

WHAT IS THE VALUE OF COMPOUND INTEREST?

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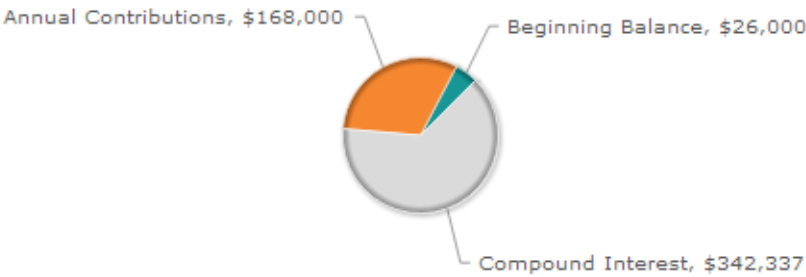
INTRODUCTION

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.

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 \$8,400 per year with the annual contribution being increased by 0% per year (cumulative contributions of \$194,000) you are able to accumulate \$536,337 over 20 years. Compound interest makes up \$342,337 of your future balance.

Value Of Compound Interest



Year	Beginning Balance	Savings @ 0.00%	Interest @ 8.00%	Ending Balance
1	\$26,000	\$8,400	\$2,752	\$37,152
2	37,152	8,400	3,644	49,196
3	49,196	8,400	4,608	62,204
4	62,204	8,400	5,648	76,252
5	76,252	8,400	6,772	91,424
6	91,424	8,400	7,986	107,810
7	107,810	8,400	9,297	125,507
8	125,507	8,400	10,713	144,620
9	144,620	8,400	12,242	165,261
10	165,261	8,400	13,893	187,554
11	187,554	8,400	15,676	211,630
12	211,630	8,400	17,602	237,633
13	237,633	8,400	19,683	265,716

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 do not infer that the company assumes any fiduciary duties. 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 information is supplied from sources we believe to be reliable but we cannot guarantee its accuracy. Hypothetical illustrations may provide historical or current performance information. Past performance does not guarantee nor indicate future results.

These projections are hypothetical. This information is meant to provide you with a general idea about your retirement income needs. The results given are for illustrative purposes only and do not represent the actual performance of any current or future investment. Rates of return will vary over time, especially for long-term investments.

14	265,716	8,400	21,929	296,045
15	296,045	8,400	24,356	328,800
16	328,800	8,400	26,976	364,176
17	364,176	8,400	29,806	402,383
18	402,383	8,400	32,863	443,645
19	443,645	8,400	36,164	488,209
20	\$488,209	\$8,400	\$39,729	\$536,337

SUMMARY OF INPUT

Initial balance or deposit	\$26,000
Annual savings amount	\$8,400
Annual increase in contributions	0.00%
Number of years for the analysis	20
Before-tax return on savings	8.00%

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