TAXABLE VS. TAX-ADVANTAGED SAVINGS

Date: October 3, 2025

INTRODUCTION

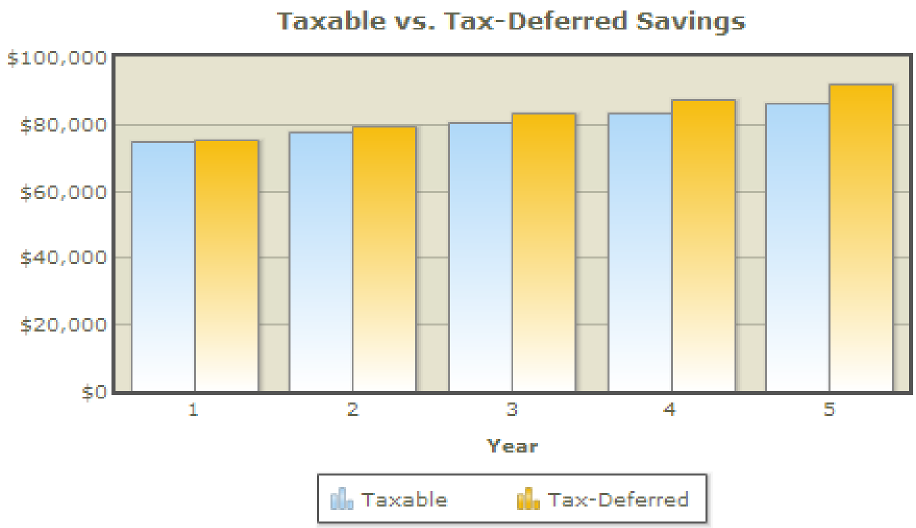
Tax-deferral can have a dramatic effect on the growth of an investment. Use this calculator to determine the future value of an investment being subject to income tax each year versus deferring the tax until withdrawal.

SUMMARY OF INPUT

Starting balance	$71,638
Number of years for the analysis	5
Annual rate of return	5.00%
Tax rate	25.00%

ANALYSIS

It appears that by saving in a tax-deferred vehicle you would accumulate $91,430 ($86,482 after taxes on the earnings) vs. $86,116 in a taxable savings account.



	Taxable				Tax-Deferred		
Year	Beginning Balance	Return @ 5.00%	Taxes @ 25.00%	Ending Balance	Beginning Balance	Return @ 5.00%	Ending Balance
1	$71,638	$3,582	$895	$74,324	$71,638	$3,582	$75,220

2	74,324	3,716	929	77,112	75,220	3,761	78,981
3	77,112	3,856	964	80,003	78,981	3,949	82,930
4	80,003	4,000	1,000	83,003	82,930	4,146	87,076
5	83,003	4,150	1,038	86,116	87,076	4,354	91,430