

The Power of Compounding

Investors

Current Age	Jane	Don	Michael
30-39	\$ 2,000	\$ 0	\$ 2,000
40-49	\$ 0	\$ 2,000	\$ 2,000
50-59	\$ 0	\$ 2,000	\$ 2,000
60-65	\$ 0	\$ 2,000	\$ 2,000
Total Investment	\$20,000	\$52,000	\$72,000

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	Jane	Don	Michael
Total Accumulation	\$231,439	\$172,702	\$404,141
Investment	(20,000)	(52,200)	(72,000)
Income	\$211,439	\$120,702	\$332,141

*Assuming an 8% after-tax yield which is not guaranteed.