

COMPARE TAXABLE, TAX-DEFERRED AND TAX-FREE INVESTMENT GROWTH



Date: June 5, 2025

INTRODUCTION

Investment vehicles are taxed differently. This calculator is intended to help compare a fully taxable investment to both a tax-deferred and a tax-free investment. In the taxable scenario, taxes are applied annually while in the tax-deferred scenario, the investment is not taxed until the money is withdrawn. In the tax-free scenario, the money is an investment that is not subject to Federal or State tax.

SUMMARY OF INPUT

Current investment balance	\$100,000
Annual contributions	\$0
Number of years to invest	20
Before-tax return on fully-taxable investment	5.00%
Before-tax return on tax-deferred investment	5.00%
Return on tax-free investment	5.00%
Marginal tax bracket	22.00%

ANALYSIS

Based on the assumptions you provided you could expect to accumulate \$214,937 in a fully-taxable account, \$228,957 in a tax-deferred investment (adjusted for taxes), or \$265,330 in a tax-free investment vehicle.

Summary	Fully-Taxable	Tax-Deferred	Tax-Free
Current investment balance	\$100,000	\$100,000	\$100,000
Annual contributions	\$0	\$0	\$0
Number of years to invest	20	20	20
Before-tax return	5.0%	5.0%	5.0%
Marginal tax bracket	22%	22%	22%
After-tax return	3.9%	5.0%	5.0%
Future account value *	\$214,937	\$265,330	\$265,330
Future account value (after-tax)	\$214,937	\$228,957	\$265,330

Year	Fully-Taxable	Tax-Deferred	Tax-Free
1	\$103,900	\$105,000	\$105,000

*The impact of state income taxes, if any, is not illustrated.

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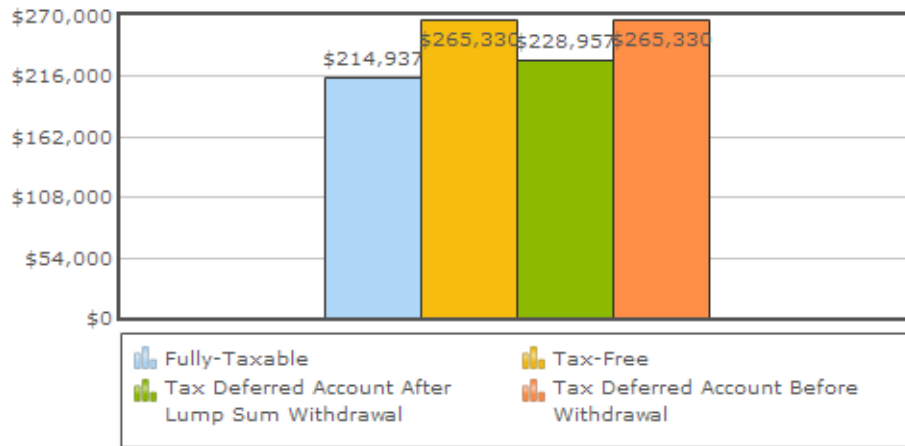
This analysis is based on information and assumptions provided by you. Actual results will vary. There are risks associated with investing including the risk of loss not reflected here. The assumed rate of return is not guaranteed. Investments offering the potential for higher rates of return also involve a higher degree of risk.

Lower maximum tax rates on capital gains and dividends would make the investment return for the taxable investment more favorable, thereby reducing the difference in performance between the accounts shown. You should consider your personal investment horizon and income tax bracket, both current and anticipated when making an investment decision as these may further impact the results of the comparison. A tax penalty may apply to withdrawals from a tax-deferred investment. Equitable Financial and its affiliates do not provide tax or legal advice. Please consult your tax and legal advisors regarding your particular circumstances.

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Compare Taxable, Tax-Deferred & Tax-Free Investments



2	107,952	110,250	110,250
3	112,162	115,763	115,763
4	116,537	121,551	121,551
5	121,081	127,628	127,628
6	125,804	134,010	134,010
7	130,710	140,710	140,710
8	135,808	147,746	147,746
9	141,104	155,133	155,133
10	146,607	162,889	162,889
11	152,325	171,034	171,034
12	158,266	179,586	179,586
13	164,438	188,565	188,565
14	170,851	197,993	197,993
15	177,514	207,893	207,893
16	184,437	218,287	218,287
17	191,630	229,202	229,202
18	199,104	240,662	240,662

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19	206,869	252,695	252,695
20	\$214,937	\$265,330	\$265,330

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