

This shows the effect of starting saving at 41 by Nan compared to trying to catch up ten years later by Dan

<i>Nan started at age of 41</i>			<i>Dan started at age of 51</i>		
Year	Contribution	Year end value	Year	Contribution	Year end value
41	\$5,000	\$5,400	41	\$0	\$0
42	\$5,000	\$11,232	42	\$0	\$0
43	\$5,000	\$17,531	43	\$0	\$0
44	\$5,000	\$24,333	44	\$0	\$0
45	\$5,000	\$31,680	45	\$0	\$0
46	\$5,000	\$39,614	46	\$0	\$0
47	\$5,000	\$48,183	47	\$0	\$0
48	\$5,000	\$57,438	48	\$0	\$0
49	\$5,000	\$67,433	49	\$0	\$0
50	\$5,000	\$78,227	50	\$0	\$0
51	\$0.00	\$84,486	51	\$5,000	\$5,400
52	\$0.00	\$91,244	52	\$5,000	\$11,232
<hr/>					
67	\$0.00	\$289,443	67	\$5,000	\$182,251
68	\$0.00	\$312,598	68	\$5,000	\$202,231
69	\$0.00	\$337,606	69	\$5,000	\$223,810
70	\$0.00	\$364,615	70	\$5,000	\$247,115

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.