# WITHDRAWAL RATES

## The Long-Term Impact

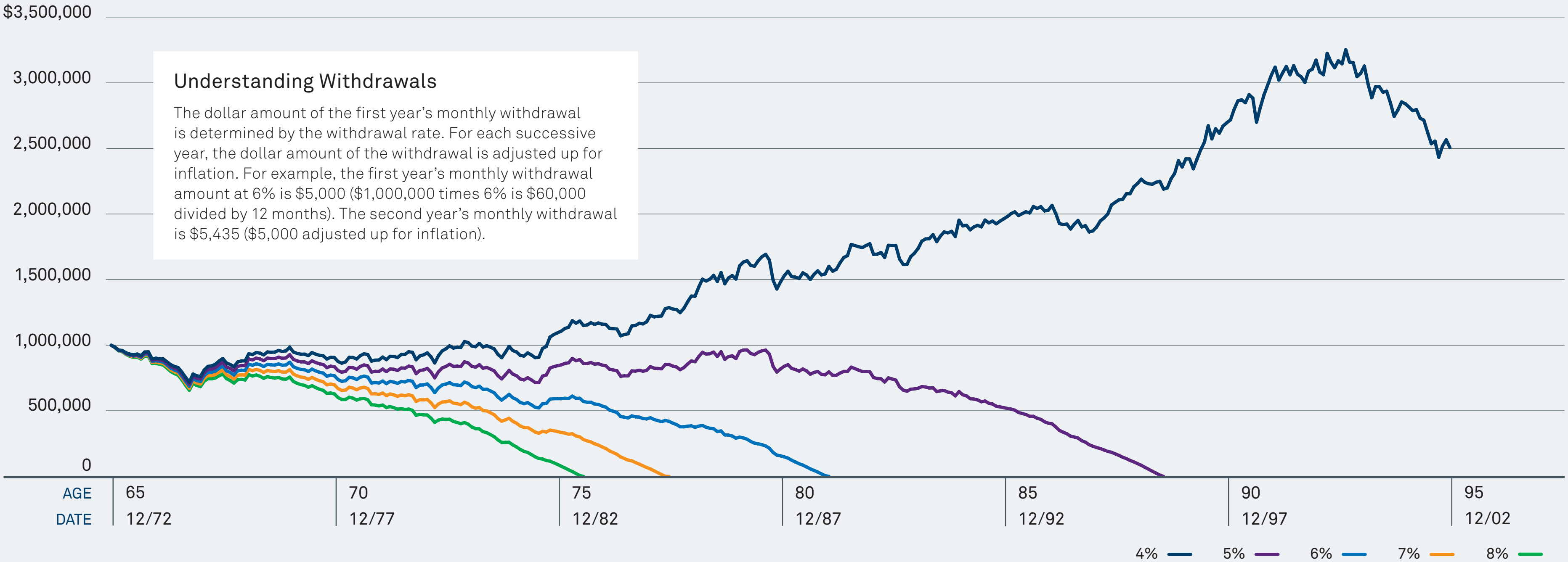
BLACKROCK®

### A MODEST WITHDRAWAL RATE CAN INCREASE THE LONGEVITY OF YOUR PORTFOLIO

Portfolio Value Over 30-Year Withdrawal Period

**Understanding Withdrawals**

The dollar amount of the first year's monthly withdrawal is determined by the withdrawal rate. For each successive year, the dollar amount of the withdrawal is adjusted up for inflation. For example, the first year's monthly withdrawal amount at 6% is $5,000 ($1,000,000 times 6% is $60,000 divided by 12 months). The second year's monthly withdrawal is $5,435 ($5,000 adjusted up for inflation).




Sources: BlackRock; Informa Investment Solutions. This graphic looks at the effect that the amount withdrawn from a portfolio has on how long that portfolio may last. A prudent withdrawal rate (3% to 5%, adjusted and revisited annually) can increase the probability of success. Other factors that may affect the longevity of assets include the investment mix, taxes, expenses related to investing and the number of years of retirement funding (life expectancy). This is a hypothetical illustration starting at the beginning of a severe stock market downturn in 1973 to 1974. Beginning withdrawals in a rising market could improve the longevity of your portfolio. The portfolio is made up of 50% stocks and 50% bonds. Stocks are represented by the S&P 500 Index, which is an unmanaged group of securities and considered to be representative of the stock market in general. Bonds are represented by the Barclays Government Bond Index, which is an unmanaged index comprised of all publicly issued, non-convertible debt of the US government, its agencies of quasi-federal corporations and corporate or foreign debt guaranteed by the US government. Inflation is represented by the Consumer Price Index. This illustration assumes a hypothetical initial portfolio balance of $1,000,000 as of December 31, 1972, and monthly withdrawals beginning in 1973. Each monthly withdrawal is adjusted annually for inflation. Each portfolio is rebalanced monthly. All dividends and interest are reinvested. Results will vary based on selection of other time frames and over time as assumptions change. These figures are for illustrative purposes only and do not represent any particular investment, nor do they reflect any investment fees or expenses, or taxes. It is not possible to invest directly in an index. Past performance is no guarantee of future results.