THE POWER OF COMPOUND INTEREST

The power of compounding – "interest on interest" can be significant. You can wind up with much more the longer you let your investments grow. Start investing early and let compound interest work its magic!

When deciding whether or not to pay down debt versus investing your money, don't forget to factor in the power of compound interest. The earlier you invest, even if it's a small amount, the better off you will be in the long run.

The charts below show the effect of how monthly contributions to your retirement assets can compound, given enough time. A 5% return on investment assets is assumed.*

THE RULE OF 72

If we were to assume a 6% return on your investment assets, the "Rule of 72" would dictate that your assets would double every 12 years.

Monthly Contributions	5 Years	10 Years	15 Years	20 Years
50	3,339	7,762	13,362	20,549
100	6,799	15,527	26,727	41,101
200	13,600	31,005	53,456	82,204
300	20,401	46,583	80,185	123,307
500	34,002	77,639	13,642	205,514
1,000	68,005	155,281	267,287	411,031

**Rates of return (5% in table above) are used only to illustrate the effects of compound growth and are not intended to forecast future values or returns on any investment. It is assumed that all contributions are made at the beginning of the month.*

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