

# 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.

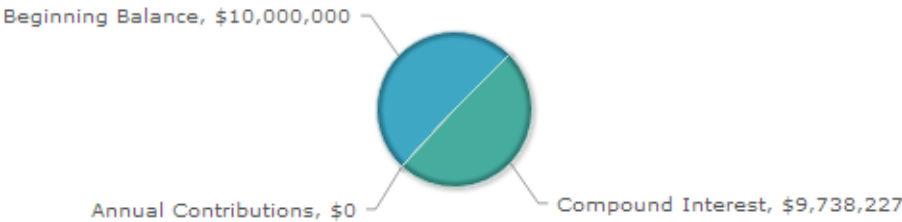
## SUMMARY OF INPUT

Initial balance or deposit	\$10,000,000
Annual savings amount	\$0
Annual increase in contributions	0.00%
Number of years for the analysis	6
Before-tax return on savings	12.00%

## 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 \$1.0E7) you are able to accumulate \$1.9738227E7 over 6 years. Compound interest makes up \$9,738,227 of your future balance.

### Value Of Compound Interest



Year	Beginning Balance	Savings @ 0.00%	Interest @ 12.00%	Ending Balance
1	\$10,000,000	\$0	\$1,200,000	\$11,200,000
2	11,200,000	0	1,344,000	12,544,000
3	12,544,000	0	1,505,280	14,049,280
4	14,049,280	0	1,685,914	15,735,194
5	15,735,194	0	1,888,223	17,623,417
6	\$17,623,417	\$0	\$2,114,810	\$19,738,227

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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