

How Long will a Portfolio Last?

2. "Bonds first". Sell bonds, not stocks until you've depleted bonds. Then sell stocks.

Conclusion: 21 years of full withdrawals for spending.
 I count the 43 at end of year 20 as enough for another full year.

Inputs
 Initial portfolio value 1,000
 Constant dollar (C\$) withdrawal for spending 44 "4.40% withdrawal rate"
 Initial Stock Mix 80%
 Total investing cost 0.10%

Spending Year	Withdrawal for spending in the next year	Portfolio at start of year after withdrawal	Portfolio Composition at start of year		Portfolio Value			Percent decline from prior year initial value
			Stocks	Bonds	Value* at end of year, net of investing cost	Stocks	Bonds	
1	44.0	956.0	800.0	156.0	689.2	142.6	831.8	-16.8%
2	44.0	787.8	689.2	98.6	677.8	106.9	784.7	-5.7%
3	44.0	740.7	677.8	62.9	748.8	67.5	816.3	4.0%
4	44.0	772.3	748.8	23.5	860.8	23.9	884.7	8.4%
5	44.0	840.7	840.7	0.0	658.5	0.0	658.5	-25.6%
6	44.0	614.5	614.5	0.0	402.4	0.0	402.4	-38.9%
7	44.0	358.4	358.4	0.0	459.1	0.0	459.1	14.1%
8	44.0	415.1	415.1	0.0	490.3	0.0	490.3	6.8%
9	44.0	446.3	446.3	0.0	387.7	0.0	387.7	-20.9%
10	44.0	343.7	343.7	0.0	335.6	0.0	335.6	-13.4%
11	44.0	291.6	291.6	0.0	305.0	0.0	305.0	-9.1%
12	44.0	261.0	261.0	0.0	307.4	0.0	307.4	0.8%
13	44.0	263.4	263.4	0.0	229.6	0.0	229.6	-25.3%
14	44.0	185.6	185.6	0.0	217.0	0.0	217.0	-5.5%
15	44.0	173.0	173.0	0.0	204.0	0.0	204.0	-6.0%
16	44.0	160.0	160.0	0.0	163.4	0.0	163.4	-19.9%
17	44.0	119.4	119.4	0.0	151.5	0.0	151.5	-7.3%
18	44.0	107.5	107.5	0.0	126.0	0.0	126.0	-16.8%
19	44.0	82.0	82.0	0.0	82.6	0.0	82.6	-34.5%
20	44.0	38.6	38.6	0.0	43.0	0.0	43.0	-47.9%
21	44.0	0.0					0.0	

OUCH!
Cum 55% decline

Downward spiral to depletion.

I'm counting the 43 at the end of year 20 as enough to be able to take a full withdrawal in year 21.

* I use the same returns for stocks and for bonds shown in the display for Option 1.