

Time Value of Money



Tom

Sue

Age Contributions

Age Contributions

22 \$2,000.00
 23 \$2,000.00
 24 \$2,000.00
 25 \$2,000.00
 26 \$2,000.00
 27 \$2,000.00
 28 \$2,000.00
 29 \$2,000.00
 30 \$2,000.00

31 \$2,000.00
 32 \$2,000.00
 33 \$2,000.00
 34 \$2,000.00
 35 \$2,000.00
 36 \$2,000.00
 37 \$2,000.00
 38 \$2,000.00
 39 \$2,000.00
 40 \$2,000.00

Total of
\$70,000
invested
at 9%

Total of
\$70,000
invested
at 9%

31
 ↓ No more contributions

40
 ↓ Continue to invest \$2,000 a year for 25 years!

65 \$0

65 \$2,000.00

Amount available at age 65

\$579,471.00

\$470,249.00