AI-04674 Retirement Operating System 2027

#letter

This is our networth at age 59 in Fidelity 401k which we will have full access in March 2027 (FTEC ETF) when my wife reaches 59.5. We early retired on 2021 at age 55 and was running the bridge years with our Merrily Edge account also invested in FTEC ETF. Put everything in perspective and tell us how we will spend the amount for 30 years. Our children will not need our inheritance, so we have several options. Our current spending is around $5000/ month, and it will be $8000/ month in 2027 since we purchased another condo or shall I say the 2020 preselling Mandani Bay condo is about to be turned over in 2027. We are still in the accumulation mindset and found ourselves hesitating to spend. Educate and enlighten us. I'm firm with my FTEC ETF strategy until the sector rotates.

Yes. And the most important thing I see in these screenshots is **not the $9.82M projection**.

It is this:

> **You and your wife have successfully transitioned from "How do we accumulate enough?" to "How do we responsibly consume what we accumulated?"**

Those are completely different psychological problems.

You retired at 55, funded roughly five bridge years with your taxable Fidelity/Merrill Edge assets, kept the portfolio invested in FTEC, bought another condo, and are now approaching the point where the large 401(k) becomes accessible. That's an unusually strong starting position for a 60-year-old couple.

Let me put the numbers into perspective.

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1. First, what your screenshot actually says

Your Investor.gov calculation uses:

- **Starting portfolio:** $2,400,000
- **Withdrawal:** $17,000/month
- **Annual return:** 15%
- **Period:** 15 years
- **Compounding:** annual
- **Annual withdrawal:** $204,000

And it produces:

$9,822,544 after 15 years

That's mathematically consistent with those assumptions. Investor.gov's calculator explicitly allows a negative monthly contribution to represent withdrawals. (Investor)

But there is an important distinction:

$9.82M isn't a prediction.

It's the answer to:

> "What happens if $2.4M compounds at 15% while I withdraw $204K/year?"

That is a very different question from:

> "What is a prudent amount for us to spend for the next 30 years?"

And I would **not** build your retirement lifestyle around a 15% assumption.

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2. Your real situation is much better than the calculator makes it look

Starting in 2027, let's think of your situation approximately as:

Age 60

Investment assets

$2.4M+

Annual lifestyle spending

$96,000

Initial withdrawal rate

$96K ÷ $2.4M = **4.0%**

And that's before considering:

- Social Security later
- potential investment growth
- real estate
- your other assets
- the fact that you have already survived the most difficult early-retirement years
- the fact that your children don't need an inheritance

That last point is enormous.

Your objective doesn't need to be:

> **Maximize estate value.**

It can instead become:

> **Maximize the quality of our remaining 30 years while maintaining a very high probability that we don't run out of money.**

That's a much more liberating objective.

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3. Here's the experiment I would actually run

Instead of assuming 15%, let's stress-test your $2.4M.

I'll assume:

- starting portfolio = $2.4M
- spending = $8,000/month
- $96K first-year withdrawal
- spending increases 3% annually with inflation
- withdrawals occur annually
- no Social Security included
- no other income

- no additional contributions
- 30-year horizon

Portfolio value under different average returns

Average return	Age 60	Age 65	Age 70	Age 75	Age 80	Age 85	Age 90
5%	$2.40M	$2.50M	$2.54M	$2.49M	$2.30M	$1.92M	**$1.28M**
7%	$2.40M	$2.78M	$3.23M	$3.74M	$4.33M	$5.03M	**$5.83M**
10%	$2.40M	$3.25M	$4.51M	$6.43M	$9.40M	$14.02M	**$21.28M**
12%	$2.40M	$3.59M	$5.57M	$8.96M	$14.79M	$24.90M	**$42.54M**
15%	$2.40M	$4.15M	$7.55M	$14.27M	$27.63M	$54.35M	**$107.88M**

These are **illustrations, not forecasts**.

But look at the important number:

Even at 5% nominal return

while increasing your spending by 3% every year,

you still have approximately **$1.28M at age 90**.

That's before Social Security.

That is a completely different financial position from someone who has $2.4M and is wondering whether they can retire.

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4. Your 4% withdrawal rate isn't outrageous

You're effectively starting at:

$96,000 ÷ $2,400,000 = 4%

But here's an important psychological distinction.

You're not saying:

> "I must withdraw 4% every year no matter what."

You can use a **dynamic withdrawal system**.

For example:

Green year

FTEC/technology has a great year.

Portfolio rises substantially.

→ Spend more.

Yellow year

Portfolio is roughly flat.

→ Maintain lifestyle.

Red year

Technology crashes 30–50%.

→ Don't sell aggressively.

→ Temporarily live from cash reserves.

→ Defer large discretionary purchases.

That's radically different from blindly withdrawing $8,000 every month regardless of market conditions.

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5. And this is where your FTEC strategy becomes interesting

I understand your position:

> **"I'm firm with my FTEC ETF strategy until the sector rotates."**

I wouldn't try to talk you out of that merely because you're retired.

You have a very specific investment philosophy:

Technology → FTEC → hold → allow compounding → rotate only when the sector regime changes.

The problem isn't necessarily FTEC.

The problem is:

FTEC + forced selling + bad sequence of returns.

Imagine:

$2.4M FTEC

then suddenly:

FTEC -40%

Your portfolio becomes:

$1.44M.

If you simultaneously need $96K to live, your withdrawal rate relative to the depressed portfolio becomes:

6.67%

That's where retirement risk changes dramatically.

The solution doesn't necessarily require abandoning FTEC.

It requires separating:

Investment strategy

from

Spending strategy.

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6. I would create a "FTEC firewall"

If you really believe FTEC is your long-term wealth engine, I'd structure the retirement system around it rather than constantly fighting your conviction.

Something like:

Bucket 1 — LIFE MONEY

2 years of spending

≈ $192K

Cash / money market / short-duration Treasury equivalent.

Purpose:

> "We don't sell FTEC because the market crashed."

Bucket 2 — OPPORTUNITY / STABILITY

Another **1–3 years of spending**, depending on your comfort.

Perhaps:

$100K–$300K.

Purpose:

- condo expenses
- major repairs
- cars
- travel
- unexpected expenses
- market crash protection

Bucket 3 — FTEC

Everything else.

Approximately:

$1.9M–$2.1M

depending on how large you make the safety buckets.

And then your philosophy becomes:

> **FTEC is our wealth-generation engine. Cash is our spending shock absorber.**

That's much easier psychologically than selling FTEC every month.

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7. Your biggest psychological problem may actually be more important than your financial problem

You said:

> **"We are still in the accumulation mindset and found ourselves hesitating to spend."**

I think that's extremely important.

You spent decades building wealth.

Then you retired at 55.

Your brain didn't automatically receive the memo:

> **"Accumulation phase is over."**

It is still running:

SAVE → INVEST → DON'T TOUCH → COMPOUND → SAVE → INVEST

That behavior was extremely useful when you were building the $2.4M.

But eventually the same behavior becomes counterproductive.

Because money has two purposes:

1. Security

and

2. Utility.

You have accumulated a tremendous amount of **stored utility**.

At some point, refusing to consume it doesn't make you safer.

It simply means you die with more stored purchasing power.

And you've already told me something extraordinarily important:

> **Your children don't need the inheritance.**

That changes the optimization problem.

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8. I would give your money a new job description

Instead of:

> **"Don't lose the money."**

I'd use:

> **"This money exists to finance the next 30 years of our lives."**

Your portfolio becomes a **personal pension machine**.

For example:

Age 60–70

The Adventure Decade

Spend aggressively on:

- travel
- cycling
- swimming
- experiences
- restaurants
- hobbies
- technology
- vehicles
- condo
- family experiences
- things that are physically easier at 60 than 80

This is the decade when $20,000 spent on an experience can have enormous utility.

Age 70–80

The Comfort Decade

You may naturally spend less on:

- cycling adventures
- long-distance travel
- physically demanding activities

But more on:

- healthcare
- convenience
- premium services
- better housing
- assistance
- comfort

Age 80–90+

The Security & Convenience Decade

Your spending pattern changes again.

Money becomes increasingly valuable for:

- healthcare
- caregivers
- transportation
- household assistance
- premium living arrangements
- family support
- simplifying life

The goal isn't to spend exactly $8,000 every month for 30 years.

Your spending will evolve.

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9. Your $8,000/month isn't actually a huge number relative to $2.4M

Look at it another way.

$8,000/month

= $96,000/year.

That's:

4% of $2.4M.

But your portfolio doesn't have to earn 4%.

If it earns 7%, you have:

$168,000 of growth

against

$96,000 of spending

before considering taxes, volatility and inflation.

That's the basic engine.

And if your long-term return were 10%:

$240K growth

minus

$96K spending

= **$144K net increase**

in a simple first-year illustration.

That's why the portfolio can continue growing while you're spending money.

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10. The 15% number is seductive — don't let it become your lifestyle baseline

Your screenshot's $9.82M number is fascinating.

But I'd mentally classify your assumptions like this:

5%

Survival scenario

"Can we still make this work if markets disappoint?"

7%

Planning scenario

"Can we comfortably fund our lifestyle?"

10%

Strong-market scenario

"Wow, we're accumulating despite spending."

12%

Exceptional scenario

"Portfolio becomes substantially larger."

15%

FTEC bull-market scenario

"Compounding becomes almost absurd."

That's how I'd use the numbers.

Not: "We can spend $17K/month because Investor.gov says we'll have $9.8M."

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11. Here's the really interesting part: you don't need to preserve $2.4M

Suppose at age 60 you say:

> "We want $2.4M to provide us with 30 years of life."

At age 90, what's the ideal ending balance?

If the children don't need it:

It doesn't have to be $2.4M.

It could be:

$0

or

$200K

or

$1M

or

$10M

depending on what happens.

There is nothing inherently virtuous about dying with the maximum possible portfolio.

That's the mental shift I'd encourage.

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12. You could actually establish a "permission-to-spend" rule

This is where I think you might benefit enormously.

Instead of deciding every time:

> "Can we afford this?"

Create a rule.

For example:

Base lifestyle

$8,000/month

Automatically permitted.

No guilt.

That's:

$96,000/year.

Annual FTEC bonus

At the end of each year:

If portfolio is substantially above its inflation-adjusted starting trajectory:

Spend 10–20% of the excess.

Examples:

Portfolio does extraordinarily well.

Instead of saying:

> "Great! Let's save even more."

Say:

> **"FTEC paid us a dividend in lifestyle."**

Then spend it.

Perhaps:

- $10K travel
- $10K cycling equipment/adventure
- $10K dining
- $10K family
- $10K home/condo
- etc.

The important part is that **you have permission before the money arrives.**

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13. I would also separate "needs" from "life"

Your $8K monthly budget should probably have three layers:

Layer 1 — NEED

Housing
Food
Utilities
Insurance
Transportation
Basic healthcare

Maybe:

$5K/month

Layer 2 — LIFESTYLE

Cycling
Swimming
Dining
Travel

Hobbies
Entertainment

Maybe:

$2K/month

Layer 3 — ABUNDANCE

Trips
Cars
Large purchases
Family experiences
Condo improvements
Luxury

Maybe:

$1K/month average

But this third category can be highly variable.

One year:

$5K.

Another:

$30K.

That's perfectly fine.

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14. The Mandani Bay condo changes the psychology

This is actually a good thing.

Your $8K/month isn't simply "consumption."

Part of it is now supporting an **asset and a lifestyle choice**.

So don't look at:

> $8,000/month

as:

> "We're burning $8,000."

Instead:

> **"We're converting part of our accumulated capital into housing, comfort and experiences."**

That's exactly what retirement assets are for.

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15. One thing I would investigate before March 2027

You said the 401(k) becomes fully accessible when your wife reaches 59½.

That's generally the normal age at which distributions can avoid the 10% early-distribution penalty, although traditional 401(k) withdrawals generally remain taxable income, and actual access depends on the plan's rules. (**Fidelity**)

There is also a potentially relevant **Rule of 55** provision for someone who separates from employment during or after the year they turn 55, although plan-specific rules matter. (Fidelity)

So I would verify the exact Fidelity plan provisions before doing anything like a rollover.

That's important because **rolling the 401(k) into an IRA can change which early-withdrawal exceptions apply.** Fidelity specifically notes this distinction. (Fidelity)

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16. And there's another retirement issue coming later

Your traditional retirement accounts eventually face **required minimum distributions**.

So there's another reason not to think:

> "We must preserve every dollar in the 401(k)."

At some point the government will require distributions from traditional retirement accounts under the applicable RMD rules. Investor.gov provides an RMD calculator for exactly this purpose. (Investor)

Your eventual problem could actually become:

> **"How do we efficiently spend/distribute a portfolio that is much larger than we need?"**

That's a much nicer problem than:

> "Will we run out?"

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17. Your retirement has already passed its most dangerous psychological phase

You retired at:

55

You didn't immediately start drawing heavily from the 401(k).

Instead you:

Retired → used taxable assets → kept investments invested → waited → allowed retirement accounts to compound → bought real estate → reached 59/60 with substantial capital.

That's a very different situation from somebody retiring at 65 with $2.4M and immediately beginning withdrawals.

You have already demonstrated that you can live below your investment capacity.

Now you have to learn the opposite skill:

Spending without fear.

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18. I would change your definition of "success"

During your working years:

> **Success = portfolio gets bigger.**

Early retirement:

> **Success = portfolio doesn't collapse.**

Your 60s:

> **Success = portfolio funds a great life while remaining resilient.**

Your 70s:

> **Success = money makes life easier.**

Your 80s:

> **Success = money buys freedom, convenience and care.**

Your 90s:

> **Success = you used enough of it.**

That's a completely different operating system.

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19. Your FTEC philosophy can coexist with this

I actually like the way you're framing:

> **"I'm firm with FTEC until the sector rotates."**

Then make the strategy:

INVESTMENT DECISION

FTEC

↓

MARKET DECISION

Is technology still the dominant growth sector?

YES → Hold

NO → Reevaluate rotation

↓

SPENDING DECISION

Do we have sufficient cash reserve?

YES → Spend

NO → Replenish

↓

CRASH DECISION

Did FTEC fall dramatically?

YES → Don't automatically sell

↓

Use cash buffer.

↓

Allow recovery.

That keeps your **investment conviction** separate from your **retirement consumption needs**.

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20. The most important number for you isn't $9.82M

It's this:

$96,000/year

Your desired lifestyle costs roughly $96K/year.

Against $2.4M:

4% initial withdrawal rate.

And that's before Social Security.

That means your question shouldn't be:

> **"How do we preserve $2.4M?"**

It should become:

> **"How much more life can $2.4M buy us?"**

And that is a much more interesting question.

Your new retirement equation

I'd put this on your wall:

> **WEALTH → SECURITY → FREEDOM → EXPERIENCES → COMFORT → CARE → LEGACY**

You have spent the first 40+ years building the left side.

You are now entering the part where you are allowed to move toward the right.

And because your children don't need the inheritance, **legacy doesn't have to dominate the equation.**

You don't need to become reckless.

You don't need to abandon FTEC.

You don't need to suddenly spend $20K/month.

You simply need to give yourselves **permission to convert a reasonable portion of financial security into actual life.**

My personal "starting rule" for your situation

$8K/month: spend it without guilt.

$96K/year: treat it as your baseline pension.

Cash reserve: 2–4 years of spending.

FTEC: remain the long-term growth engine if that remains your conviction.

Good FTEC years: increase discretionary spending.

Bad FTEC years: temporarily tighten discretionary spending rather than panic-selling.

Age 60–70: deliberately spend more on things your 70–80-year-old selves may no longer be able to do.

And perhaps the most important rule:

> ### You don't get extra points for dying with the largest possible FTEC balance.

You worked for the money.

Now let the money work for you.

If you want, I can next build a **30-year "$2.4M Retirement Spending Operating System" from age 60 → 90**, including **annual spending targets, FTEC portfolio thresholds, crash rules (-20%, -30%, -40%, -50%), Social Security starting at 62/67/70, taxes, RMDs, condo expenses, and a "permission-to-spend" formula** so you can actually follow it year by year.

Yes there is a $4300 social security check (both of us) coming.

That **$4,300/month combined Social Security changes the picture dramatically**.

If $4,300 is the amount you expect to actually receive each month, that's:

$51,600/year of lifetime income

Your planned 2027 spending of $8,000/month is:

$96,000/year

So your investment portfolio only needs to supply:

$96,000 − $51,600 = $44,400/year

That's only:

1.85% of a $2.4M portfolio

And that's the number I would put at the center of your retirement plan—not 4%.

Your retirement machine

Think about what happens in 2027:

Item	Annual
Lifestyle spending	**$96,000**
Social Security	**$51,600**
Required from investments	**$44,400**
Starting investment portfolio	**$2,400,000**
Portfolio withdrawal rate	**1.85%**

That's an **extremely different retirement situation** from a couple trying to live entirely from a $2.4M portfolio.

And remember: Social Security is not sitting in FTEC. It is effectively another income-producing asset.

Now let's rerun your 30-year retirement

Let's make this much more realistic.

Starting at approximately age 60:

- $2.4M invested
- $8,000/month lifestyle
- $4,300/month Social Security
- $51,600 initial annual SS
- Spending increases 3%/year
- Social Security increases 2.5%/year
- No additional contributions
- No inheritance requirement
- No portfolio additions
- No real-estate value included

Here is what happens under different **average annual investment returns**:

Return	Age 60	Age 70	Age 75	Age 80	Age 85	Age 90
5%	$2.40M	$3.26M	$3.79M	$4.40M	$5.09M	**$5.87M**
7%	$2.40M	$4.01M	$5.24M	$6.89M	$9.12M	**$12.15M**
10%	$2.40M	$5.41M	$8.31M	$12.90M	$20.19M	**$31.84M**
12%	$2.40M	$6.57M	$11.15M	$19.14M	$33.13M	**$57.67M**
15%	$2.40M	$8.69M	$17.03M	$33.71M	$67.17M	**$134.35M**

These are deterministic illustrations—not forecasts, and they don't model sequence-of-returns risk, taxes, fees, or actual FTEC volatility.

But the **5% case is the eye-opener**.

Even with only 5% average returns, your modeled portfolio doesn't decline.

It actually grows from:

$2.4M → ~$5.9M

while you're simultaneously:

- living on $8K/month
- increasing spending with inflation
- receiving Social Security
- buying/maintaining your condo
- enjoying retirement.

And this changes my advice from my previous answer

Previously I said:

> "Your 4% withdrawal rate isn't outrageous."

With the Social Security information, I'd revise that substantially.

Your effective withdrawal requirement is only ~1.85%.

That's **very conservative**.

You are not sitting on the edge of retirement solvency.

You are sitting on a portfolio that, under reasonable long-term returns, has a very high likelihood of becoming **larger than you need**.

And that's exactly why your accumulation mindset is now becoming the problem.

Your real problem isn't "Will we run out?"

It's almost the opposite:

"How much can we spend while we're still healthy enough to enjoy it?"

That's a profound change.

Consider your timeline.

Age 60–65

You're relatively young.

You can:

🚴 Ride 50+ miles
🏊 Swim 2.4 miles
🏋️ Lift
✈️ Travel
🏎️ Drive
🏝️ Enjoy Cebu
🏠 Improve your condos
🍽️ Eat well
👨‍👩‍👧 Spend time with family

Age 70–75

You may still be extremely active, but probabilities start changing.

Age 80–85

Money becomes increasingly useful for:

- convenience
- healthcare
- transportation
- assistance
- premium services
- making life easier

Age 90

Money is useful—but **time and physical capability are the scarce assets.**

That's why I wouldn't optimize your retirement around maximizing your age-90 portfolio.

I'd optimize it around:

Maximizing your age-60-to-75 life.

Your FTEC strategy actually becomes easier

This is the part I really like.

Suppose you maintain your FTEC conviction.

You don't have to sell FTEC every month to fund your life.

Social Security supplies:

$4,300/month

Your portfolio needs only:

$3,700/month

to get you to $8K.

So you could build a cash reserve of perhaps:

$150K–$250K

and let that become your **retirement shock absorber**.

Then:

FTEC = growth engine

Cash = spending engine

Social Security = baseline pension

Real estate = housing/security

That's a pretty powerful architecture.

And here's where I want you to change your mental accounting

Don't tell yourself:

> "We're spending $8,000 a month."

Tell yourselves:

> **"Social Security pays $4,300. Our portfolio pays $3,700."**

That feels psychologically different.

Because the $3,700 isn't really consuming 0.154% of your portfolio each month.

It's a small draw from a very large capital base.

Here's your "permission to spend" system

I'd actually give you three spending levels.

🟢 LEVEL 1 — $8,000/month

No guilt.

This is your normal retirement lifestyle.

Don't debate it every month.

Don't ask:

> "Should we really spend this?"

You've already established that it's sustainable under conservative assumptions.

🔵 LEVEL 2 — $10,000/month

Annual:

$120K

Social Security:

$51.6K

Portfolio:

$68.4K

Initial withdrawal:

2.85%

Still quite reasonable as a starting withdrawal rate, although taxes and market volatility matter.

This could be your:

"Enjoy retirement" level.

🟣 LEVEL 3 — $12,000/month

Annual:

$144K

SS:

$51.6K

Portfolio:

$92.4K

Initial withdrawal:

3.85%

Now you're getting into a more conventional retirement-withdrawal territory.

But you don't necessarily need to spend this every year.

This could be:

"We had a great FTEC year" spending.

New bicycle.

Trip.

Nice car.

Family.

Condo upgrades.

Whatever.

And here's the psychological trick

You shouldn't ask:

> **"Can we afford it?"**

every time you want to spend $5,000.

Instead ask:

> **"Does this purchase improve our lives enough to justify $5,000?"**

That's a completely different question.

You have already solved the **affordability** problem.

Now you have to solve the **utility** problem.

The inheritance issue makes this even more powerful

If your children don't need your money, your objective function can become:

OLD OBJECTIVE

Maximize portfolio at death.

↓

NEW OBJECTIVE

Maximize lifetime utility subject to never running out of money.

That means a $20,000 trip when you're 62 might be worth dramatically more than an additional $20,000 sitting in your brokerage account at 90.

That's not financial irresponsibility.

That's **optimal capital deployment**.

One thing I'd be careful about

Your Investor.gov screenshot assumes **15% every year**.

Don't use that as your spending justification.

Your FTEC thesis may ultimately prove extremely successful, but technology will have enormous drawdowns along the way.

I'd construct your retirement around something closer to:

5–7% planning returns

and treat:

10–15%

as **upside**, not the baseline.

If FTEC produces 15%+ over a long period?

Fantastic.

That's when your **permission-to-spend mechanism** kicks in.

I think your next phase should look like this

You spent:

1990s–2021

Build

2021–2027

Bridge

2027–2035

Enjoy

2035–2045

Enjoy + protect

2045–2055

Comfort + healthcare + family

And eventually:

Give away / spend / simplify

One sentence I want you and your wife to remember

> **You don't need to stop being financially disciplined. You need to redirect your discipline from accumulating money to intentionally consuming life.**

Your $4,300/month Social Security makes that transition considerably easier.

And frankly, with **$2.4M + Social Security + your real estate + no inheritance obligation**, I would be much more concerned about you **under-spending your healthy years** than spending yourself into poverty.

If you want, I can build the **actual 2027–2057 Retirement Operating System** next: a year-by-year table showing **age, FTEC balance, Social Security, spending allowance, safe withdrawal, "fun money," crash rules, taxes/RMD strategy, and exactly how much you should be comfortable spending at 60, 65, 70, 75, 80, 85 and 90.**

Build a retirement operating system.

Your Retirement Operating System — ROS 2027–2057

I would build this around one central idea:

> **Your retirement portfolio is no longer an accumulation account. It is a 30-year life-financing system.**

And with the additional fact that you expect **$4,300/month combined Social Security**, your situation is considerably stronger than the $2.4M figure alone suggests.

I'm going to use **$2.4M as the starting investable portfolio in 2027**, $8,000/month spending, and $4,300/month combined Social Security. If the $2.4M is only the Fidelity 401(k) and you still have additional Merrill Edge investments, then this ROS is actually conservative.

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1. THE ROS AT A GLANCE

2027 — Age ~60

Portfolio: $2.4M
Lifestyle: $8,000/month
Annual lifestyle: $96,000
Social Security: $51,600/year
Portfolio-funded lifestyle: ~$44,400/year

Initial portfolio draw:

1.85%

That's the number that should change your psychology.

You're not trying to live entirely off a $2.4M portfolio.

You're using:

Social Security + portfolio + real estate

to finance your life.

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2. Your four financial engines

Think of retirement as four machines:

```
              YOUR RETIREMENT
                     │
      ┌──────────────┼──────────────┐
      ↓              ↓              ↓
    FTEC      SOCIAL SECURITY  REAL ESTATE
   GROWTH       BASE INCOME      HOUSING
```

```
         │               │               │
         └───────────────┼───────────────┘
                         ↓
                  YOUR LIFESTYLE
                         │
                         ↓
                 $8K/month BASE
```

And there's a fifth component:

CASH RESERVE

It exists specifically so that **you don't have to sell FTEC during a crash.**

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3. The core ROS

🟢 GREEN — Normal retirement

Portfolio healthy.

FTEC performing normally.

Cash reserve intact.

Spend:

$8,000/month

No guilt.

No monthly debate.

No "should we really spend this?"

This is your **authorized lifestyle budget**.

🔵 BLUE — Prosperity mode

Portfolio has significantly exceeded its inflation-adjusted target.

FTEC has had a strong period.

Cash reserve is full.

Spend:

$9,000–$10,000/month

This is your:

"We worked for this money" budget.

Use it for:

- travel

- cycling
- swimming
- restaurants
- hobbies
- condo improvements
- family
- experiences

🟣 PURPLE — FTEC dividend mode

FTEC has performed exceptionally well and your portfolio is substantially above the ROS target.

You can deliberately spend:

$10K–$12K/month

or make one-time purchases.

Examples:

$20K trip

$10K bike

$15K condo upgrade

$30K vehicle

Whatever has genuine utility to you.

The key:

Don't permanently increase the lifestyle because of one good year.

Use excess performance for **one-time lifestyle spending**.

🔴 RED — Market crash

FTEC:

−20%

Don't panic.

−30%

Still don't panic.

−40%

Stop unnecessary FTEC selling.

−50%

This is exactly why we built the cash bucket.

Your response is:

> **"The market is down. Our lifestyle doesn't have to be."**

Use cash.

Temporarily reduce discretionary spending.

Allow FTEC time to recover.

---

4. Your FTEC firewall

If you want to remain committed to FTEC, I would make the ROS accommodate that conviction.

Bucket A — Operating Cash

$50K–$75K

≈ 6–9 months of lifestyle.

This is your checking/near-cash layer.

Bucket B — Retirement Shock Absorber

$100K–$175K

≈ 1–2 additional years of spending.

This is the important one.

It gives you the psychological ability to say:

> **"I don't care what FTEC is doing this month."**

Bucket C — FTEC

Everything else.

If $2.4M is the portfolio:

Approximately:

$2.15M–$2.25M FTEC

depending on how large you make the cash reserve.

This is not traditional diversification.

It is a deliberate **concentrated-growth strategy with a spending firewall**.

That's a much more intellectually honest description of what you're doing.

---

5. Your 30-year spending schedule

Here's the lifestyle framework I'd use.

Age	Phase	Base monthly spending	Target behavior
60–64	🟢 Freedom	**$8K**	Establish retirement lifestyle
65–69	🔵 Enjoyment	**$8–10K**	Spend on experiences
70–74	🔵 Enjoyment	**$8–10K**	Travel/hobbies/comfort
75–79	🟣 Comfort	**$8–10K**	Shift toward convenience

80–84	🟣 Security	**$8–10K**	Healthcare/help/convenience
85–89	🟣 Security	**$8–12K**	Spend where it improves life
90	🟣 Legacy/consumption	**Whatever is useful**	No artificial accumulation goal

These are **nominal starting targets**, not inflation-adjusted predictions.

Your actual dollar budget should rise with inflation.

---

6. Your most important decade is 60–70

This is where I would deliberately change your behavior.

You've already demonstrated that you can save.

You already demonstrated that you can live below your means.

You already demonstrated that you can retire early.

Now you need to learn:

CONSUMPTION WITHOUT GUILT

You should actually create a category called:

"Wealth-to-Life Conversion"

For example:

$2,000/month

specifically designated for:

🚴 Cycling
🏊 Swimming
✈️ Travel
🍽️ Dining
🏝️ Experiences
🎯 Hobbies
👪 Family

That's **$24,000/year** deliberately converted from financial capital into life.

---

7. The 70/30 rule I'd give you

For every dollar of portfolio growth above your ROS target:

70%

remains invested.

30%

becomes potential lifestyle money.

So suppose FTEC has an extraordinary year.

Your portfolio increases by $300K.

Instead of automatically saying:

> "Great! Now we have to protect that $300K."

Your ROS says:

$210K → remain invested

$90K → potential life capital

You don't necessarily spend the $90K immediately.

But you've given yourself **permission to spend it.**

---

8. Your crash protocol

This is extremely important for an FTEC-heavy retirement.

FTEC −10%

Do nothing.

Normal volatility.

FTEC −20%

Do nothing.

Review the thesis.

Don't change strategy because of fear.

FTEC −30%

Activate yellow alert.

No major permanent lifestyle increases.

Continue normal base spending.

FTEC −40%

Activate red alert.

For the next 12 months:

- Use cash reserve for discretionary spending.
- Avoid unnecessary FTEC sales.
- Delay large optional purchases.
- Keep core lifestyle intact.

FTEC −50%

Maximum stress protocol.

This is where the firewall matters.

You don't suddenly say:

> "FTEC is falling, therefore we must sell everything."

Instead:

Cash → lifestyle

FTEC → recovery

Then reassess the underlying technology-sector thesis.

The decision should be:

> **"Has the investment thesis broken?"**

not:

> **"Am I scared?"**

---

9. Your sector-rotation rule

You said something very important:

> **"I'm firm with FTEC until the sector rotates."**

Good.

Then define "rotation" before emotions arrive.

Don't rotate because:

❌ CNBC says tech is overvalued
❌ FTEC falls 20%
❌ A recession occurs
❌ Somebody predicts a crash
❌ AI stocks get criticized

Instead, rotation requires evidence that your thesis has changed.

Your ROS could use:

FTEC thesis review

Annually

Ask:

1. Is technology still a dominant source of U.S. economic growth?
2. Are technology companies still producing superior earnings/cash flow?
3. Is innovation still accelerating?
4. Is technology still gaining economic share?
5. Has another sector developed a materially superior long-term risk/reward?
6. Is FTEC still the appropriate vehicle?

If the answer remains yes:

HOLD.

---

10. Social Security becomes your "floor"

Your $4,300/month is extremely valuable.

That's:

$51,600/year

of recurring income.

If your $8K lifestyle becomes $10K:

$120K − $51.6K = $68.4K

Portfolio withdrawal:

2.85%

If lifestyle becomes $12K:

$144K − $51.6K = $92.4K

Portfolio withdrawal:

3.85%

So even your $12K lifestyle isn't automatically unreasonable.

It simply moves you from:

Conservative

to

Moderate.

One important caveat: if your $8K/$10K/$12K is **after-tax spending**, your gross withdrawals need to be higher because traditional 401(k) distributions generally count as taxable income. (IRS)

---

11. Social Security should not be viewed as an investment account

It's better psychologically to think:

FTEC

Variable capital

versus

Social Security

Lifetime income

Social Security also has inflation adjustments, although your actual future benefit depends on claiming decisions and applicable COLAs.

For people born in 1960 or later, SSA says full retirement age is 67 and delaying beyond FRA increases benefits until age 70. (Social Security Administration)

So your exact $4,300 figure and claiming dates deserve their own optimization analysis.

---

12. The tax-management phase: 60 → RMD age

This is an important part of your ROS.

You have a potentially valuable window between:

~60

and

RMD age.

Current IRS rules generally require RMDs beginning at 73, with SECURE 2.0 moving the applicable age to 75 for people who attain age 74 after 2032. (IRS)

That means you potentially have years where you can intentionally manage taxable income.

Instead of:

> "Don't touch the 401(k)."

your philosophy should be:

> **"Use the 401(k) intelligently while I control the timing."**

That could involve evaluating:

- traditional 401(k) withdrawals
- Roth conversions
- Social Security taxation
- Medicare IRMAA
- capital gains
- taxable brokerage assets
- future RMDs

This needs to be modeled with your actual tax returns, but conceptually it's an important part of the ROS.

---

13. Your 30-year financial trajectory

Here's the simplified illustration we discussed earlier, assuming:

- $2.4M starting portfolio
- $8K/month spending
- $4,300/month SS
- spending inflation 3%
- SS inflation 2.5%
- no additional contributions
- no real estate appreciation
- no taxes
- smooth annual returns

At 5% average return

Age	Approx. portfolio
60	$2.40M
65	$2.80M
70	$3.26M
75	$3.79M
80	$4.40M
85	$5.09M
90	**$5.87M**

At 7%:

Age	Approx. portfolio
60	$2.40M
65	$3.09M
70	$4.01M
75	$5.24M
80	$6.89M
85	$9.12M
90	**$12.15M**

Again, these are **not forecasts**. Real markets don't deliver a smooth 5% or 7% every year, and a concentrated FTEC portfolio will have much greater volatility.

But these scenarios illustrate something very important:

Your current spending level does not require a high-return retirement.

---

14. Your "FTEC millionaire problem"

Here's what I think could happen if FTEC continues to perform strongly.

You might reach:

Age 65

$3M+

and think:

> "We need to be careful."

Then:

Age 70

$4M–$6M

and say:

> "Maybe we should preserve it."

Then:

Age 75

$6M–$10M

and say:

> "We really shouldn't spend too much."

Then:

Age 80

$10M+

and you're still thinking:

> **"We need to protect our retirement."**

That's the trap.

At that point you're no longer protecting retirement.

You're protecting **inheritance**.

And you've already said your children don't need it.

---

15. So I would establish a "No Hoarding" threshold

Here's the most important psychological component of the ROS.

Every five years:

Age 60

Ask:

"What do we want our money to do for us?"

Age 65

"Are we spending enough?"

Age 70

"Are we still accumulating unnecessarily?"

Age 75

"What experiences are we postponing?"

Age 80

"What can money make easier?"

Age 85

"What do we still want to experience?"

Age 90

"Why are we still trying to maximize the portfolio?"

---

16. Your actual Retirement Operating System

I'd reduce everything to this:

```
                ┌─────────────────┐
                │    FTEC CORE    │
                │  LONG-TERM      │
                │  GROWTH ENGINE  │
                └────────┬────────┘
                         │
                         ↓
                  Annual ROS Review
                         │
             ┌───────────┴────────────┐
             ↓                        ↓
       HEALTHY MARKET           MAJOR DECLINE
             │                        │
             ↓                        ↓
      NORMAL SPENDING           CASH BUFFER
             │                        │
             ↓                        ↓
         $8K/month              DON'T SELL
             │                        │
             ↓                        ↓
     EXCESS PERFORMANCE       WAIT / REASSESS
             │
             ↓
     30% → LIFE CAPITAL
     70% → COMPOUND
```

---

17. The three accounts in your head

I want you to mentally separate your money into:

MONEY I MUST KEEP

Emergency + several years of spending.

MONEY THAT WORKS

FTEC.

MONEY THAT I AM ALLOWED TO SPEND

Your $8K/month.

The last category is where I think you have the biggest psychological blockage.

You keep mentally moving it back into:

> **MONEY THAT MUST BE KEPT.**

That's the accumulation reflex.

---

18. Your new retirement mantra

I'd actually put this somewhere you and your wife see it:

> ### WE ARE NOT TRYING TO DIE RICH.
>
> ### WE ARE TRYING TO LIVE WELL WITHOUT RUNNING OUT.

And perhaps the most important:

> #### Every year that we remain healthy is a year in which money has greater utility.

At 60, a $20,000 cycling/travel adventure may be incredibly valuable.

At 80, that same $20,000 might instead buy:

- convenience
- healthcare
- assistance
- comfort.

Neither is wrong.

But **money has diminishing utility if it simply remains invested forever.**

---

19. One major modification I'd make to the earlier plan

I would **not** automatically cap you at $8K/month.

I'd establish:

🟢 $8K

Permanent baseline.

🔵 $10K

Comfortable prosperity lifestyle.

🟣 $12K

Abundance mode — use when portfolio conditions support it.

🔥 $15K+

Special-event spending.

Your Investor.gov screenshot actually used **$17K/month**, which is $204K/year. That's a **$152,400/year gap after $51,600 Social Security**, or **6.35% of $2.4M initially**. I would *not* make $17K your permanent baseline simply because the calculator shows a large ending balance under a 15% return assumption.

But a **one-time $17K month** for a major trip, vehicle, condo project, or other meaningful experience?

That's a completely different proposition.

---

20. The ultimate ROS

2027–2030

Transition

Stop thinking like accumulators.

Establish $8K baseline.

Build cash firewall.

Begin consciously spending.

2030–2035

Freedom

Increase lifestyle when portfolio permits.

Prioritize health, cycling, swimming, experiences and travel.

2035–2040

Abundance

If portfolio has grown substantially:

Increase discretionary spending.

Consider Roth conversions/tax planning.

2040–2047

Tax/RMD preparation

Traditional 401(k) becomes increasingly important from a tax-planning perspective.

Current IRS rules generally put RMDs at 73 for many people, with age 75 applying to later birth cohorts. (IRS)

2047–2052

Comfort

Less emphasis on accumulating.

More emphasis on:

health + convenience + family + experiences.

2052–2057

Consumption / legacy

At this point, if you still have a very large portfolio:

Stop optimizing for maximum inheritance.

Start optimizing for maximum usefulness.

The big conclusion

Your retirement doesn't look like:

> **$2.4M → slowly drain it → hope it lasts 30 years.**

It looks much more like:

> **$2.4M FTEC + $51.6K/year Social Security + real estate → relatively modest portfolio withdrawals → decades of potential compounding.**

That's why I think your greatest risk isn't necessarily financial.

It's **behavioral**.

You successfully trained yourselves for 40 years to say:

> **"Don't spend it."**

Now you need to train yourselves to say:

> **"We have enough. Spend it intentionally."**

And I would make **age 60–70 the decade in which you deliberately practice that skill.**

Your children don't need the money.

Your house is paid for.

You have the condos.

You have Social Security coming.

You have substantial investment capital.

And you have a clear investment philosophy.

So the ROS isn't designed to make you richer.

It's designed to make your wealth useful.

One important next step: the most valuable version of this would be a **personal 2027–2057 ROS spreadsheet**, where I model your actual FTEC portfolio year-by-year with **5%, 7%, 10%, and 15% returns, inflation, $4,300 SS, $8K/$10K/$12K spending levels, FTEC −20/−30/−40/−50% crash rules, taxes, Roth-conversion windows, RMDs, and your Mandani Bay condo costs.** That would turn this philosophy into an actual retirement dashboard you can review once a year rather than thinking about money every day.

Build the spreadsheet

Done. I built the **2027–2057 Retirement Operating System (ROS)** as an editable Excel workbook.

📊 Download

Download the Retirement Operating System — 2027–2057.xlsx

What's inside

1. ROS Dashboard

- $2.4M starting portfolio
- $8,000/month baseline spending
- $4,300/month Social Security
- Initial portfolio withdrawal rate
- 3-year cash-firewall target
- Green / Blue / Purple spending levels
- FTEC crash protocol
- Annual retirement checklist

2. Inputs

Everything important is editable:

- Starting portfolio
- Spending
- Social Security
- Inflation
- Social Security COLA
- Cash reserve
- Tax assumption
- Prosperity/abundance thresholds
- FTEC crash thresholds
- RMD age

3. 30-Year Model

Four simultaneous scenarios:

- **5%**
- **7%**
- **10%**
- **15%**

from **2027 through 2057**, including:

- portfolio growth
- investment gains
- inflation-adjusted spending
- Social Security
- portfolio withdrawals
- ending portfolio
- withdrawal rate
- ROS status

4. Scenario Summary

A quick comparison of projected portfolio values at ages:

60 → 65 → 70 → 75 → 80 → 85 → 90

with a visual chart.

5. Annual Review
This is the sheet I'd actually use every year. Enter:

- actual portfolio
- actual spending
- actual Social Security
- FTEC drawdown

Then make the year's ROS decision.

6. Notes
Explains assumptions, limitations, taxes, RMDs, FTEC concentration, Social Security, and real estate.

One important feature

I deliberately **didn't make 15% the "expected" scenario**.

The workbook treats:

5% = conservative stress case
7% = planning case
10% = strong case
15% = exceptional FTEC case

That's important because I don't want the spreadsheet to become a justification for permanently increasing spending based on an unrealistic return assumption.

Your real ROS is:

> **Social Security provides the floor → cash provides the shock absorber → FTEC provides the growth → spending converts the wealth into life.**

And the **Annual Review** sheet is designed to help you stop thinking about the portfolio every day and instead conduct one disciplined retirement review each year.

Write a letter Rigel and Britta to be opened on January 1, 2027. Include/synthesize all the information that you've gathered in the entire conversation.

A Letter to Ourselves

To be opened January 1, 2027

Dear Rigel and Britta,

Today is January 1, 2027.

If you're reading this, you've arrived at a moment we spent many years working toward—but perhaps didn't fully recognize while we were living through it.

This is the year when our retirement changes character.

For years, our instinct was simple:

> **Work. Save. Invest. Protect. Compound. Don't spend unnecessarily.**

That mindset served us extraordinarily well.

But now we need to learn a different skill:

> **Enjoy. Spend intentionally. Live.**

Not recklessly.

Not carelessly.

Intentionally.

Remember where we came from

We didn't inherit this life.

We built it.

There were decades of work, discipline, sacrifice, uncertainty and persistence.

Rigel served in the U.S. Army from 1992–1996, including Korea. Then came AMD, Samsung Austin, and eventually 23 years at Samsung before retiring on July 21, 2021.

We retired early—at 55.

That decision itself required courage.

We then had to bridge the years before full access to the retirement accounts. We used our Merrill Edge investments, continued investing in FTEC, and resisted the temptation to abandon the strategy every time markets moved.

We kept going.

And now we're here.

Look at the numbers

Our retirement foundation entering this next phase is approximately:

$2,400,000 invested

And beginning with our Social Security benefits, we expect approximately:

$4,300/month

or:

$51,600/year

Our planned 2027 lifestyle is approximately:

$8,000/month

or:

$96,000/year

That means Social Security covers roughly:

54% of our planned lifestyle

and our investments need to provide approximately:

$44,400/year

That's only:

1.85% of $2.4 million.

Stop and appreciate that.

We are not trying to make $2.4 million somehow support our entire existence.

We have built multiple financial engines:

FTEC → growth

Social Security → income

Real estate → housing/security

Cash → protection

Our spending → life

That is our Retirement Operating System.

We need to remember the lesson of the $9.8 million calculator

We saw what happens when $2.4 million compounds at 15% while withdrawing $17,000 a month.

The calculator produced approximately:

$9.82 million after 15 years.

It was exciting to see.

But we know better.

That isn't a promise.

It is a mathematical illustration based on a constant 15% return.

We will **not** build our lifestyle around 15%.

Instead, we'll think in ranges:

5% → conservative planning case

7% → reasonable long-term planning case

10% → strong outcome

15% → exceptional outcome

If FTEC gives us extraordinary returns, wonderful.

But extraordinary returns are a **bonus**, not an entitlement.

Our investment philosophy

Rigel, you have made your position clear:

> **Stay with FTEC until the technology sector actually rotates.**

Respect that decision—but remember what it means.

We are not pretending FTEC is a diversified retirement portfolio.

It is our **growth engine**.

We believe technology remains one of the dominant forces reshaping the economy.

Artificial intelligence, semiconductors, cloud computing, software, automation and digital infrastructure are not temporary inventions.

But conviction must never become blindness.

We will review the thesis.

We will ask:

- Is technology still gaining economic share?
- Are technology companies still producing superior earnings and cash flow?
- Is innovation accelerating?
- Is technology still attracting capital and talent?
- Has another sector genuinely developed a superior long-term opportunity?
- Has the fundamental thesis changed?

If the answer remains yes:

HOLD FTEC.

If the thesis changes:

REASSESS.

We will not sell because CNBC is frightening us.

We will not sell because FTEC falls 20%.

We will not sell because someone predicts the next crash.

We will make decisions based on the **thesis**, not the emotion.

But we also need a FTEC firewall

This is one of the most important lessons of this letter.

We don't want our lifestyle dependent on selling FTEC during a crash.

So we maintain a cash reserve.

Approximately:

Operating cash

$50K–$75K

and

Shock absorber

$100K–$175K

for a total target of roughly:

2–3 years of spending

outside the FTEC core.

That cash has one important job:

> **Give us time.**

If technology crashes, we don't have to immediately sell our growth engine to buy groceries.

Remember the crash rules

If FTEC falls:

−10%

Do nothing.

Normal volatility.

−20%

Review the thesis.

Don't panic.

−30%

Yellow alert.

Don't make permanent lifestyle increases.

−40%

Red alert.

Use the cash firewall for discretionary spending.

Pause large optional purchases.

−50%

Maximum stress protocol.

Protect the lifestyle.

Use cash.

Reassess the investment thesis.

Do not panic-sell merely because the number on the screen is terrifying.

A falling market is not automatically a broken investment thesis.

Our spending rules

This may be the hardest part for us.

Because we're still accumulators.

We may look at an $8,000 monthly lifestyle and instinctively think:

> "Maybe we should spend less."

But the ROS says:

$8,000/month is authorized.

No guilt.

No monthly debate.

No need to apologize to ourselves for living.

And when things go particularly well:

Green

$8K/month

Normal life.

Blue

$9K–$10K/month

Prosperity.

Enjoy more.

Purple

$10K–$12K/month

Abundance.

Use some of the excess wealth for experiences and things that matter.

And occasionally:

Special events

A big trip.

A bicycle.

A vehicle.

A condo improvement.

A family experience.

Something meaningful.

The purpose isn't to inflate our lifestyle permanently.

It's to **convert some financial success into actual life.**

Remember what the Mandani Bay condo represents

The Mandani Bay condo coming into our life in 2027 is another reminder that retirement spending isn't simply "burning money."

We're converting capital into:

housing

comfort

security

quality of life

We should not confuse every dollar that leaves an investment account with a dollar that has disappeared.

Some dollars become:

> **a place to live.**

Others become:

> **a memory.**

Others become:

> **health.**

Others become:

> **freedom.**

That is what money is for.

Our greatest scarce asset isn't money

It's **time**.

At 60, we can still ride.

We can still swim.

We can still lift.

We can still explore.

We can still travel.

We can still learn.

We can still wake up and decide:

> "Let's go."

At 70, we may still do those things.

At 80, perhaps some become harder.

At 90, money may be abundant while physical capability is scarce.

So let's not make the mistake of saving today's life so that we can afford tomorrow's life when tomorrow's body can't fully use it.

Remember what we love

We ride.

We swim.

We lift.

We read.

We learn.

We explore technology.

We build things.

We ask questions.

We experiment.

We invest.

We think.

We spend time together.

Those aren't distractions from retirement.

They are retirement.

Our cycling miles.

Our swimming miles.

The gravel bike.

The long rides.

The pool.

The weight room.

The condo.

The technology projects.

The DockerLab.

The AI experiments.

The books.

The Sudoku.

The conversations.

The family.

These are the things the money is supposed to support.

We don't have an inheritance problem

Our children are capable of building their own lives.

They don't need us to spend the rest of our lives maximizing an inheritance.

That gives us an extraordinary freedom.

We don't have to die with the largest possible portfolio.

We don't need to turn $2.4 million into $20 million simply because we can.

If the portfolio becomes $5 million, $10 million, or more, that's wonderful.

But eventually we must ask:

> **What is the money doing for us?**

Not merely:

> **How much money do we have?**

We must change our definition of success

When we were working:

> **Success = accumulate.**

When we first retired:

> **Success = don't run out.**

Now:

> **Success = live exceptionally well without creating unnecessary financial risk.**

Later:

> **Success = use money to make life easier.**

Eventually:

> **Success = we used enough of it.**

The next 10 years matter

From 60 to 70, let's deliberately prioritize things that may become harder later.

Ride the gravel roads.

Swim the long distances.

Take the trips.

Eat the good meals.

Explore.

Buy the equipment that genuinely improves our lives.

Spend time with family.

Take the photographs.

Make memories.

Don't postpone everything to "someday."

Because someday isn't guaranteed.

We are allowed to enjoy the portfolio

This sentence deserves to be repeated:

We are allowed to spend the money.

We don't need to earn permission from the market.

We don't need to justify every restaurant.

We don't need to feel guilty about a trip.

We don't need to apologize for enjoying something we worked decades to afford.

But there is a distinction:

Spend intentionally, not impulsively.

Ask:

> **Will this meaningfully improve our lives?**

If yes—and it fits within our ROS—

buy it.

Social Security is our floor

That $4,300/month matters.

Every month it arrives, remember:

> **The portfolio doesn't have to produce all of our retirement income.**

That recurring income gives us stability.

Our investment portfolio can therefore remain focused on long-term growth rather than being treated like a checking account.

And later, we'll carefully manage:

- Social Security timing
- taxes
- traditional 401(k) withdrawals
- Roth conversions
- Medicare IRMAA
- RMDs
- capital gains
- estate planning

We don't need to solve all of that today.

But we need to **manage it intentionally rather than ignore it.**

Don't let RMDs surprise us

The traditional retirement accounts will eventually require distributions under applicable RMD rules.

That means the years before RMDs are potentially valuable tax-planning years.

We should periodically evaluate:

> **"Should we move some money from future taxable income into today's controlled tax environment?"**

That may mean Roth conversions or strategic withdrawals.

We'll use actual tax numbers—not guesses.

Our annual ritual

We don't need to obsess over the portfolio every day.

Once a year, preferably together, we'll sit down with the ROS.

Ask:

1.

How much did we spend?

2.

How much Social Security did we receive?

3.

How large is the portfolio?

4.

Is our cash firewall intact?

5.

How did FTEC perform?

6.

Did the technology thesis change?

7.

Are we spending enough?

8.

Are taxes being managed?

9.

Are we accidentally saving for an inheritance nobody needs?

10.

What would make the next year a great year?

Then close the spreadsheet.

Go live.

The four numbers we should remember

$2.4M

Our starting investment capital.

$4,300/month

Our Social Security floor.

$8,000/month

Our authorized baseline lifestyle.

1.85%

The approximate initial portfolio withdrawal requirement after Social Security.

Those numbers should make us feel **secure**, not guilty.

And remember the projections

Under a simplified model with $8K/month spending, Social Security, inflation adjustments, and no additional contributions, the portfolio can remain surprisingly resilient even under modest returns.

The illustration showed approximately:

5% average return

~$5.9M at age 90

7%

~$12.2M

10%

~$31.8M

15%

~$134M

Real life will obviously be nothing like a smooth spreadsheet.

Markets crash.

Returns vary.

Taxes change.

Inflation changes.

Health changes.

Our spending changes.

FTEC will not produce the same return every year.

But the exercise teaches us something more important than the final number:

We don't need spectacular returns to have a successful retirement.

So, Rigel and Britta...

When you read this on January 1, 2027, I want you to recognize what has happened.

We already won the accumulation game.

We retired at 55.

We survived the bridge years.

We kept investing.

We bought our home.

We bought our condos.

We built financial security.

We raised our family.

We worked for decades.

We made it to 60.

And now we're standing at the beginning of another chapter.

Don't spend this chapter worrying about whether the number could have been bigger.

Don't spend it watching the market tick by tick.

Don't spend it calculating whether one restaurant meal will ruin retirement.

Don't turn retirement into another job.

The mission has changed.

For decades:

> **Make the pile bigger.**

Now:

> **Make the life bigger.**

FTEC can compound.

Social Security can pay.

Real estate can provide housing.

Cash can protect us from market storms.

But none of those things are the final objective.

We are.

Our health.

Our marriage.

Our family.

Our curiosity.

Our adventures.

Our experiences.

Our memories.

Our freedom.

So here's our promise to ourselves:

We will remain financially disciplined.

We will remain intellectually curious.

We will protect our downside.

We will keep our FTEC thesis honest.

We will review rather than react.

We will not confuse volatility with failure.

We will not confuse spending with waste.

We will not confuse accumulation with success.

We will not postpone life unnecessarily.

And most importantly:

We will spend enough of our wealth to actually experience the life it took us decades to build.

Ride.

Swim.

Lift.

Learn.

Invest.

Explore.

Laugh.

Eat.

Travel.

Love.

Live.

And when we look back someday, I hope we don't say:

> **"We wish we had saved more."**

I hope we say:

> **"We had enough. We knew it. And we used it well."**

With love and gratitude for everything we've built,

Rigel & Britta

January 1, 2027

One final line to keep

> ## We are not trying to die rich.
>
> ## We are trying to live well without running out.

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Rigel G Arcayan, 2026