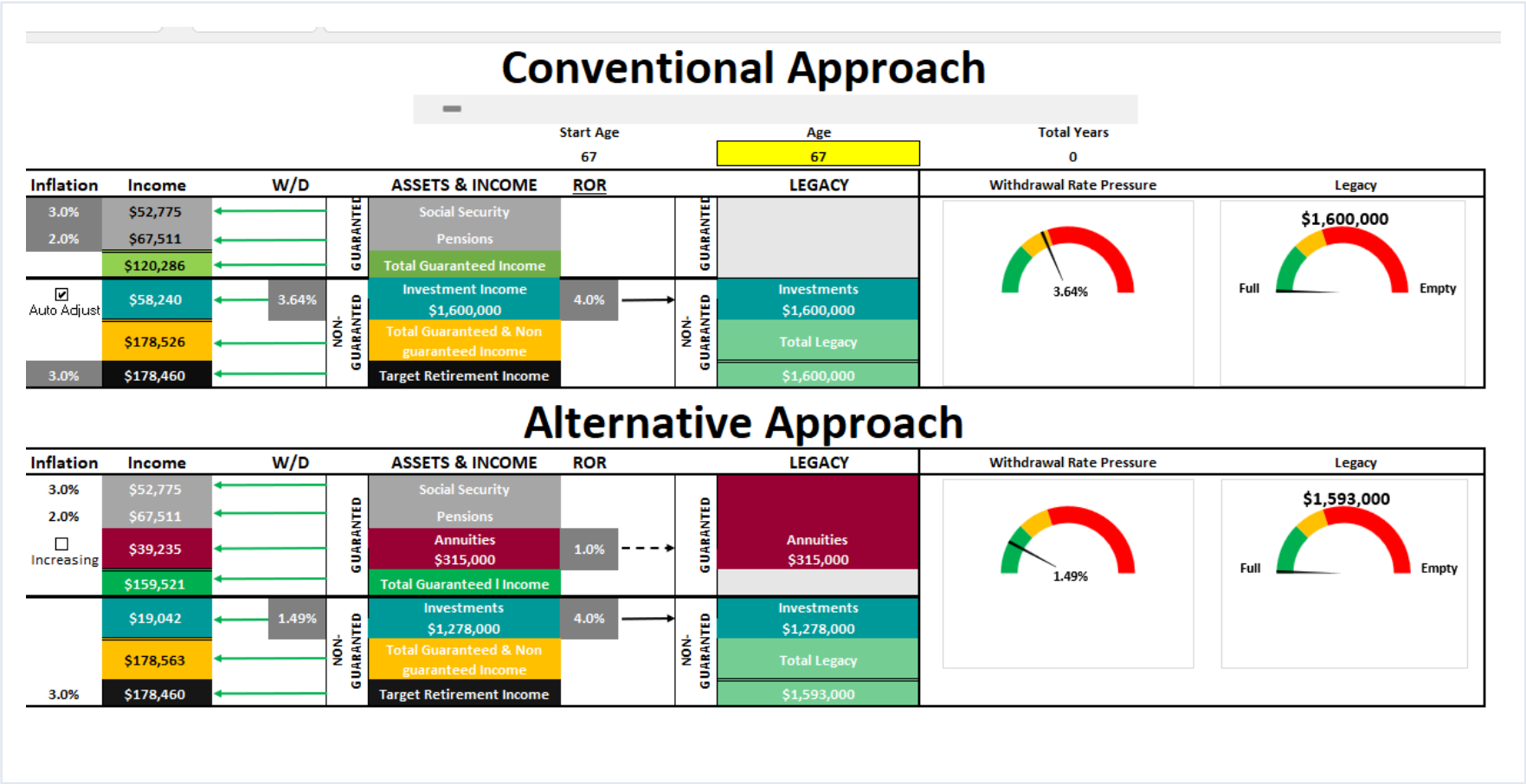
An annuity layer adds guaranteed income — and reduces reliance on the portfolio's behavior.



Source: CJ Campbell & Associates Retirement Income Model · age 71 · annuity layer of \$315,000 · 1.0% annuity income rate.

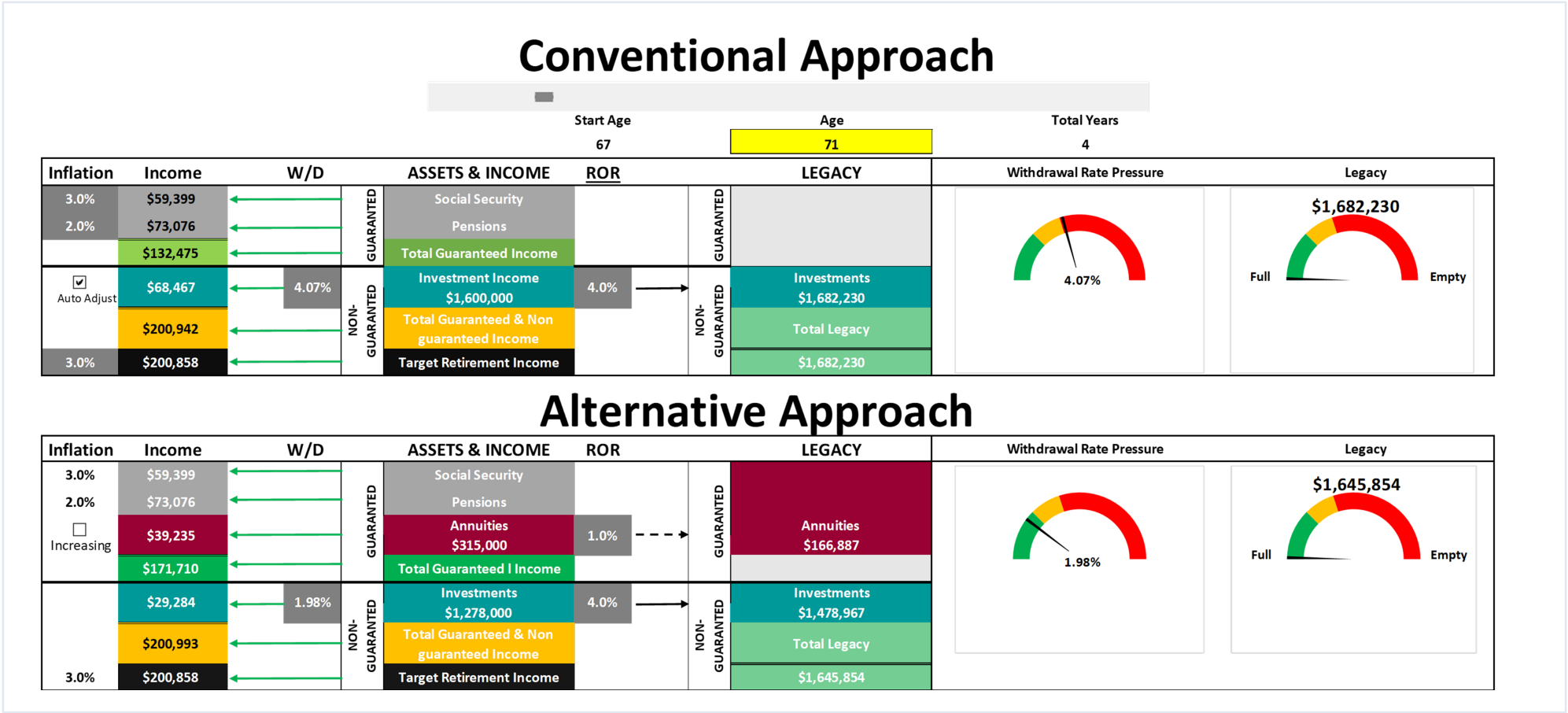
Conventional vs. Alternative at age 67.

Side-by-side at the start of retirement: how an Alternative strategy reframes the same income need.



Conventional alongside Alternative at age 71.

Withdrawal rate pressure tells the story: 4.07% on Conventional vs. 1.98% on Alternative.



The required rate of return.

If we want \$39,235 of guaranteed income, what would it actually take to produce that from a portfolio? Walk the math step by step.

01

THE GOAL

How much guaranteed income at age 90?

\$39,235

/ year

The income we want our money to spin off.

02

STARTING POINT

*We have \$250,000 today.
We have 10 years.*

\$250,000

today, 10 years to grow

What we have to work with.

03

REVERSE ENGINEER

*At a 4% withdrawal rate,
what balance is required?*

\$980,875

needed at 90

$\$39,235 \div 4\% = \$980,875$

04

REQUIRED RETURN

What annual rate of return is required?

14.65%

every year, 10 years

$\$250,000 \times (1.1465)^{10} \approx \$981,026$

Who tends to like which strategy?

C O N V E N T I O N A L

- 01 Comfortable with market volatility
- 02 Likes full control
- 03 Legacy is important to them
- 04 Driven by watching the portfolio grow
- 05 Comfortable with all the moving pieces

-
- *Understands how to rebalance*
 - *Understands how to navigate income distributions in good and bad markets*
 - *Understands how to navigate RMDs when the time comes*

A L T E R N A T I V E

- 01 Not as comfortable with market volatility
- 02 Likes less management
- 03 Not as driven to pass on legacy
- 04 Overwhelmed by the finance
- 05 Likes simplicity — not a lot of moving pieces
- 06 Conservative to very conservative — needs withdrawal rate of 3–4%

EVERY MOVE COUNTS

Retirement is the long game.

A quick recap of where we've been.

WHAT WE COVERED

01 *Retirement Pressures*

02 *Retirement Risks*

03 *Build a Better Retirement*

04 *Retire on Your Terms*

05 *Next Steps*

The thinking that keeps people from planning.



“

The closer you get to retirement, the more conservative you should get!

“

Just don't take more than 4% from your investments and you'll be fine.

“

You can do this all yourself!

“

Don't pay fees!

“

I'll just self-insure!

“

Long-term care is too expensive!

“

I'll get to that when I retire!

“

I'll wait until I get closer to retirement!

Each of these contains a kernel of truth — and a costly oversimplification.

WHERE WE STARTED

It comes back to one transition.



ACCUMULATION

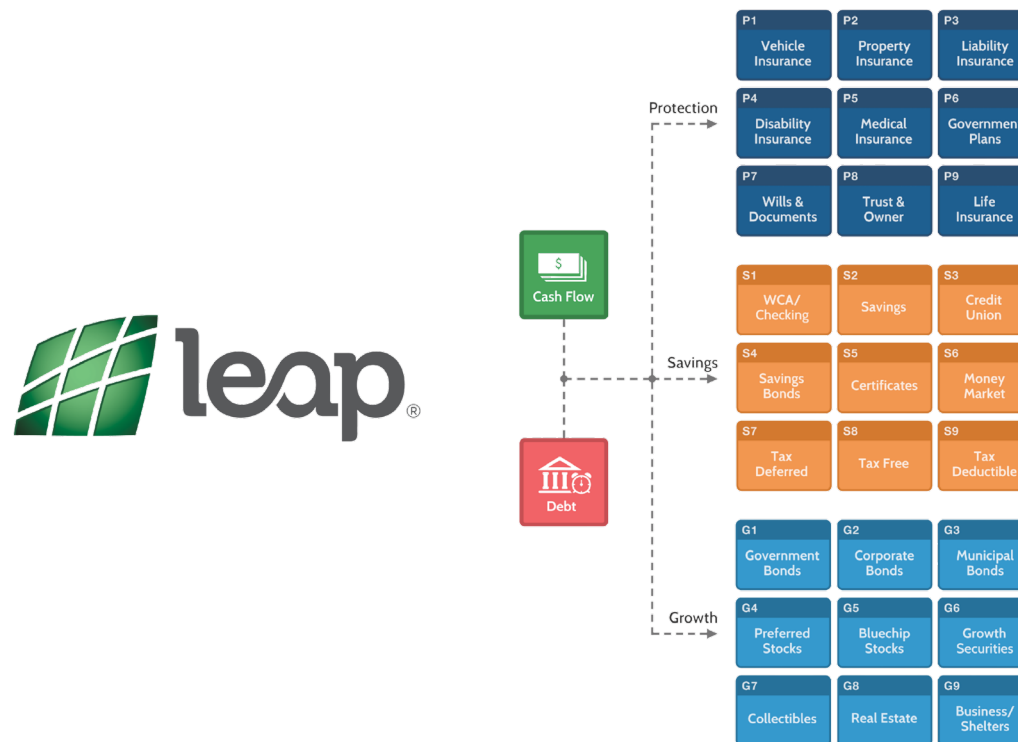
Building

DISTRIBUTION

Sustaining

Cash flow, debt, protection, savings, and growth.

Every retirement plan touches all of these categories. The Alternative method ensures none are overlooked.





THE SOCIETY FOR FINANCIAL AWARENESS

DC METROPOLITAN CHAPTER

THANK YOU

Questions are
where planning
begins.

Share your feedback via the link in the webinar chat

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