

Retiring With Just Enough

What 56 Years of History Teach About Retirement Withdrawals

For 40 or 50 years you worked with one dominant financial question:

How much do I need to save and invest for retirement?

Then one day that question changes.

Now it becomes:

What should I do to make sure what I have is enough for the rest of my life?

Retirement is not the end of financial decision-making.
It is the beginning of a different kind of decision-making.

During accumulation, the questions feel optimistic:

- How much can I save?
- How should I invest it?
- How fast can it grow?

But the day you retire, the tone shifts.

Now the questions sound like this:

- Do I really have enough?
- How much should I invest in stocks?
- How much in bonds?
- How much money do I need to take out?
- How much money do I want to take out?
- How much money can I safely take out?
- What equity asset classes should I use?
- Should I just own the S&P 500?
- Should I diversify globally?
- What if the market falls early?
- What if inflation becomes a problem again?
- What if I live longer than I planned?

These are not academic questions.

They are personal.

And for retirees who have “just enough” — not “more than enough” — the margin for error matters.

The risk is not volatility.

The risk is running out of money before running out of life.

That’s what this Boot Camp analysis is about.

Why We Start in 1970

When we test retirement withdrawal strategies, we don’t start in a pleasant year.

We start in 1970.

Why?

Because if a plan survives what happened next, it has survived something real.

Beginning in 1970 retirees faced:

- The brutal 1973–74 bear market
- Double-digit inflation
- Rapidly rising interest rates
- The tech crash
- The financial crisis
- Multiple recessions

If you retired in 1970 and needed your portfolio to produce income, you did not get a smooth ride.

And that’s precisely why this period matters.

The Assumptions (Clear and Simple)

Let's look at the details about what we're testing.

- \$1,000,000 starting portfolio
- Withdrawals taken at the beginning of each year
- Withdrawal increased annually by the prior year's inflation
- Bonds: short- to intermediate-term U.S. government bonds including TIPS
- Equities exposure from different asset classes
- Returns drawn directly from our Fine Tuning Tables (1970–2025)

These are historical results.

History is real.

But you cannot buy the past.

These numbers are not predictions — they are illustrations of what the future might resemble.

The Withdrawal Rates

We tested three starting withdrawals:

3% — \$30,000

4% — \$40,000

5% — \$50,000

Each increased annually based on the previous year's inflation.

Over 30 years (1970–1999), the total withdrawals amounted to:

• 3% → \$2,380,422

• 4% → \$3,173,146

• 5% → \$3,969,300

That money was used to meet immediate financial needs.

What you'll see next is what was left after 30 years of inflation-adjusted withdrawals.

The Portfolios

We tested three equity allocations:

- 40% stocks
- 50% stocks
- 60% stocks

And two different equity structures:

1. S&P 500 Portfolio

Equity invested solely in the 500 largest U.S. companies.

2. Worldwide 4-Fund Portfolio

Equity diversified across the following asset classes:

- U.S. large-cap blend
- U.S. small-cap value
- International large-cap value
- International small-cap blend

We discuss construction details in earlier [Boot Camp presentations](#), and there are more than 50 additional distribution tables: [50/50](#) AND [70/30](#) on our website reflecting other U.S./international combinations.

The point here is not to promote one structure.

It is to show how structure influences outcomes when income must be withdrawn.

What Was Left After 30 Years

S&P 500 Portfolio

After inflation-adjusted withdrawals:

3% withdrawal

- 40% equity → \$9.7 million
- 50% equity → \$11.0 million
- 60% equity → \$12.2 million

4% withdrawal

- 40% equity → \$5.4 million
- 50% equity → \$5.9 million
- 60% equity → \$6.3 million

5% withdrawal

- 40%, 50%, 60% equity → depleted

At 5%, none of the portfolios survived 5% withdrawals

Worldwide 4-Fund Portfolio

3% withdrawal

- 40% equity → \$18.4 million
- 50% equity → \$22.5 million
- 60% equity → \$27.1 million

4% withdrawal

- 40% equity → \$13.1 million
- 50% equity → \$16.4 million
- 60% equity → \$20.3 million

5% withdrawal

- 40% equity → \$7.8 million
- 50% equity → \$10.3 million
- 60% equity → \$13.3 million

Those numbers represent what remained after paying yourself for 30 years.

Survival first.

Legacy second.

What Do We Learn?

Withdrawal Rate Is Powerful

The difference between 3%, 4% and 5% is not small.

One percentage point can determine whether your portfolio survives.

And remember — many retirements last longer than 30 years.

Inflation Is Relentless

Over those 30 years:

\$30,000 required \$130,124.

\$40,000 required \$173,899.

\$50,000 required \$217,374.

Inflation quietly multiplies your spending needs.

Both inflation and markets compound .

Diversification Matters

In this historical period, the diversified equity portfolio survived the 5% distribution rate.

The S&P 500 alone did not.

That does not guarantee future superiority.

But it does remind us that the diversified equity structure influences resilience.

Allocation Must Match Temperament

More stocks increase long-term growth potential.

They also increase volatility.

The correct allocation is not the one with the highest ending number.

It is the one you can hold through the next major decline without abandoning your plan.
Both the math and the emotions must work.

A Word to Early Retirees

If you are 40, 45, or 50 and part of the FIRE movement, your retirement may last 40 or even 50 years.

A 30-year stress test may not be enough.

The longer the retirement runway, the more sensitive your plan becomes to early losses, inflation, and withdrawal discipline.

Retiring early is not reckless.

But longer retirements require greater margin.

The earlier you step off the earning runway, the more carefully you must manage the glide path.

What Comes Next

In this article we examined retiring with “just enough.”

But there is another path.

In our next Boot Camp article, we will explore why retiring with more than enough may be the greatest financial luxury a retiree can have.

Oversaving is not about excess.

- It is about flexibility.
- It is about being able to adjust withdrawals.
- It is about sleeping through bear markets.
- It is about giving yourself options.

And sometimes, that margin of safety becomes the difference between anxiety and serenity.

