

The Safe Spending Amount (SSA), the amount that we will pay ourselves – or you will pay yourself if I'm not around – will NEVER be less than it is today. It retains its same spending power over time, because it adjusts for inflation just like Social Security payments.

This a guarantee for the years equal to your expected lifetime – the next 15 years to your age 88 and my age 91.

Our SSA almost certainly will be better – we'll be able to increase it to more spending power.

If returns match their long-term average return rates, we can expect a 15% real increase in our SSA every four or so years. That's 15% more spending power in four; +30% in eight; and +50% in 12.

Even if returns are not that good – just one-third of what we should expect for our portfolio – we have a good chance to calculate to *some* real increase in our SSA every five years.

We've planned for the worst, but it is most likely that our ability to spend – your ability to spend if I'm not around – will be much better in the future.”

October 30, 2020