

# Capital Exhaustion and Longevity Risk: Contribution/Withdrawal Levels and Investment Returns

Capital Exhaustion and Longevity Risk: Contribution/Withdrawal Levels and Investment Returns									
Portfolio Name	Contribution or Withdrawal Type	Investment Mix	Return	Inflation	Real Return	Time Horizon	Beginning Plan Value	How much of the ending plan value is capital?	Ending Plan Value (Real)
A	\$2000/ Month Contribution	100% Cash	2.5%	2%	0.5%	30 Years	\$500,000	\$1.22 Million	\$1.357 Million
B	\$2000/ Month Contribution	60% Equity, 40% Bonds	6.5%	2%	4.5%	30 Years	\$500,000	\$1.22 Million	\$3.44 Million
C	No Contribution	100% Cash	2.5%	2%	0.5%	30 Years	\$500,000	\$500,000	\$580,759
D	No Contribution	60% Equity, 40% Bonds	6.5%	2%	4.5%	30 Years	\$500,000	\$500,000	\$1.924 Million
E	\$2000/ Month Withdrawal	100% Cash	2.5%	2%	0.5%	30 Years	\$500,000	\$500,000	<b>\$0. Capital exhaustion at year 21.</b>
F	\$2000/ Month Withdrawal	60% Equity, 40% Bonds	6.5%	2%	4.5%	30 Years	\$500,000	\$500,000	\$405,076