Weight, Range, and Fuel: What a Flight Plan Can Teach Your Retirement Portfolio

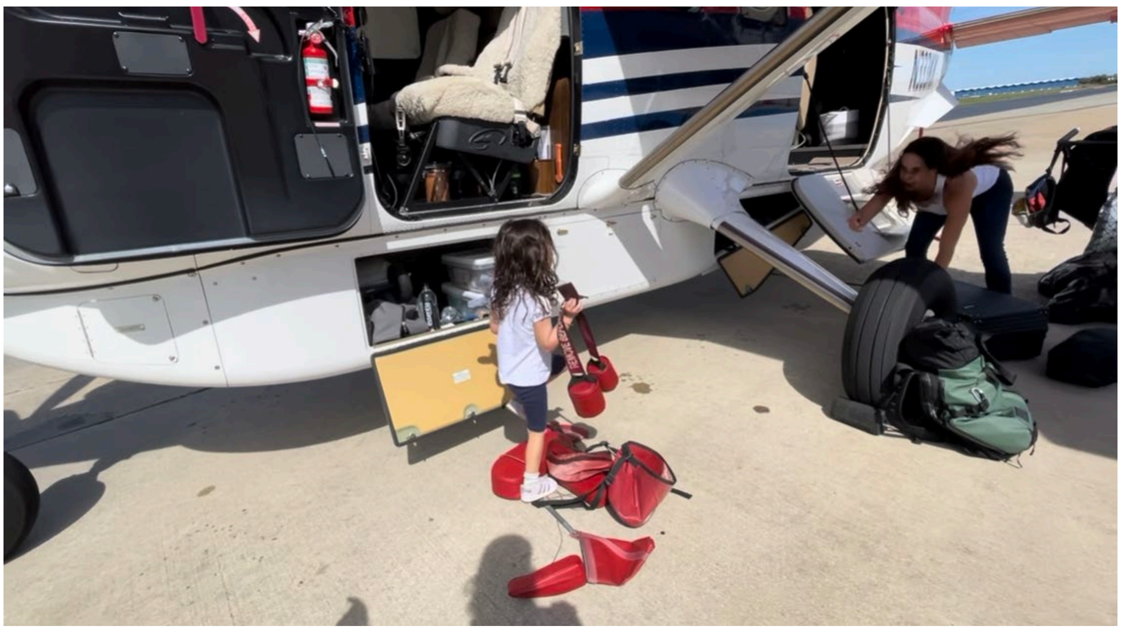
Every time my family plans a trip by airplane, the conversation always starts the same way: how many stops are we making, how long will it take, where will we stop, what will the weather be like. These sound like simple questions, but they actually define the entire flight: how many hours between rest stops, stretching our legs, and grabbing a meal. If we accept more stops along the way, we can carry more passengers or more luggage, because we know we will refuel at each stop, using that same rest break. We do not need to carry all the fuel for the entire trip from the start. On the other hand, if we want to fly nonstop, fuel becomes the priority, which leaves less room available for passengers or bags.

Interestingly, when a client asks me to build their retirement portfolio, the conversation looks a lot like that family conversation before a flight, even though almost no one notices it at first. Many people arrive thinking retirement is simply a lump sum, growing at a fixed interest rate, over a set number of years, and that alone determines whether they can live comfortably or not. But it is just as dynamic as the conversation about the family trip:

sometimes we will accumulate stocks and take gains from them when it makes sense, sometimes we will live off the income that bonds and preferred stocks provide through their dividends, sometimes we will combine both sources, and sometimes we will simply delay a withdrawal while the portfolio strengthens, or while a storm passes through the markets.

This same logic, choosing between frequent stops with more load or a direct flight with more fuel, is exactly what anyone building a retirement investment portfolio faces.

The Breaking Point: When Every Mile Costs You a Suitcase.



This principle is formalized in the Breguet range equation, developed in the 1920s. Aircraft take-off with a lot of fuel, so the aircraft weight changes with time and accordingly so do almost all the parameters considered during flight.

The FAA's Pilot's Weight and Balance Handbook is even more direct about the consequences of overloading. Excessive weight reduces takeoff performance, climb capability, range, maneuverability and overall efficiency.

Fuel or Cargo: The Same Decision, Wearing a Different Uniform.

Let's swap the airplane for an investment portfolio, and fuel for growth. When someone in retirement decides to maximize the monthly income they withdraw from their portfolio, much like a pilot who decides to maximize passengers and luggage, they are making a weight decision.

On the other hand, if a retiree can live with somewhat lower monthly income, or can trim non-essential expenses, that frees up room in the portfolio to invest in growth equities. This is literally carrying less immediate income baggage in order to carry more long-term growth fuel.

Morningstar's 2025 research suggests that 3.9% is the highest starting safe withdrawal rate for retirees seeking a consistent level of inflation-adjusted spending from year to year.

The Reserve Tank: Why Storms Should Not Ground the Flight.

No experienced pilot plans a long crossing without considering alternatives. If headwinds are stronger than expected, there is always the option of making a technical stop to refuel. That is not a failure of the plan, it is part of the plan.

The Pilot in Command: There Is No Single Correct Route for Everyone. In aviation, the final decision about how much cargo and how much fuel to carry rests with the pilot in command, based on the day's conditions. Likewise, there is no single correct combination of income and growth for every retirement portfolio.

The Final Destination: Arriving, Not Just Taking Off.

The next time someone asks why their retirement portfolio isn't generating more monthly income, or why it isn't growing faster, the answer follows the same logic as a pilot explaining why they couldn't carry every passenger they wanted with a full tank. The right question is what combination of income and growth safely carries you to your final destination.

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