

WHAT IS THE VALUE OF COMPOUND INTEREST?

Date: August 18, 2025

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.

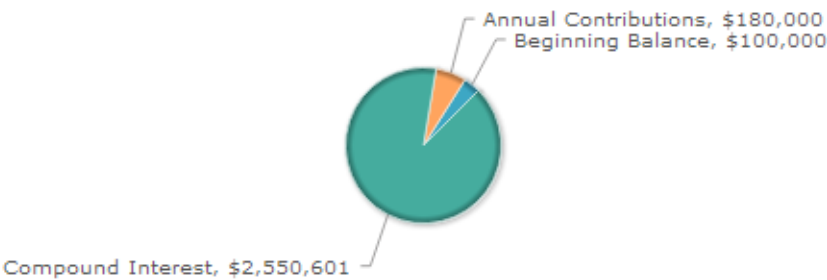
SUMMARY OF INPUT

Initial balance or deposit	\$100,000
Annual savings amount	\$6,000
Annual increase in contributions	0.00%
Number of years for the analysis	30
Before-tax return on savings	10.00%

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 \$6,000 per year with the annual contribution being increased by 0% per year (cumulative contributions of \$280,000) you are able to accumulate \$2,830,601 over 30 years. Compound interest makes up \$2,550,601 of your future balance.

Value Of Compound Interest



Year	Beginning Balance	Savings @ 0.00%	Interest @ 10.00%	Ending Balance
1	\$100,000	\$6,000	\$10,600	\$116,600
2	116,600	6,000	12,260	134,860
3	134,860	6,000	14,086	154,946
4	154,946	6,000	16,095	177,041
5	177,041	6,000	18,304	201,345
6	201,345	6,000	20,734	228,079
7	228,079	6,000	23,408	257,487
8	257,487	6,000	26,349	289,836
9	289,836	6,000	29,584	325,419
10	325,419	6,000	33,142	364,561
11	364,561	6,000	37,056	407,617
12	407,617	6,000	41,362	454,979
13	454,979	6,000	46,098	507,077

14	507,077	6,000	51,308	564,385
15	564,385	6,000	57,038	627,423
16	627,423	6,000	63,342	696,766
17	696,766	6,000	70,277	773,042
18	773,042	6,000	77,904	856,946
19	856,946	6,000	86,295	949,241
20	949,241	6,000	95,524	1,050,765
21	1,050,765	6,000	105,676	1,162,441
22	1,162,441	6,000	116,844	1,285,286
23	1,285,286	6,000	129,129	1,420,414
24	1,420,414	6,000	142,641	1,569,056
25	1,569,056	6,000	157,506	1,732,561
26	1,732,561	6,000	173,856	1,912,417
27	1,912,417	6,000	191,842	2,110,259
28	2,110,259	6,000	211,626	2,327,885
29	2,327,885	6,000	233,388	2,567,273
30	\$2,567,273	\$6,000	\$257,327	\$2,830,601

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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