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## Blog #187

### Yield and Growth Assumptions Sequence of Returns

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#### InsMark Illustration System

Other Investment vs. Your Policy

Various Financial Alternatives

Permanent vs. Term

InsCalc® Calculators

#### Wealthy and Wise®

### Yield and Growth Assumptions

Yields and growth rates in the investment alternative for an evaluation like this should reflect what you and your client believe are reasonable. They can be level as shown in Blog #187 or variable based on schedules you input.

### Sequence of Returns

In addition to your specifying annual yields and growth for the investment alternative, you can generate random results between selected high and low percentages to result in a more realistic sequence of returns. If you do this, we suggest you keep repeating that selection until you get several low yields or growth during the early years of retirement cash flow. Once cash flow occurs, it is not enough for returns to average out in the long run if the portfolio collapses before the good returns show up. You can access an informative report by Michael Kitces on the sequence of returns [here](#).

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