

# 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 \$7,000 Is Added at the Beginning of Each Year

\$7,000 per Year at 5%	Total Contributed	Will Grow to	Growth	Percent Increase
5	\$35,000	\$40,613	\$5,613	16%
10	70,000	92,448	22,448	32%
15	105,000	158,602	53,602	51%
20	140,000	243,035	103,035	74%
25	175,000	350,794	175,794	100%
30	210,000	488,326	278,326	133%
35	245,000	663,854	418,854	171%
40	280,000	887,878	607,878	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.