Beyond Wealth
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The 3-Bucket Strategy

A Smarter Way to Manage Retirement Withdrawals

What Is It?

The Bucket Strategy shapes your portfolio as you prepare for retirement withdrawals — combining the right asset allocation with income generation so your short-term needs are always covered, while your long-term money stays invested for growth.

Why It Works

Your near-term expenses live in safer, less volatile investments (cash, money market, bonds, treasuries) — protecting what you need soon.

The stock market has been positive 93% of the time over any 5-year period dating back to 1950.* The more time you give stocks to grow, the better the expected outcome.

The bucket approach solves the hard part: funding the 0–5 year window without being forced to sell stocks at the wrong time.

The Three Buckets

BUCKET 1

0 to 1 Year

Cash / Money Market

~3.5% yield

Immediate liquidity; zero market risk.

BUCKET 2

1 to 7 Years

Bonds / Treasuries

~4.0% yield

Stable income; principal protection.

BUCKET 3

7+ Years

Equities (Stocks)

~3.0% dividend yield

Income; Long-term growth engine.

https://awealthofcommonsense.com/2026/05/stories-vs-statistics/

Real-World Example | $2M Portfolio

Married couple | $2M portfolio | $120,000/yr lifestyle | $60,000/yr Social Security | $60,000/yr needed from portfolio

BUCKET	AMOUNT	ALLOCATION	RATE	ANNUAL INCOME
BUCKET 1 (CASH)	$60,000	3%	3.50%	$2,100
BUCKET 2 (BONDS)	$360,000	18%	4.00%	$14,400
BUCKET 3 (STOCKS)	$1,580,000	79%	3.00%	$47,400
TOTAL	$2,000,000	100%	-	$63,900

This portfolio generates $63,900 of income per year — exceeding the $60,000 needed — while keeping 79% invested in equities for long-term growth. Short-term needs are fully funded without touching stocks.

Who Benefits Most

Retirees within 1–5 years of retirement who are starting to think about withdrawal planning.

Anyone already in retirement drawing from their portfolio each year.

Investors who experienced anxiety during market downturns and want a plan with structure and confidence.

The example provided is hypothetical and for illustrative and educational purposes only. It does not represent the experience of any actual client or investor and should not be interpreted as a guarantee of future results or investment performance. Any rates of return, yield assumptions, income figures, or projected outcomes shown are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future performance.

Ready to Take Control of Your Financial Future?

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A separation from P&G is a challenge, but it's also an opportunity to build a secure and fulfilling next chapter. We've guided countless P&G employees through similar transitions, helping them navigate severance, PST decisions, and beyond.

Schedule a 1-on-1 planning session to create a personalized roadmap and avoid common pitfalls.

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