

# How long will your nest egg last?

Annual drawdown rate	Your annual investment growth rate									
	3%	4%	5%	6%	7%	8%	9%	10%	11%	12%
13%	8	9	9	10	11	12	13	15	17	22
12%	9	10	11	11	12	14	16	18	23	
11%	10	11	12	13	14	16	19	25		
10%	12	13	14	15	17	20	26			
9%	13	14	16	18	22	28				
8%	15	17	20	23	30					
7%	18	21	25	33						
6%	23	28	36							
5%	30	41								
4%	46									

- The table shows drawdown rates ranging from 4-13% per year and the annual investment growth rates from a portfolio that generates 3-12% returns.
- It illustrates how many years a sum will last at various drawdown rates and rates of returns.
- Let's assume a sum of \$100,000 earns 4% per annum (\$4,000), and 8% (\$8,000) is drawn down annually for retirement expenses.
- You can continue to draw down \$8,000 for 17 years before the principal is depleted.
- Your nest egg can last longer if the earnings are greater than the drawdown amount, as you will not be dipping into your principal.