

This shows the effect of starting saving at 31 by Nan compared to trying to catch up ten years later by Dan

Nan started at age of 31			Dan started at age of 41		
Year	Contribution	Year end value	Year	Contribution	Year end value
31	\$5,000	\$5,400	31	\$0	\$0
32	\$5,000	\$11,232	32	\$0	\$0
33	\$5,000	\$17,531	33	\$0	\$0
34	\$5,000	\$24,333	34	\$0	\$0
35	\$5,000	\$31,680	35	\$0	\$0
36	\$5,000	\$39,614	36	\$0	\$0
37	\$5,000	\$48,183	37	\$0	\$0
38	\$5,000	\$57,438	38	\$0	\$0
39	\$5,000	\$67,433	39	\$0	\$0
40	\$5,000	\$78,227	40	\$0	\$0
41	\$0.00	\$84,486	41	\$5,000	\$5,400
42	\$0.00	\$91,244	42	\$5,000	\$11,232
43	\$0.00	\$98,544	43	\$5,000	\$17,531
44	\$0.00	\$106,428	44	\$5,000	\$24,333
45	\$0.00	\$114,942	45	\$5,000	\$31,680
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64	\$0.00	\$496,054	64	\$5,000	\$360,530
65	\$0.00	\$535,739	65	\$5,000	\$394,772
66	\$0.00	\$578,598	66	\$5,000	\$431,754
67	\$0.00	\$624,886	67	\$5,000	\$471,694
68	\$0.00	\$674,876	68	\$5,000	\$514,830
69	\$0.00	\$728,867	69	\$5,000	\$561,416
70	\$0.00	\$787,176	70	\$5,000	\$611,729

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.