

COMPOUND INTEREST

Save early, Save often!



Penny opened a Tax-Deferred Retirement Account (IRA or 401K) and invested \$3000 a year for 8 years starting at age 19 and then stopped investing. Her investments averaged a 10% return.

INTEREST IS MORE INTERESTING WHEN YOU ARE **RECEIVING** IT.



Bill didn't open a Tax-Deferred Retirement Account (IRA or 401K) until he was 27 and invested \$3000 a year for the next 34 years. His investments also averaged a 10% return.

Age	Payment	Year End	Age	Payment	Year End
19	\$3000	\$3,330	42		\$173,407
20	\$3000	\$6,930	43		\$190,748
21	\$3000	\$10,923	44		\$209,823
22	\$3000	\$15,315	45		\$230,805
23	\$3000	\$20,147	46		\$253,885
24	\$3000	\$25,462	47		\$279,274
25	\$3000	\$31,308	48		\$307,201
26	\$3000	\$37,308	49		\$337,921
27		\$41,512	50		\$371,712
28		\$45,663	51		\$408,885
29		\$50,230	52		\$449,773
30		\$55,253	53		\$494,751
31		\$60,778	54		\$544,227
32		\$66,856	55		\$598,648
33		\$73,542	56		\$658,513
34		\$80,896	57		\$724,364
35		\$88,985	58		\$796,810
36		\$97,883	59		\$876,480
37		\$107,672	60		\$964,129
38		\$118,439	Total Invested		
39		\$130,283	Total Invested		
40		\$143,312	Total Invested		
41		\$157,643	Total Invested		

Direction: Determine the total amount invested by Penny and Bill. Drag and drop the dollar amount to its correct box.

\$24,000

\$102,000