

How Long Will Your Retirement Savings Last?

If You Withdraw Both Principal and Interest, How Long Will It Take to Exhaust a \$250,000 Retirement Savings Fund?

Rate of Return	Amount Withdrawn at the Beginning of Each Month:		
	\$2,500	\$5,000	\$7,500
4%	121 monthly payments (10 years, 1 month)	54 monthly payments (4 years, 6 months)	35 monthly payments (2 years, 11 months)
6%	137 monthly payments (11 years, 5 months)	57 monthly payments (4 years, 9 months)	36 monthly payments (3 years)
8%	163 monthly payments (13 years, 7 months)	60 monthly payments (5 years)	37 monthly payments (3 years, 1 month)
10%	211 monthly payments (17 years, 7 months)	64 monthly payments (5 years, 4 months)	38 monthly payments (3 years, 2 months)

If we knew exactly how long we were going to live after retirement, this arrangement might be satisfactory. The reality, of course, is that none of us knows how long we will live after retirement. This uncertainty is what makes it difficult to avoid the risk of outliving retirement income.

