Compound Interest MIND BEND

BROUGHT TO YOU BY







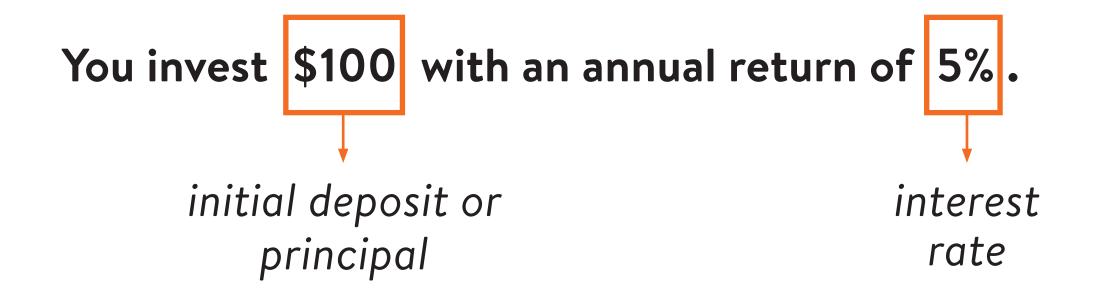
"Compound interest is the eighth wonder of the world. He who understands it, earns it... He who doesn't, pays it..."

Albert Einstein

Compound interest = earning interest on your interest.

It is one of the most powerful concepts in saving and investing.

Over time, compound interest accelerates your savings.



	Simple Interest	Compound Interest
Initial deposit	\$100	\$100.00
after 1 year	\$105	\$105.00
after 2 years	\$110	\$110.25
after 3 years	\$115	\$115.76
after 4 years	\$120	\$121.55
after 5 years	\$125	\$127.63

	Simple Interest	Compound Interest
Initial deposit	\$100 \ +\$5.00	\$100.00
after 1 year	\$105 \(+\\$5.00	\$105.00
after 2 years	\$110 \(+\\$5.00	\$110.25
after 3 years	\$115 \(+\\$5.00	\$115.76
after 4 years	\$120 +\$5.00	\$121.55
after 5 years	\$125	\$127.63

same amount of interest every year

	Simple Interest	Compound Interest
Initial deposit	\$100 \ +\$5.00	\$100.00 \ +\$5.00
after 1 year	\$105 \(+\\$5.00	\$105.00 \(+\\$5.25
after 2 years	\$110 \(+\\$5.00	\$110.25 +\$5.51
after 3 years	\$115 \(+\\$5.00	\$115.76 +\$5.79
after 4 years	\$120 +\$5.00	\$121.55 +\$6.08
after 5 years	\$125	\$127.63

interest increases every year

How to make the most of COMPOUND INTEREST

Start saving now.

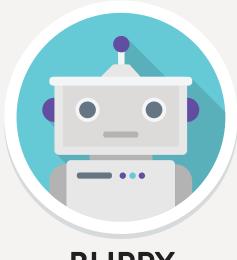


Time is a huge factor that can maximize the benefits of compound interest.

So how much difference does a head start make?







BLIPPY

"There's no time to lose!"

"I can always start saving later."



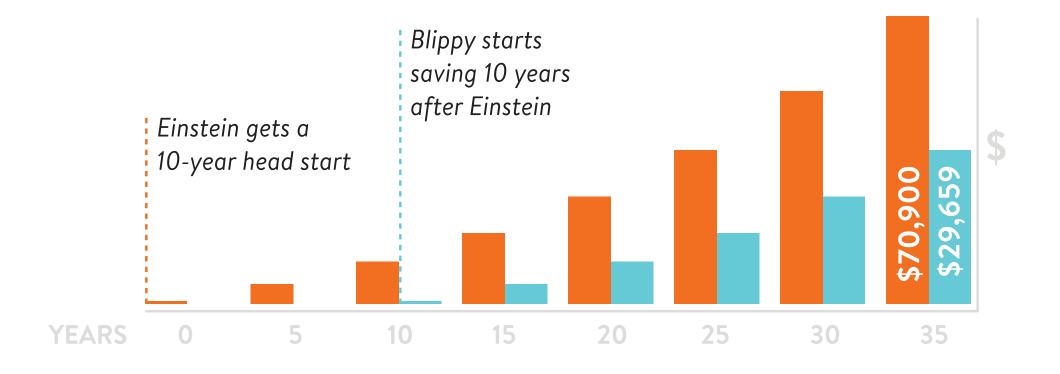
Starts saving at 25

\$1,000 initial deposit \$1,200 annual deposit 5% annual return



Starts saving at 35

\$1,000 initial deposit \$1,200 annual deposit 5% annual return





Starts saving at 25

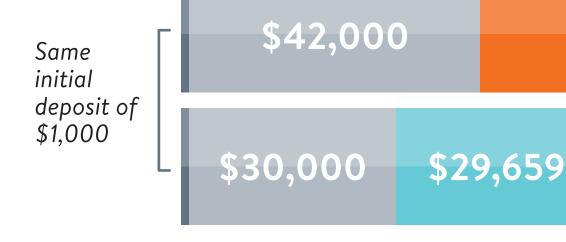
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Starts saving at 35

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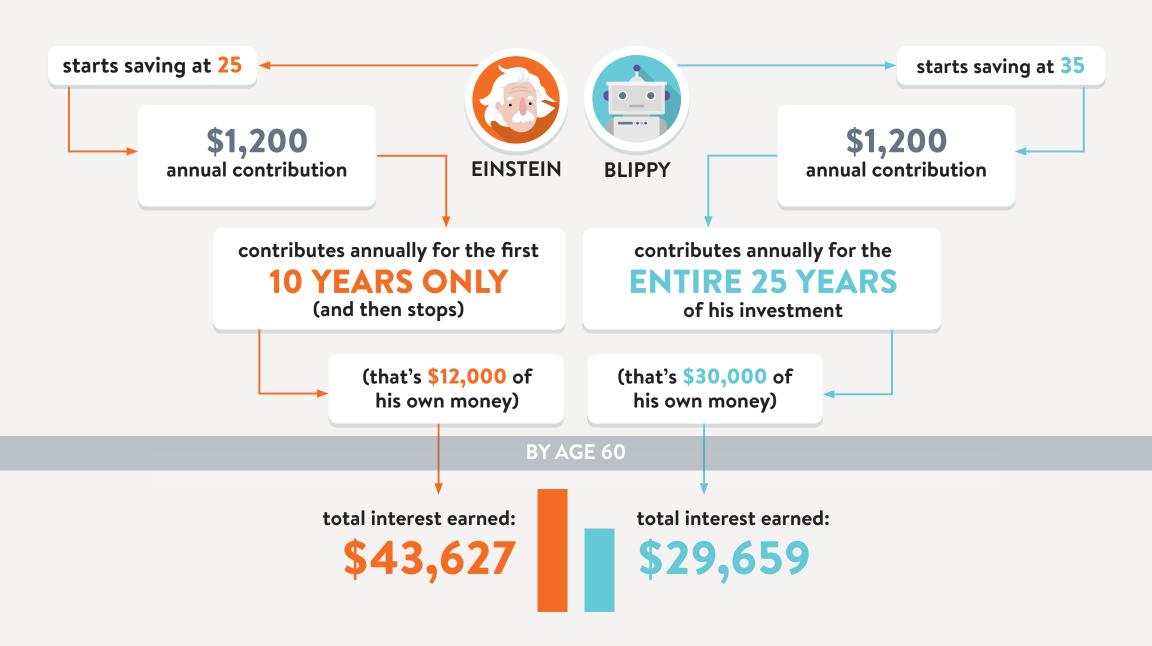
Einstein contributed \$12,000 more than Blippy...



...but earned \$41,241 more in total interest!

\$70,900

Does starting early matter if you contribute less money overall?





Simply by starting early, Einstein was able to contribute \$18,000 less but still make almost \$14,000 more in interest!

Bonus Tips for COMPOUND INTEREST



Leave your money alone.

Withdrawing interest as you earn it minimizes the compounding effect.

Contribute often.

If your investment compounds monthly, small, more frequent deposits are better than larger annual deposits.



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