

Sequence-of-Returns Worksheet

Same returns, different order | Reviewed October 2026

Hypothetical: \$1,000,000, \$50,000 withdrawn at the start of each year. Same six returns, opposite order. Computed by us; not a forecast.

Year	A: losses first	B: gains first
1	-20% \$760,000	+20% \$1,140,000
2	-10% \$639,000	+10% \$1,199,000
3	-5% \$559,550	+5% \$1,206,450
4	+5% \$535,028	-5% \$1,098,628
5	+10% \$533,530	-10% \$943,765
6	+20% \$580,236	-20% \$715,012

Same average return, about \$135,000 apart. With no withdrawals both end at \$948,024.

Your plan

- ☐ If my portfolio fell 20% in my first two years, I would change my spending.
- ☐ I know which expenses must be paid no matter what.
- ☐ I know where money would come from in a bad year.

Sources: General education only. Figures from IRS, Social Security and Medicare sources, reviewed October 2026. Sources: Morningstar, Guyton and Klinger (2006), Bengen (1994).