

THE TIME VALUE OF MONEY

INVEST NOW RATHER THAN LATER

Investor A			Investor B		
Age	Investment	Total Value	Age	Investment	Total Value
19	\$2,000	\$2,200	19	\$0	\$0
20	\$2,000	\$4,620	20	\$0	\$0
21	\$2,000	7,282	21	\$0	\$0
22	\$2,000	10,210	22	\$0	\$0
23	\$2,000	13,431	23	\$0	\$0
24	\$2,000	16,974	24	\$0	\$0
25	\$2,000	20,872	25	\$0	\$0
26	\$2,000	25,159	26	\$0	\$0
27	\$0	27,675	27	\$2,000	\$2,200
28	\$0	30,442	28	\$2,000	\$4,620
29	\$0	33,487	29	\$2,000	7,282
30	\$0	36,835	30	\$2,000	10,210
31	\$0	40,519	31	\$2,000	13,431
32	\$0	44,571	32	\$2,000	16,974
33	\$0	49,028	33	\$2,000	20,872
34	\$0	53,930	34	\$2,000	25,159
35	\$0	59,323	35	\$2,000	29,875
36	\$0	65,256	36	\$2,000	35,062
37	\$0	71,781	37	\$2,000	40,769
38	\$0	78,960	38	\$2,000	47,045
39	\$0	86,856	39	\$2,000	53,950
40	\$0	95,541	40	\$2,000	61,545
41	\$0	105,095	41	\$2,000	69,899
42	\$0	115,605	42	\$2,000	79,089
43	\$0	127,165	43	\$2,000	89,198
44	\$0	139,882	44	\$2,000	100,318
45	\$0	153,870	45	\$2,000	112,550
46	\$0	169,257	46	\$2,000	126,005
47	\$0	186,183	47	\$2,000	140,805
48	\$0	204,801	48	\$2,000	157,086
49	\$0	225,281	49	\$2,000	174,995
50	\$0	247,809	50	\$2,000	194,694
51	\$0	272,590	51	\$2,000	216,364
52	\$0	299,849	52	\$2,000	240,200
53	\$0	329,834	53	\$2,000	266,420
54	\$0	362,817	54	\$2,000	295,262
55	\$0	399,099	55	\$2,000	326,988
56	\$0	439,009	56	\$2,000	361,887
57	\$0	482,910	57	\$2,000	400,276
58	\$0	531,201	58	\$2,000	442,503
59	\$0	584,321	59	\$2,000	488,953
60	\$0	642,753	60	\$2,000	540,049
61	\$0	707,028	61	\$2,000	596,254
62	\$0	777,731	62	\$2,000	658,079
63	\$0	855,504	63	\$2,000	726,087
64	\$0	941,054	64	\$2,000	800,896
65	\$0	1,035,160	65	\$2,000	883,185

TOTAL INVESTED \$16,000
Earnings Beyond Original Investment **\$1,019,160**

TOTAL INVESTED \$78,000
Earnings Beyond Original Investment **\$805,185**

Investor "A"'s Earnings Advantage \$213,975

*Based on a compound rate of 10% with investments made on Jan 2 of each year.

This is a hypothetical example for illustration purpose only and does not represent an actual investment. Investing involves risk and investors may incur a profit or a loss. Please consult with your financial professional about your individual situation.