

This shows the effect of starting saving at 21 by Nan compared to trying to catch up ten years later by Dan

Nan started at age of 21			Dan started at age of 31		
Year	Contribution	Year end value	Year	Contribution	Year end value
21	\$5,000	\$5,400	21	\$0	\$0
22	\$5,000	\$11,232	22	\$0	\$0
23	\$5,000	\$17,531	23	\$0	\$0
24	\$5,000	\$24,333	24	\$0	\$0
25	\$5,000	\$31,680	25	\$0	\$0
26	\$5,000	\$39,614	26	\$0	\$0
27	\$5,000	\$48,183	27	\$0	\$0
28	\$5,000	\$57,438	28	\$0	\$0
29	\$5,000	\$67,433	29	\$0	\$0
30	\$5,000	\$78,227	30	\$0	\$0
31	\$0.00	\$84,486	31	\$5,000	\$5,400
32	\$0.00	\$91,244	32	\$5,000	\$11,232
33	\$0.00	\$98,544	33	\$5,000	\$17,531
34	\$0.00	\$106,428	34	\$5,000	\$24,333
35	\$0.00	\$114,942	35	\$5,000	\$31,680
36	\$0.00	\$124,137	36	\$5,000	\$39,614
37	\$0.00	\$134,068	37	\$5,000	\$48,183
38	\$0.00	\$144,794	38	\$5,000	\$57,438
39	\$0.00	\$156,377	39	\$5,000	\$67,433
40	\$0.00	\$168,887	40	\$5,000	\$78,227
41	\$0.00	\$182,398	41	\$5,000	\$89,886
42	\$0.00	\$196,990	42	\$5,000	\$102,476
43	\$0.00	\$212,749	43	\$5,000	\$116,075
44	\$0.00	\$229,769	44	\$5,000	\$130,761
45	\$0.00	\$248,151	45	\$5,000	\$146,621
46	\$0.00	\$268,003	46	\$5,000	\$163,751
47	\$0.00	\$289,443	47	\$5,000	\$182,251
48	\$0.00	\$312,598	48	\$5,000	\$202,231
49	\$0.00	\$337,606	49	\$5,000	\$223,810
50	\$0.00	\$364,615	50	\$5,000	\$247,115
51	\$0.00	\$393,784	51	\$5,000	\$272,284
52	\$0.00	\$425,287	52	\$5,000	\$299,466
53	\$0.00	\$459,310	53	\$5,000	\$328,824
54	\$0.00	\$496,054	54	\$5,000	\$360,530
55	\$0.00	\$535,739	55	\$5,000	\$394,772
56	\$0.00	\$578,598	56	\$5,000	\$431,754
57	\$0.00	\$624,886	57	\$5,000	\$471,694
58	\$0.00	\$674,876	58	\$5,000	\$514,830
59	\$0.00	\$728,867	59	\$5,000	\$561,416
60	\$0.00	\$787,176	60	\$5,000	\$611,729
61	\$0.00	\$850,150	61	\$5,000	\$666,068
62	\$0.00	\$918,162	62	\$5,000	\$724,753
63	\$0.00	\$991,615	63	\$5,000	\$788,133
64	\$0.00	\$1,070,944	64	\$5,000	\$856,584
65	\$0.00	\$1,156,620	65	\$5,000	\$930,511
66	\$0.00	\$1,249,149	66	\$5,000	\$1,010,352
67	\$0.00	\$1,349,081	67	\$5,000	\$1,096,580
68	\$0.00	\$1,457,008	68	\$5,000	\$1,189,706
69	\$0.00	\$1,573,568	69	\$5,000	\$1,290,283
70	\$0.00	\$1,699,454	70	\$5,000	\$1,398,905

The method of calculation is the simplest and is used for order of magnitude. It is the sum of 12 monthly payments times 1.08 which assumes a 8% return

This illustration is not a prediction or projection of investment results, does not constitute a solicitation for sale and is for educational purposes only. This information is not meant to be personalized; you should seek the advice of a professional regarding your investments.