

# WHAT IS THE VALUE OF COMPOUND INTEREST?

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## INTRODUCTION

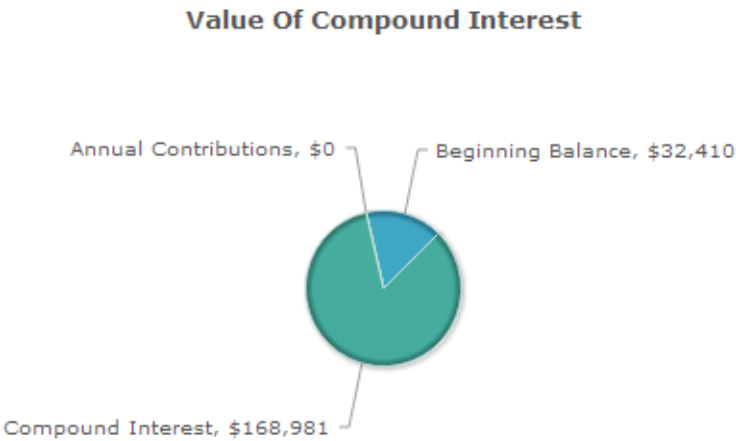
Compound interest can have a dramatic effect on the growth of an investment. Use this compound interest calculator to illustrate the impact of compound interest on the future value of an asset.

## SUMMARY OF INPUT

Initial balance or deposit	\$32,410
Annual savings amount	\$0
Annual increase in contributions	0.00%
Number of years for the analysis	27
Before-tax return on savings	7.00%

## ANALYSIS

Compound interest is the difference between the cash you contribute to an investment and the actual future value of the investment. In this case, by contributing just \$0 per year with the annual contribution being increased by 0% per year (cumulative contributions of \$32,410) you are able to accumulate \$201,391 over 27 years. Compound interest makes up \$168,981 of your future balance.



Year	Beginning Balance	Savings @ 0.00%	Interest @ 7.00%	Ending Balance
1	\$32,410	\$0	\$2,269	\$34,679
2	34,679	0	2,428	37,106
3	37,106	0	2,597	39,704
4	39,704	0	2,779	42,483
5	42,483	0	2,974	45,457
6	45,457	0	3,182	48,639
7	48,639	0	3,405	52,043
8	52,043	0	3,643	55,686
9	55,686	0	3,898	59,584
10	59,584	0	4,171	63,755
11	63,755	0	4,463	68,218
12	68,218	0	4,775	72,994
13	72,994	0	5,110	78,103

14	78,103	0	5,467	83,570
15	83,570	0	5,850	89,420
16	89,420	0	6,259	95,680
17	95,680	0	6,698	102,377
18	102,377	0	7,166	109,544
19	109,544	0	7,668	117,212
20	117,212	0	8,205	125,416
21	125,416	0	8,779	134,196
22	134,196	0	9,394	143,589
23	143,589	0	10,051	153,641
24	153,641	0	10,755	164,395
25	164,395	0	11,508	175,903
26	175,903	0	12,313	188,216
27	\$188,216	\$0	\$13,175	\$201,391

This information may help you analyze your financial needs. It is based on information and assumptions provided by you regarding your goals, expectations and financial situation. The calculations provided should not be construed as financial, legal or tax advice. In addition, such information should not be relied upon as the only source of information. This is for illustrative purposes only. Your results may vary.

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