

# Time and Growth of Money

Time is a vital factor in accumulating wealth. The following tables illustrate the effect of time and after-tax interest in accumulating funds.

**Growth of a Single Lump-Sum Investment<sup>1</sup>**

Years of Growth	\$10,000 Compounded at	
	6%	10%
5	\$13,382	\$16,105
10	\$17,908	\$25,937
15	\$23,966	\$41,772
20	\$32,071	\$67,275
25	\$42,919	\$108,347
30	\$57,435	\$174,494
35	\$76,861	\$281,024
40	\$102,857	\$452,593

In other words, in a period 8 times longer (40 years rather than 5 years) the investment result at 10% is 28 times greater growth (\$452,593 divided by \$16,105).

**Growth of a Fund to Which \$3,000 Is Added<sup>1</sup> at the Beginning of Each Year**

\$3,000 per Year at 6%	Total Contributed	Will Grow to	Growth	Percent Increase
5	\$15,000	\$17,926	\$2,926	20%
10	\$30,000	\$41,915	\$11,915	40%
15	\$45,000	\$74,018	\$29,018	64%
20	\$60,000	\$116,978	\$56,978	95%
25	\$75,000	\$174,469	\$99,469	133%
30	\$90,000	\$251,405	\$161,405	179%
35	\$105,000	\$354,363	\$249,363	237%
40	\$120,000	\$492,143	\$372,143	310%

These tables assume a 6% rate of return after taxes and that the earnings are reinvested.

<sup>1</sup> The examples shown are hypothetical and the actual growth will depend on many factors.