PERSONAL FINANCE / FIELD REFERENCE

By **Wali Khan** · walikhan.co

10 Numbers Every Investor Should Know by Heart

None of these are secrets. They're the handful of figures that quietly separate the investor who retires comfortably from the one who doesn't.

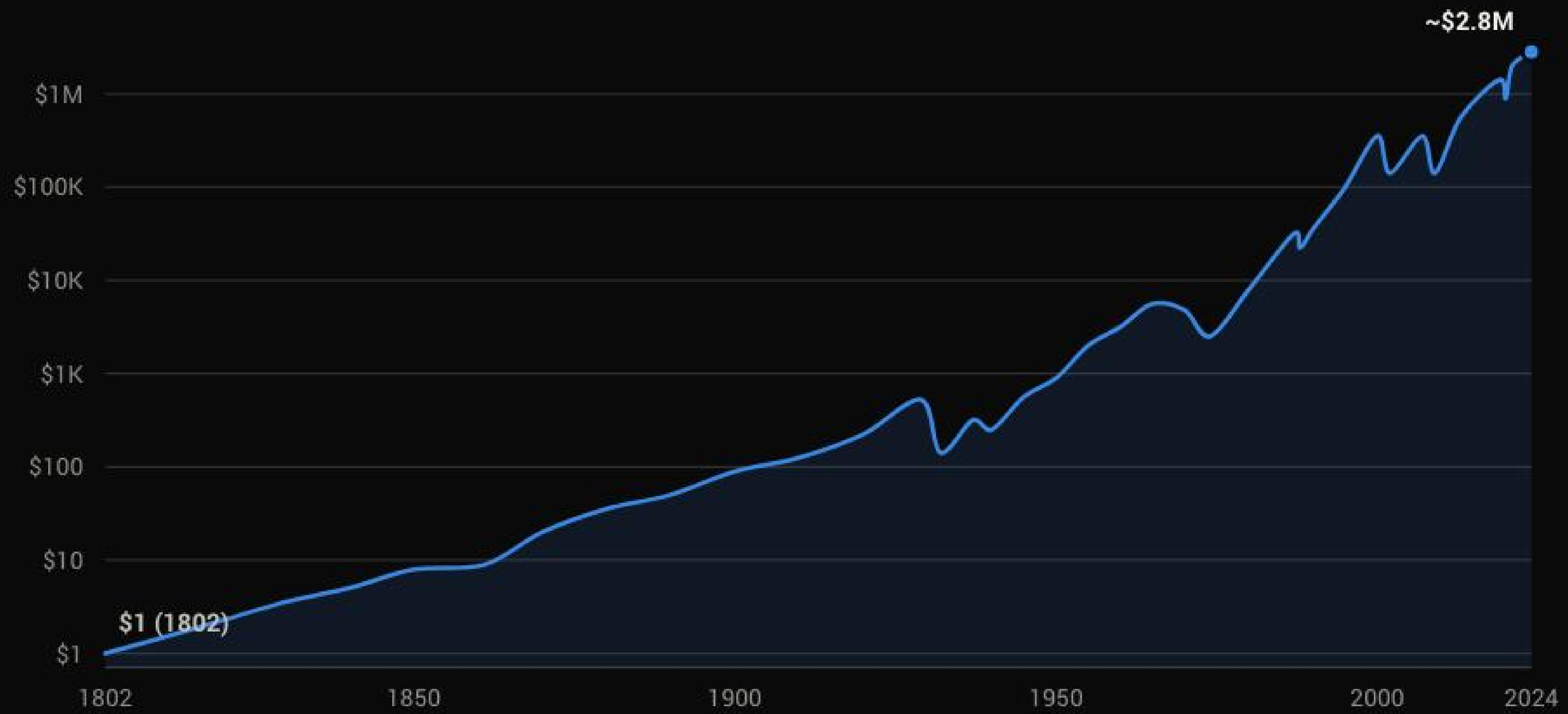
6.9% · 72÷r · 40% · 2% · 10 days · 0.98 · 4% · -14% · 1% · 100%

Swipe through all 10 →

6.9%

The real return of stocks, after inflation

Growth of $1 invested in US stocks, ~1802–2024, inflation-adjusted, log scale. Wars, depressions, and crashes are all in this line.



Illustrative — modeled on the ~200-year historical real-return average (Siegel).

$72 \div r$

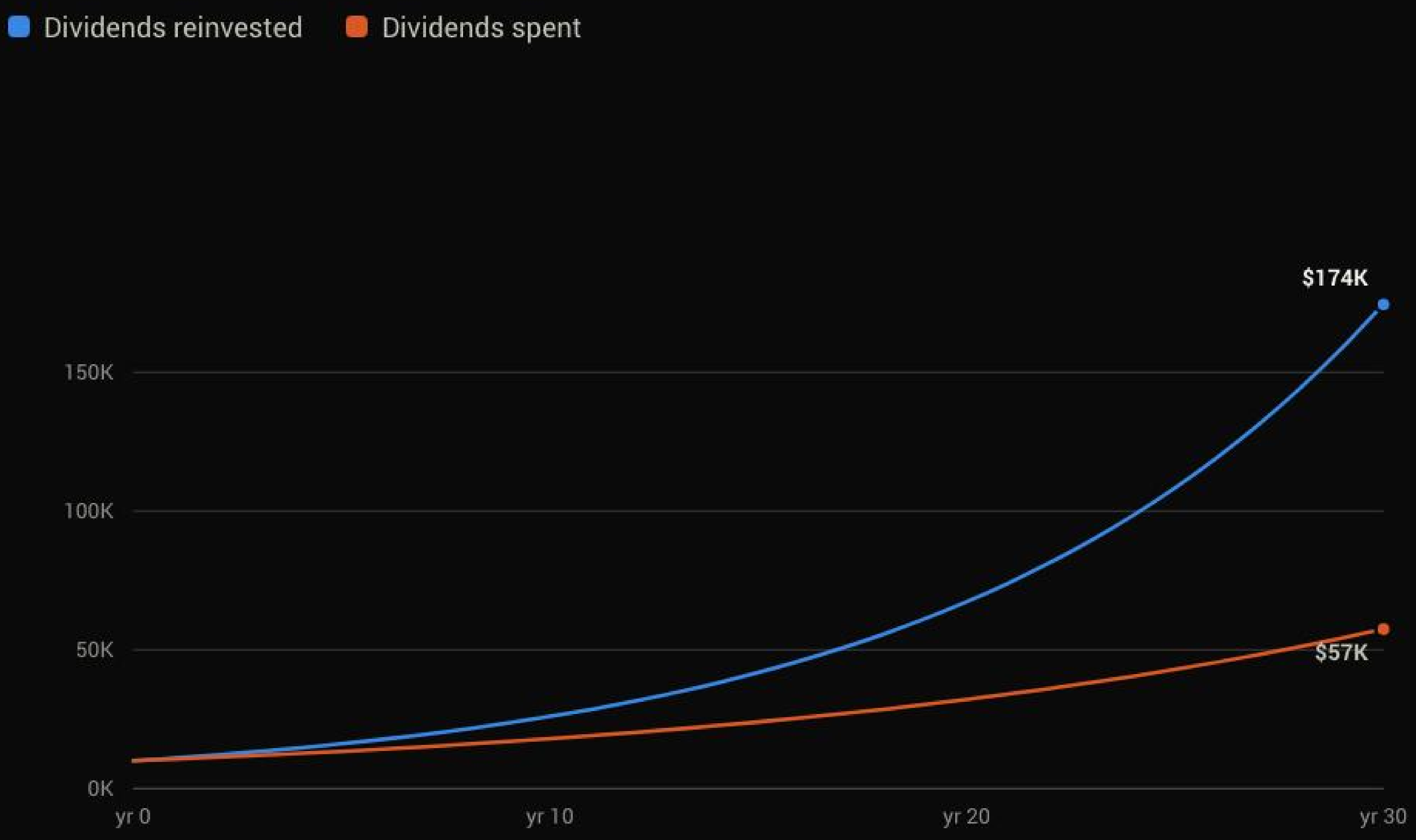
The Rule of 72 — how fast money doubles

Divide 72 by your annual return to get the years to double. Same money, four return rates — wildly different doubling times.

40%

Of your return comes from reinvested dividends

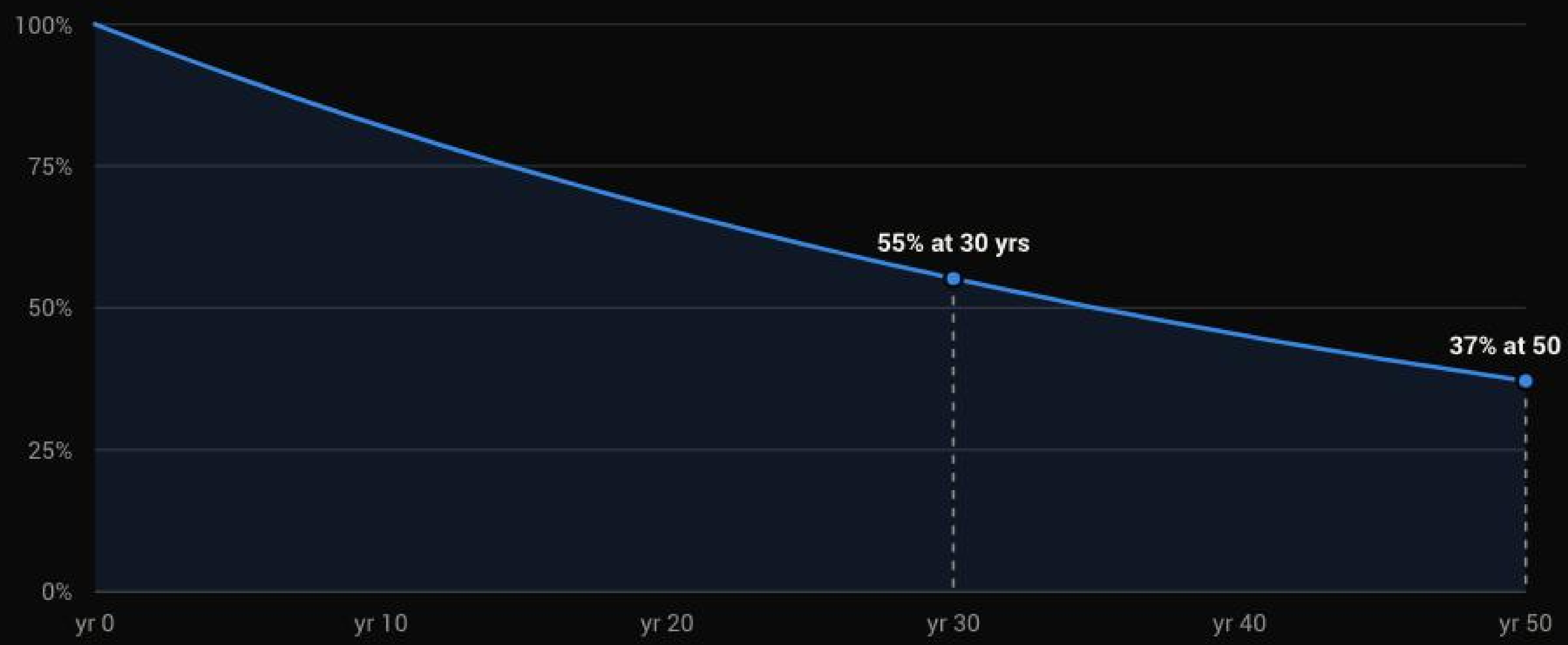
$10,000 invested for 30 years — dividends reinvested vs. dividends spent instead of compounded.



2%

The inflation rate that quietly erodes cash

Purchasing power of 100,000 AED held in cash at 2% average inflation, over 50 years.



10 days

Miss them, and you wreck your returns

$10,000 invested over 20 years — staying fully invested vs. missing just the 10 best trading days.

0.98

Correlation of price to earnings, long-run

S&P 500 price vs. corporate earnings, indexed to 100 — 30 years.
Noisy month to month, almost a straight line over decades.

4%

The safe withdrawal rate in retirement

The share of your portfolio you can draw down each year and, historically, not run out of money for 30+ years.

2,000,000 AED × 4%

= 80,000 AED / yr

Annual withdrawal

Remaining portfolio, reinvested

-14%

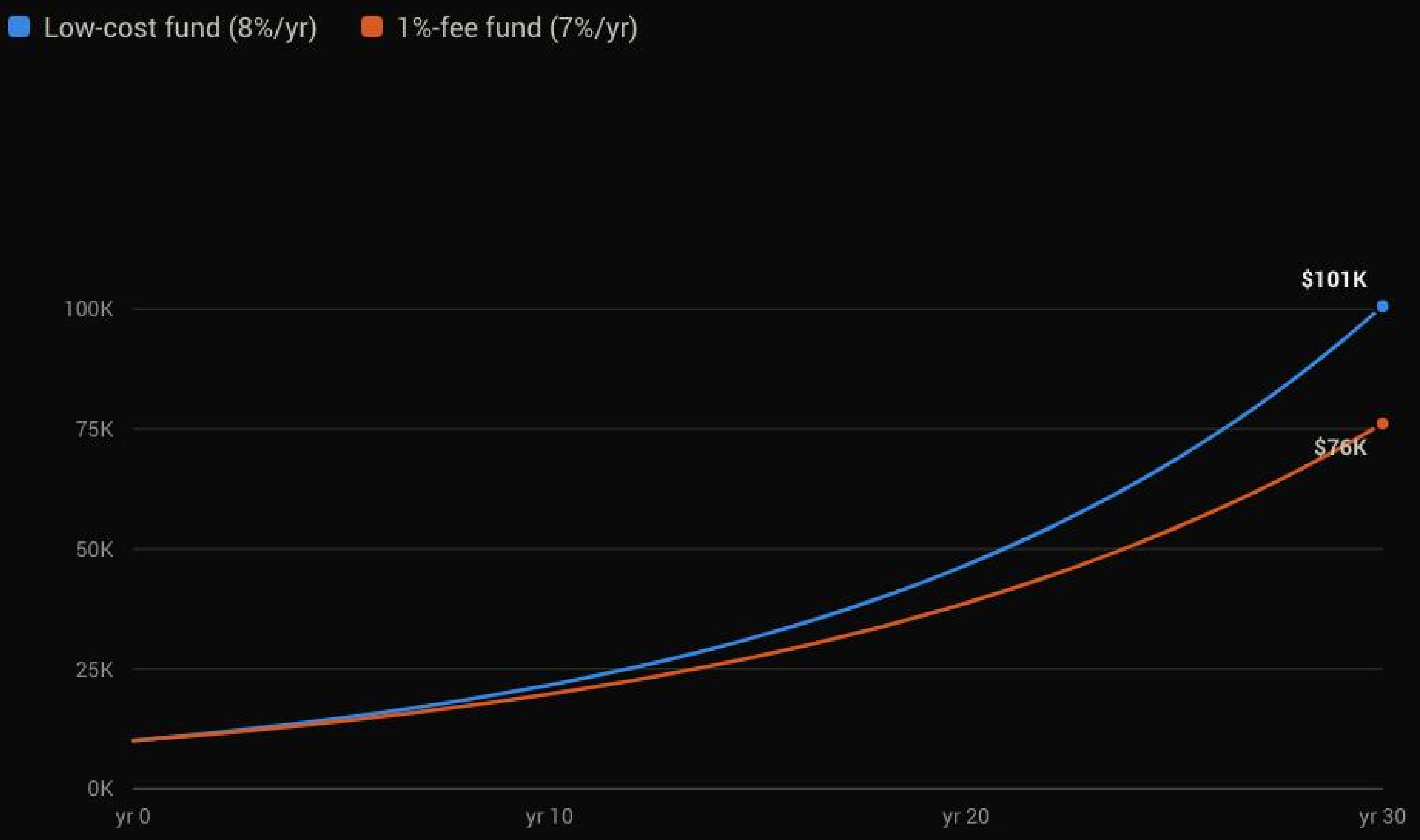
The normal dip you should expect every year

Calendar-year return vs. the deepest intra-year drop, S&P 500, recent years.

1%

The fee that quietly eats a quarter of your nest egg

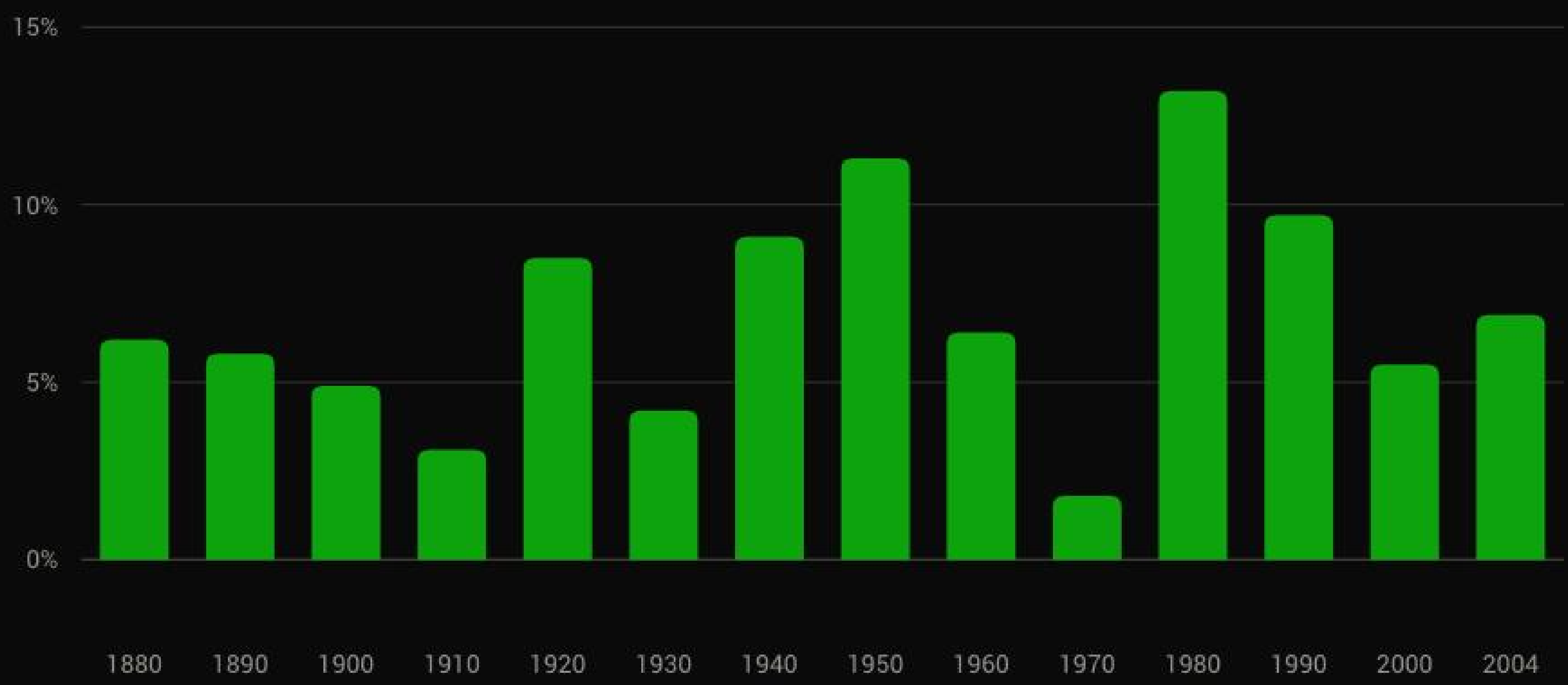
$10,000 invested for 30 years — a fund charging 1% more in annual fees leaves you with roughly a quarter less at the end.



100%

Every 20-year period has been positive

Annualized real return for rolling 20-year holding periods, sampled across ~150 years of market history.



The recap

6.9%	Real long-run return of stocks, after inflation
72 ÷ r	Rule of 72 — years for money to double
40%	Of total return comes from reinvested dividends
2%	Inflation quietly halves cash in ~30 years
10 days	Miss the best ones, lose half your gains
0.98	Correlation of price to earnings, long-run
4%	Safe withdrawal rate in retirement
-14%	Normal intra-year dip, every single year
1%	In fees can cost you a quarter of your ending balance
100%	Of 20-year periods have been positive

Save this for the next time markets get noisy.

Share it with someone just starting their investing journey.

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