AI-04679 Retirement Income at 60

Multiple B I U S A

Put in perspective in terms of monthly income the following FTEC ETF Retirement portfolio.
5 years changes = $1325000

If by **"5 years changes = $1,325,000"** you mean your FTEC retirement portfolio has **increased by $1.325 million over the last five years**, the most useful way to put that into retirement terms is to convert that growth into a **monthly income equivalent**.

FTEC is a technology-sector ETF, not an income-focused ETF; its current dividend yield is only around 0.3–0.4%, so the retirement-income story is primarily **total-return + systematic withdrawals**, rather than dividends. (FactSet Digital Solutions)

$1.325M of growth translated into retirement income

Withdrawal rate	Annual income	Monthly income
2.0%	$26,500	**$2,208/mo**
2.5%	$33,125	**$2,760/mo**
3.0%	$39,750	**$3,313/mo**
3.5%	$46,375	**$3,865/mo**
4.0%	$53,000	**$4,417/mo**
5.0%	$66,250	**$5,521/mo**
6.0%	$79,500	**$6,625/mo**
7.0%	$92,750	**$7,729/mo**

The really interesting perspective

Your **$1.325 million increase** over five years is equivalent to:

$1,325,000 ÷ 60 months = $22,083/month

So, purely looking backward, your FTEC portfolio created an average of approximately **$22,083/month of wealth growth** for five years.

That's enormous compared with a conventional retirement paycheck.

But there is an important distinction:

> **$22,083/month is historical wealth creation, not sustainable retirement income.**

You cannot safely assume FTEC will continue producing $22K/month. FTEC has had very strong recent performance—its five-year annualized total return was about **18.7% through August 2026**, while its 10-year annualized return was about **24.3%**. (ETF Database)

Technology stocks can also experience very large drawdowns. FTEC's five-year annualized volatility is about **26%**, substantially higher than a diversified retirement portfolio would normally target. (ETF Database)

A better way to think about your retirement

Suppose the **$1.325M represents accumulated FTEC appreciation** rather than the entire current portfolio.

Think of it as creating a separate **"retirement income engine."**

$1.325M appreciation

→ **3% withdrawal:** $3,313/month
→ **4% withdrawal:** $4,417/month
→ **5% withdrawal:** $5,521/month
→ **6% withdrawal:** $6,625/month

That means your five-year FTEC growth alone could theoretically support something like a **$4,400/month retirement paycheck at 4%**, without needing to consume the entire $1.325M immediately.

And if your larger retirement portfolio is still around the **$1.5M+ 401(k) level we've discussed previously**, then the perspective becomes considerably more powerful: you're looking at **multiple millions of dollars of retirement capital**, rather than simply a $1.325M gain.

One critical caveat

Because this is **FTEC**, I would not treat 4–5% as automatically safe. FTEC is concentrated in U.S. technology and has significant exposure to mega-cap technology companies. Fidelity describes it as tracking the MSCI USA IMI Information Technology 25/50 Index. (institutional.fidelity.com)

For your particular **"FTEC forever" retirement philosophy**, I'd separate the concepts:

Growth engine: FTEC
Spending engine: scheduled share sales
Safety engine: cash/short-term bonds or other less-correlated assets
Guaranteed income: Social Security/pension, if applicable

That makes the portfolio's **monthly income potential** much easier to understand than simply looking at its dividend yield.

If you give me your **current total FTEC balance**, I can translate the entire portfolio into a **$5K / $7K / $10K / $15K monthly retirement-income scale** and show what happens at 5%, 8%, 10%, 12%, and 15% annual returns over the next 10–20 years.

That changes the picture substantially.

If your **current FTEC portfolio is $2,575,003.66**, and the **5-year increase was $1,325,000**, then you're sitting on a very substantial retirement asset.

Your FTEC portfolio as a monthly-income machine

Withdrawal rate	Annual withdrawal	Monthly equivalent
2%	$51,500	**$4,292/mo**
2.5%	$64,375	**$5,365/mo**
3%	$77,250	**$6,438/mo**
3.5%	$90,125	**$7,510/mo**
4%	$103,000	**$8,583/mo**
5%	$128,750	**$10,729/mo**
6%	$154,500	**$12,875/mo**

The number I'd pay attention to

At **3%**, your $2.575M FTEC portfolio represents approximately:

> **$6,438/month of portfolio income**

At **4%**:

> **$8,583/month**

At **5%**:

> **$10,729/month**

And that's **before Social Security** or any other retirement income.

Now put the $1.325M gain into perspective

Your portfolio grew by **$1,325,000 in five years**.

That's equivalent to:

$1,325,000 ÷ 60 = $22,083/month

So FTEC effectively added an average of **$22,083 of wealth per month** during that five-year period.

Another way to see it:

$1.325M of growth alone could support approximately:

- **$3,313/mo** at 3%
- **$4,417/mo** at 4%
- **$5,521/mo** at 5%

while the *entire* $2.575M portfolio supports approximately:

- **$6,438/mo** at 3%
- **$8,583/mo** at 4%
- **$10,729/mo** at 5%

The retirement implication

This is where your situation becomes interesting.

You don't necessarily need FTEC to keep producing the extraordinary **$22K/month historical average**.

If you can control spending around **$6–9K/month**, the portfolio has a potentially powerful margin between **what you need** and **what the portfolio has historically produced**.

For example:

$2.575M × 4% = $103,000/year

That's an **$8,583/month retirement paycheck**.

If your actual spending were $5,000/month, you'd only be drawing:

$60,000 ÷ $2,575,004 = 2.33%

That's a very different retirement proposition from needing $10K–$12K every month.

The big caveat is that **FTEC is concentrated technology equity**, so I would not interpret 4–5% as a guaranteed sustainable withdrawal rate. A major tech bear market could temporarily cut the portfolio dramatically.

But psychologically, there's an important distinction:

> **You have accumulated $2.575M of capital. You don't need to reproduce the last five years to have a very substantial retirement income stream.**

And if your **$1.325M five-year change is actual realized/unrealized portfolio growth**, rather than new contributions, that's an especially powerful result: roughly **51% of today's $2.575M represents growth accumulated during that five-year period**.

If you want, I can take the **$2,575,003.66 FTEC balance + your $1.5M 401(k) + Social Security** and show your **total household retirement income in monthly dollars at ages 60, 65, 70, 75, 80, and 90**.

Tell me how to decumulate starting at 60, I will turn 60 this month.

Yes. At **60**, I would think about your retirement as entering the **decumulation phase**, but I would *not* think of it as “selling investments until the money runs out.”

With **$2,575,003.66 in FTEC**, the objective is:

> **Turn a large growth portfolio into a reliable lifetime paycheck while preserving enough capital to let the portfolio continue compounding.**

1. Your starting point at 60

Using the FTEC balance you just gave me:

Portfolio: $2,575,003.66

Approximate annual/monthly withdrawals:

Rate	Annual	Monthly
2.0%	$51,500	**$4,292**
2.5%	$64,375	**$5,365**
3.0%	**$77,250**	**$6,438**
3.5%	**$90,125**	**$7,510**
4.0%	**$103,000**	**$8,583**
4.5%	$115,875	**$9,656**
5.0%	$128,750	**$10,729**

For you, I would initially target **3%–3.5%**, not 5%.

That gives you roughly **$6,400–$7,500/month from FTEC** while leaving substantial capital invested.

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2. Don't make FTEC your "paycheck"

This is the biggest change I would make psychologically.

Instead of:

> "FTEC went up, so I can spend the gains."

Think:

> **"FTEC is my retirement reservoir. I periodically harvest from it to fund my life."**

For example, establish a **$7,000/month retirement paycheck**.

That's:

$84,000/year

or approximately:

3.26% of $2.575M.

You don't need FTEC to pay you $7,000 in dividends.

You sell a small number of shares when necessary.

That's **total-return decumulation**.

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3. I would use a 3-bucket system

For a heavily equity-oriented portfolio like FTEC, this is particularly important.

BUCKET 1 — Spending

Keep approximately **12–24 months of planned withdrawals** outside FTEC.

If spending is $7,000/month:

$84,000–$168,000

This is your paycheck reserve.

You don't sell FTEC simply because you need groceries next month.

BUCKET 2 — Opportunity / Stability

Another **2–4 years of withdrawals** in relatively stable assets.

At $84K/year:

$168K–$336K

This gives you ammunition during a major technology-market downturn.

BUCKET 3 — FTEC

Everything else remains your **long-term growth engine**.

This is where your $2.575M primarily lives.

The purpose of Bucket 3 isn't to provide next month's spending.

Its purpose is:

grow → replenish → grow → replenish.

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4. Your first five years could look like this

I'd make **60–64 your "low withdrawal / high flexibility" years.**

Age 60

Start around:

$7,000/month

= $84,000/year

= **3.26%**

Don't automatically increase that amount every year.

Instead, use a **guardrail**.

If FTEC has an exceptional year, you can increase spending.

If FTEC crashes 30%, you temporarily live from the cash/stability buckets and avoid selling depressed shares.

Age 61

Same basic spending target.

Don't say:

> "FTEC went up 20%, therefore my spending goes up 20%."

Instead:

> **"My lifestyle is funded by a sustainable percentage of the portfolio."**

Age 62–64

This is where Social Security becomes part of the equation.

You don't necessarily need to claim Social Security at 62 simply because you're eligible.

For someone born in 1966, full retirement age is **67**, and delaying to 70 produces a benefit equal to **124% of the full-retirement-age benefit**. (Social Security Administration)

That creates an interesting strategy:

60–69:
FTEC/retirement assets fund more of the lifestyle.

70+:
Social Security becomes a much larger lifetime income floor.

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5. The really powerful strategy: spend FTEC before RMDs

You have a potentially valuable window between **60 and your RMD age**.

Under current law, people who attain age 73 before 2033 generally have RMDs beginning at 73; the applicable age rises to 75 for people attaining age 74 after 2032. (IRS)

That means you have years in which you can deliberately manage taxable income rather than simply waiting for forced distributions.

This is where **tax planning becomes part of decumulation**.

You can potentially use those years for:

- controlled withdrawals
- Roth conversions where appropriate
- realizing capital gains strategically
- filling lower tax brackets
- delaying Social Security

- reducing the size of future traditional retirement accounts

The objective isn't merely:

"How much can I withdraw?"

It's:

> **"From which account should I withdraw each dollar, and in what year?"**

That's a much more sophisticated decumulation strategy.

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6. Your FTEC portfolio gives you something unusual

Your five-year gain was approximately:

$1,325,000

on today's:

$2,575,003.66

That's roughly **51% of your current portfolio value** represented by that five-year increase.

That means you are entering retirement with something many retirees don't have:

A very large growth engine.

The mistake would be to say:

> "I'm retired, therefore I should stop investing."

I'd say the opposite.

You're retired, so you need to distinguish between:

capital you need soon

and

capital you won't need for decades.

The latter can remain invested for growth.

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7. Here's how I would structure your $7,000/month

Imagine your annual lifestyle requirement is:

$84,000/year

You don't necessarily withdraw $84K from FTEC on January 1.

Instead:

January–December

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Monthly transfers to checking

↓

Cash reserve replenished periodically

↓

FTEC shares sold strategically

↓

Taxes accounted for

↓

Portfolio reviewed annually

That turns a volatile asset into something that **feels like a pension**.

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8. Your "paycheck" should actually have three sources

Eventually:

Source A — Portfolio

Approximately:

$6,000–$7,500/month

depending on your spending target.

Source B — Social Security

Potentially beginning later.

SSA says benefits can begin at 62, but starting before 67 reduces the benefit; delaying beyond 67 increases it until age 70. (Social Security Administration)

Source C — Other retirement assets

Your traditional 401(k)/IRA assets can become another major component of the decumulation plan.

This is important because **FTEC and your traditional retirement accounts should not necessarily be treated identically.**

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9. The goal isn't to die with $0

This is where I think decumulation gets misunderstood.

There are three possible objectives:

A. Preserve everything

→ maximum inheritance
→ minimum lifestyle

B. Spend everything

→ maximum lifestyle
→ substantial longevity risk

C. Controlled depletion

→ enjoy the money
→ maintain a substantial safety margin
→ leave whatever remains to your family

For you, I'd favor **C**.

You don't need to turn $2.575M into $0.

You want something more like:

> **$2.575M → fund life → survive market crashes → fund later life → preserve optionality → leave whatever remains.**

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10. Your age-60 decumulation rule

If I were designing a simple rule for you, I'd start here:

THE 60-YEAR-OLD RULE

Base lifestyle: ~$7,000/month

Initial withdrawal: ~3.26%

Cash reserve: 12–24 months

FTEC: long-term growth engine

Social Security: consider delaying toward 70

Annual review: once per year

Bull market: harvest some gains

Bear market: spend from reserves and reduce FTEC sales

Never: automatically increase lifestyle just because the portfolio went up

Never: panic-sell FTEC because the market crashed

Goal: make your portfolio serve your life—not make your life serve your portfolio.

And there's an even bigger picture

If your **$2.575M FTEC + approximately $1.5M 401(k)** figures are still current, we're not really talking about a $2.575M retirement.

We're talking about roughly **$4.1M of financial assets before considering Social Security, your home, and other assets**.

At that scale, your problem is no longer primarily **"Can I afford to retire?"**

It becomes:

> **"How do I efficiently convert $4M+ of accumulated wealth into a 30–40 year stream of spending, while minimizing taxes and avoiding unnecessary sequence-of-returns risk?"**

That's a much better problem to have.