



ONE NUMBER DECIDES MORE THAN THE MARKET DOES

# The \$667 Rule

*Fix the portfolio, the market path, and the claiming strategy, and a small **permanent** change in monthly spending still decides how long the money lasts — because a *weak* first decade makes every early withdrawal compound against you. In the example below, **\$667 a month** separates ending with money from running out **fourteen years** sooner.*

**THE EXAMPLE**

A fictional couple, both 62 · \$840,000 investable · a deliberately bad opening sequence (–20%, –8%, +2%, +5%, +7%, then 3% real) · both claim Social Security at 67 · 2026 federal tax rules · dollars in today's purchasing power.

| LIFESTYLE SPENDING | PER MONTH | MODELED OUTCOME AT 95          |
|--------------------|-----------|--------------------------------|
| \$60,000 a year    | \$5,000   | About \$166,000 still invested |
| \$62,000 a year    | \$5,167   | About \$44,000 still invested  |
| \$64,000 a year    | \$5,333   | Money runs out around age 90   |
| \$68,000 a year    | \$5,667   | Money runs out around age 81   |

**MODEL  
OUTPUT**

Deterministic annual model, stress path, both claim at 67. Not a forecast — an illustration of sensitivity. The full grid recomputes live in the Retirement Stress Test workbook.

## \$166k ➞ \$201k

**The flexibility dividend.** Add one pre-committed rule — spend \$6,000 less for the year after any return below –5% — and the same \$60,000 stress case ends near \$201,000 instead of \$166,000 at age 95. The exact rule matters less than agreeing to one before the bad year arrives.

**FIND YOUR OWN NUMBER**

Three questions that turn the rule into your number — a method, not advice.

- 1 What did our lifestyle actually cost over the last twelve months — from bank and card statements, not from memory — and which row of this table is that?
- 2 If markets fell 20% next year, which specific \$500 a month would we pause — and have we agreed on it in writing before it happens?
- 3 What single change — housing, one car, one subscription bundle, one trip — would move us one row up this table, and what would it honestly cost us in life?