Time and Growth of Money

Time is a vital factor in accumulating wealth. The following tables illustrate the effect of time and after-tax interest in accumulating funds.

Growth of a Single Lump-Sum Investment

Years of Growth	$20,000 Compounded at	
	5%	8%
5	$25,526	$29,387
10	32,578	43,178
15	41,579	63,443
20	53,066	93,219
25	67,727	136,970
30	86,439	201,253
35	110,320	295,707
40	140,800	434,490

In other words, in a period 8 times longer (40 years rather than 5 years) the investment result at 8% is 15 times greater growth (434,490 divided by $29,387).

Growth of a Fund to Which $6,000 Is Added at the Beginning of Each Year

$6,000 per Year at 5%	Total Contributed	Will Grow to	Growth	Percent Increase
5	$30,000	$34,811	$4,811	16%
10	60,000	79,241	19,241	32%
15	90,000	135,945	45,945	51%
20	120,000	208,316	88,316	74%
25	150,000	300,681	150,681	100%
30	180,000	418,565	238,565	133%
35	210,000	569,018	359,018	171%
40	240,000	761,039	521,039	217%

These tables assume a 5% rate of return after taxes and that the earnings are reinvested.

Values shown in this presentation are hypothetical and not a promise of future performance.

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