



RETIREMENT SPENDING SNAPSHOT

Three Key Retirement Income Questions Answered at a Glance

Your Retirement Spending Snapshot is designed to help you answer the three most important questions in retirement income planning:

1. **How much can I sustainably spend in retirement?**
2. **When and how should I adjust my spending as markets change?**
3. **How can I optimize my income for tax efficiency?**

1. How Much You Can Sustainably Spend

❖ Snapshot at a Glance – Key Assumptions

Point-in-time snapshot: This Snapshot reflects a moment-in-time estimate of sustainable monthly spending, assuming retirement were to begin today based on your current assets and known income sources. It does not assume future savings, new contributions, or additional assets beyond those shared with us.

Asset modeling approach: Assets are modeled as combined household totals across IRAs, Roth IRAs, taxable investments, and savings. Balances are tested using a 7.3% return assumption under a moderate risk profile. This return assumption is a planning placeholder used to evaluate sustainability—not a forecast of future growth.

Social Security assumptions: Social Security benefits are modeled using each individual's Full Retirement Age (FRA) monthly benefit as the baseline. Benefits are incorporated at FRA unless otherwise noted, with cost-of-living adjustments applied thereafter. This provides a neutral reference point for evaluating sustainable spending and avoids embedding an assumed claiming strategy into the Snapshot.

Income sources: Income includes Social Security and pension benefits shown separately for each spouse. Maximum monthly spending occurs once Social Security benefits begin at age 67 for Lynn and age 67 for Paul, with spousal benefits assumed for Paul once Lynn files.

Retirement timing and longevity: Retirement is assumed to begin immediately. Income needs are modeled over a 40-year planning horizon, covering longevity through age 95.

Inflation and stress testing: Inflation is assumed at 3.47% annually in the short term and 2.47% annually over the long term (10+ years). Rather than relying on a single return path, the plan is tested against historical market returns and inflation across a wide range of economic environments.

After-tax view: All spending estimates are shown after taxes under current tax law, reflecting true lifestyle spending capacity.

Based on your current financial picture, we review the information you've submitted and create a customized estimate of your sustainable monthly retirement spending at the start of retirement.

Here's what your Snapshot shows:

Category	Amount
 Base sustainable net spending	\$15,137/month
 Expected guaranteed income	\$14,359/month
 Lynn Social Security	\$2,822/month
 Paul Social Security	\$1,629/month
 Pension (inflation adjusted)	\$9,908/month
 Required portfolio draw	Varies over retirement
 Total assets modeled	~\$1,884,000
 Guardrails (Lower / Upper)	\$14,335 / \$17,625

Takeaway: Your retirement income is sustainable, supported by guaranteed sources and assets, with guardrails in place to help keep spending on track.

Why this matters: Knowing your baseline spending power answers the first big question—how much you can sustainably spend without jeopardizing your long-term plan.

Historical Analysis (Annualized from Monthly)

To give context to your baseline spending, your Snapshot includes a **Historical Analysis chart**. Instead of projecting one number into the future, it asks:

"If a household like yours had retired at different points in history, how much could they have sustainably spent?"

By using actual returns and inflation, it shows a range of outcomes in today's dollars.

- **Grounded in history, not theory**
- **Shows real spending ranges across bull and bear markets**
- **Help build confidence and caution**

Baseline

- The planned retirement paycheck (black line) sits just above \$10,000/month, closer to **\$10,500/month**, or about **\$126,000/year**.

High Spending Years

- In the strongest periods, peaks reach a bit above \$20,000 but stay well below \$25,000.
- A reasonable range is **\$21,000–\$23,000/month**, which annualizes to roughly **\$252,000–\$276,000/year**.

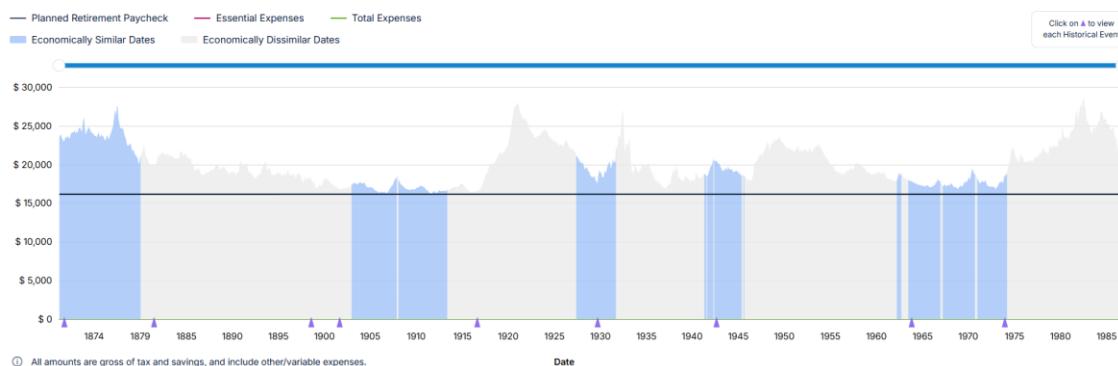
Low Spending Years

- In weaker environments, sustainable amounts dip only modestly below the baseline.
- Lows cluster around **\$11,000–\$12,000/month**, or about **\$132,000–\$144,000/year**.

Typical Range

- Most economically similar periods fall in a fairly narrow band above the baseline.
- Typical sustainable spending appears to be **\$12,000–\$15,000/month**, equivalent to **\$144,000–\$180,000/year**.

Overall, the chart suggests a much tighter historical spending range than your original draft, with upside meaningfully lower than \$25k+ months and downside holding close to the planned paycheck rather than collapsing.



2. When and How to Adjust Spending for Market Conditions

📌 Snapshot at a Glance – Key Assumptions

- **Markets matter:** Investment returns vary over time, so spending is tested against both rising and falling markets.
- **Guardrail thresholds:** Spending is adjusted only when your portfolio crosses certain upper or lower thresholds.
- **Adjustment size:** Increases and decreases are modeled as modest, not extreme — typically within a few percentage points.
- **Frequency:** Adjustments are evaluated annually and applied only if thresholds are met.
- **Taxes:** All figures shown reflect after-tax spending capacity.

For retirees who rely on their investments to fund part of their retirement, markets matter. Spending too much in a downturn can permanently damage the long-term sustainability of your plan, while failing to increase spending in strong markets can mean missing out on enjoying resources you've worked hard to save.

That's why your Snapshot includes **spending guardrails and stress-testing**—to create a disciplined, market-sensitive framework for adjusting your income as conditions change.

Why it matters: Market-sensitive spending helps protect your plan during difficult periods and ensures you benefit appropriately during periods of growth. This answers the second key question—*when and how should I adjust my spending as markets change?*

Guardrail Triggers — Your First Line of Defense

Guardrails tell you when it's safe to increase income or when a modest decrease is needed.

- ✓ **If your portfolio grows to \$2,181,330**, net income increases to \$17,625/month.
- ! **If your portfolio falls to \$1,437,951**, net income decreases to \$14,336/month.



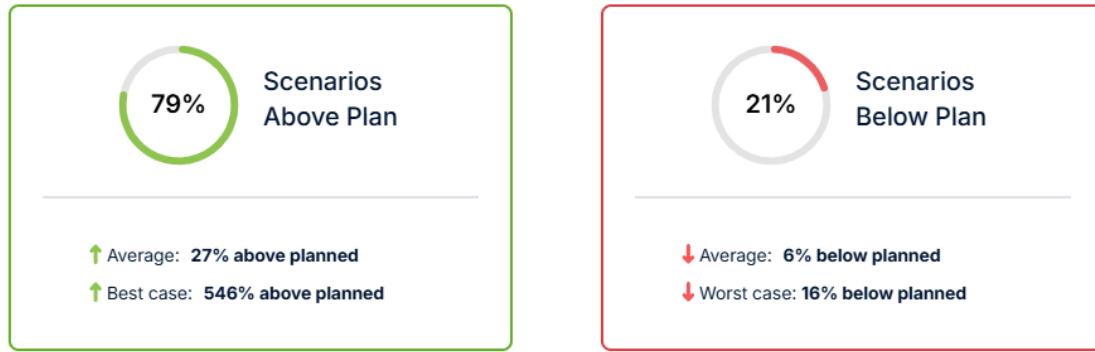
Values shown in **future dollars**. Income values are **monthly** and **gross of tax and savings**.

👉 *This chart demonstrates how market-sensitive thresholds protect your plan from overspending while allowing you to enjoy more in periods of strong growth.*

Lifetime Income Experience — Knowing *When* to Adjust

Guardrails provide thresholds, but how often will those conditions actually happen? The **Lifetime Income Experience** analysis stress-tests your plan across thousands of historical scenarios to show *when* adjustments might realistically be needed.

- ✓ In 79% of cases, outcomes exceeded your plan—on average 27% higher.
- ⚠ Only 21% of cases fell below plan, with a modest shortfall of about 6%.

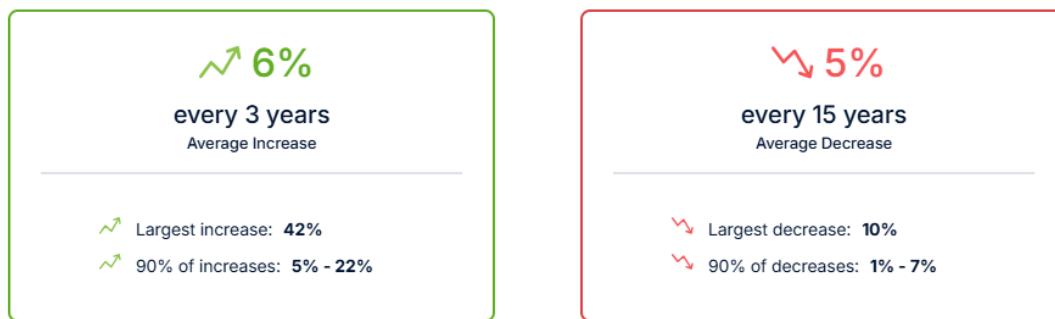


👉 This chart illustrates that even across volatile markets, a market-sensitive spending approach has historically preserved or improved retirement outcomes.

Income Adjustments Over Time — Understanding How to Adjust

Knowing when adjustments might be triggered is only part of the picture. The **Income Adjustments Over Time** analysis shows how those changes are likely to play out during retirement:

- ✓ **Increases are frequent and steady** — averaging about **6% every 3 years**, with most between **5-22%**.
- ⚠ **Decreases are uncommon and mild** — about **once every 15 years**, typically **1-7%**.



👉 This chart highlights that with market-sensitive adjustments, increases are frequent, while reductions are infrequent and minor—keeping your plan resilient over decades.

3. How to Optimize Spending for Tax Efficiency

Tax planning is the third piece of the puzzle, because taxes directly affect both **how much you can sustainably spend** and **when and how adjustments may be needed**.

- In **Section 1**, we showed your spending estimates in *after-tax* terms, so you see your true lifestyle capacity.
- In **Section 2**, we highlighted how your income can adjust to markets. Tax strategies often shape the timing and size of those adjustments, for example, whether to withdraw from traditional IRAs, Roth accounts, or taxable assets.

While your Snapshot doesn't display a separate tax chart, tax efficiency is **woven throughout the analysis**:

- **Strategic Social Security timing** can reduce taxable income and increase lifetime benefits.
- **Roth conversions** during lower-income years can minimize required withdrawals later.
- **Coordinated withdrawals across account types** help manage brackets and extend the life of your portfolio.

Why it matters: Tax planning directly impacts how long your resources last. Even small adjustments can add years of income to your plan.

Key Observations

- This Snapshot is designed to help you define a **sustainable retirement lifestyle**, not validate one already chosen.
- Your projected range aligns with your income sources and portfolio.
- Strategic Social Security timing and tax planning can further strengthen your outlook.

Next Steps

- Your retirement picture is strong, but with some planning, it could be even stronger.
- We specialize in creating **tax-efficient retirement income plans** tailored for your household.
- Our services are built for an **ongoing planning relationship**, because retirement isn't a one-time event. Markets shift, tax laws change, and your needs evolve. Ongoing management ensures your investments, income, and taxes stay aligned with your goals year after year.

-  [Book your free planning call here](#) if you have not already done so.

Disclaimer:

The Retirement Spending Snapshot is a high-level approximation of your current financial position based on the information you provided. It is intended for informational purposes only and does not guarantee future outcomes or performance. The accuracy of this report depends on the accuracy and completeness of the data submitted. Receipt of this report does not establish a client relationship with Mark Sharp Retirement, nor does it imply any ongoing commitment by either party. Ongoing monitoring, management, and updates to this analysis are available only to clients enrolled in our [ongoing planning service](#). We do not provide project-based or one-time services.