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12 People Who Are Changing Your Retirement

These pioneers are shaping the way Americans will live, work and play

By **KELLY GREENE**

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William Bengen
The Numbers Guy

It's the most frequent question, and biggest concern, for many people approaching retirement: How big a nest egg will I need, and how do I make it last?

William Bengen is working on that.



Mr. Bengen, a certified financial planner in El Cajon, Calif., has already achieved what amounts to rock-star status in the retirement-planning business. His pioneering research in the 1990s gave rise to the "4% rule": Withdraw no more than about 4% a year from your nest egg, and it's highly likely that your savings will last 30 years. That finding has already helped to establish budgets and spending patterns for numerous retirees.

Today, Mr. Bengen, age 60, continues to refine his research. In 2006, he introduced a method of withdrawing funds from nest eggs that tailors the 4% rule to individual circumstances. (It's online at www.fpanet.org/journal. Click on "Past Issues & Articles," then on "Past Issues," and go to August 2006.) And now, he is researching, he says, "the possibility that dividend-paying stocks, particularly those that increase dividends over time, might provide a better retirement resource than the S&P 500." As Mr. Bengen explains: "The thesis is that those have at least as high a total return as S&P 500 stocks, and they have lower volatility.... If you have stocks that don't go down as much in the bear markets, you're better off."

Mr. Bengen doesn't see himself as shaping baby boomers' financial future. He says he simply wants to help his 60 or so clients.

"I was starting to get some clients who were planning for retirement," he recalls, "and they were asking me, 'How much can I take out, and how should I set up my investments?' And I couldn't find a thing substantiated by any research."