

IT REALLY PAYS TO START EARLY

It's never too early to start investing. You've probably heard that a hundred times. The reason you've heard it so often, is that it's true. One of the biggest mistakes people make is thinking there's always time to save for retirement. The truth is, you're cheating yourself by waiting. Take a look at the chart below that compares an early investor to a late one. Even though the late investor contributes twice as much, he ends up with much less at retirement. The earlier you invest, the more you take advantage of compounded earnings. Compounding enables you to earn money on both your original investment and your reinvested earnings.

Take a look at the following situation:

<i>Year</i>	<i>Early Investor</i>	<i>Late Investor</i>
1	\$2000	\$0
2	\$2000	\$0
3	\$2000	\$0
4	\$2000	\$0
5	\$2000	\$0
6	\$2000	\$0
7	\$2000	\$0
8	\$2000	\$0
9	\$2000	\$0
10	\$2000	\$0
11	\$0	\$2000
12	\$0	\$2000
13	\$0	\$2000
14	\$0	\$2000
15	\$0	\$2000
16	\$0	\$2000
17	\$0	\$2000
18	\$0	\$2000
19	\$0	\$2000
20	\$0	\$2000
21	\$0	\$2000
22	\$0	\$2000
23	\$0	\$2000
24	\$0	\$2000
25	\$0	\$2000
26	\$0	\$2000
27	\$0	\$2000
28	\$0	\$2000
29	\$0	\$2000
30	\$0	\$2000
<i>Total Invested</i>	<i>\$20,000</i>	<i>\$40,000</i>
<i>Ending Values</i>	<i>\$145,845</i>	<i>\$98,845</i>

This chart assumes \$2000 invested per year at 8% compounded yearly. This example is for illustrative purposes only. The assumed rate of return in this chart is hypothetical and does not represent the return of any particular investment.

FIND OUT HOW MUCH YOU CAN SAVE

From the chart below, find potential retirement savings. As you will see, outcomes will vary based on not only how much you contribute, but more importantly, how long you contribute.

*Percentage of Income/Contribution**
(Chart estimates 8% rate of return and 4% annual income growth)

<i>Annual Pay</i>	<i>Years of Contribution</i>	<i>3 %</i>	<i>4 %</i>	<i>5 %</i>	<i>6 %</i>	<i>7 %</i>	<i>8 %</i>	<i>9 %</i>	<i>10 %</i>	<i>12 %</i>	<i>15 %</i>
\$20,000	<i>10 Years</i>	10,574	14,099	17,623	21,148	24,673	28,198	31,723	35,247	42,297	52,871
	<i>20 Years</i>	38,481	51,309	64,136	76,963	89,791	102,618	115,445	128,273	153,927	192,409
	<i>30 Years</i>	106,249	141,666	177,082	212,499	247,915	283,332	318,748	354,165	424,998	531,247
	<i>40 Years</i>	263,681	351,575	439,469	527,363	615,257	703,151	791,045	878,938	1,054,726	1,318,408
\$30,000	<i>10 Years</i>	15,861	21,148	26,435	31,723	37,010	42,297	47,584	52,871	63,446	79,307
	<i>20 Years</i>	57,722	76,963	96,204	115,445	134,686	153,927	173,168	192,409	230,891	288,614
	<i>30 Years</i>	159,374	212,499	265,623	318,748	371,873	424,998	478,122	531,247	637,497	796,871
	<i>40 Years</i>	395,522	527,363	659,204	791,045	922,885	1,054,726	1,186,567	1,318,408	1,582,090	1,977,612
\$40,000	<i>10 Years</i>	21,148	28,198	35,247	42,297	49,347	56,396	63,446	70,495	84,595	105,743
	<i>20 Years</i>	76,963	102,618	128,273	153,927	179,582	205,237	230,891	256,546	307,855	384,849
	<i>30 Years</i>	212,499	283,332	354,165	424,998	495,831	566,664	637,497	708,330	849,996	1,062,495
	<i>40 Years</i>	527,363	703,151	878,938	1,054,726	1,230,514	1,406,302	1,582,090	1,757,877	2,109,453	2,636,816
\$50,000	<i>10 Years</i>	26,435	35,247	44,059	52,871	61,683	70,495	79,307	88,119	105,743	132,179
	<i>20 Years</i>	96,204	128,273	160,341	192,409	224,478	256,546	288,614	320,683	384,819	481,024
	<i>30 Years</i>	265,623	354,165	442,706	531,247	619,788	708,330	796,871	885,412	1,062,495	1,328,119
	<i>40 Years</i>	659,204	878,938	1,098,673	1,318,408	1,538,143	1,757,877	1,977,612	2,197,347	2,636,816	3,296,021
\$60,000	<i>10 Years</i>	31,723	42,297	52,871	63,446	74,020	84,595	95,169	105,843	126,892	158,615
	<i>20 Years</i>	115,445	153,927	192,409	230,891	269,373	307,855	346,337	384,819	461,783	577,229
	<i>30 Years</i>	318,748	424,998	531,247	637,497	743,746	849,996	956,245	1,062,495	1,274,994	1,593,742
	<i>40 Years</i>	791,045	1,054,726	1,318,408	1,582,090	1,845,771	2,109,453	2,373,135	2,636,816	3,164,180	3,955,225
\$75,000	<i>10 Years</i>	39,653	52,871	66,089	79,307	92,525	105,743	118,961	132,179	158,615	198,269
	<i>20 Years</i>	144,307	192,409	240,512	288,614	336,717	384,819	432,922	481,024	577,229	721,537
	<i>30 Years</i>	398,435	531,247	664,059	796,871	929,683	1,062,495	1,195,307	1,328,119	1,593,743	1,992,178
	<i>40 Years</i>	988,806	1,318,408	1,648,010	1,977,612	2,307,214	2,636,816	2,966,419	3,296,021	3,955,225	4,944,031
\$100,000	<i>10 Years</i>	52,871	70,495	88,119	105,743	123,367	140,991	158,615	176,239	211,487	264,359
	<i>20 Years</i>	192,409	256,546	320,683	384,819	448,956	513,093	577,229	641,366	769,639	962,049
	<i>30 Years</i>	531,247	708,330	885,412	1,062,495	1,239,577	1,416,660	1,593,742	1,770,825	2,124,990	2,656,238
	<i>40 Years</i>	1,318,408	1,757,877	2,197,347	2,636,816	3,076,286	3,515,755	3,955,225	4,394,694	5,273,633	6,592,042
\$125,000	<i>10 Years</i>	66,089	88,119	110,149	132,179	154,209	176,239	198,269	220,299	264,359	330,449
	<i>20 Years</i>	240,512	320,683	400,854	481,024	561,195	641,366	721,537	801,708	962,049	1,202,562
	<i>30 Years</i>	664,059	885,412	1,106,765	1,328,119	1,549,472	1,770,825	1,992,178	2,213,531	2,656,238	3,320,297
	<i>40 Years</i>	1,648,010	2,197,347	2,746,684	3,296,021	3,845,358	4,394,694	4,944,031	5,493,368	6,592,042	8,240,052
\$150,000	<i>10 Years</i>	79,307	105,743	132,179	158,615	185,051	211,487	237,923	264,359	317,231	396,539
	<i>20 Years</i>	288,614	384,819	481,024	577,229	673,434	769,639	865,844	962,049	1,154,459	1,443,074
	<i>30 Years</i>	796,871	1,062,495	1,328,119	1,593,742	1,859,366	2,124,990	2,390,614	2,656,238	3,187,485	3,984,357
	<i>40 Years</i>	1,977,612	2,636,816	3,296,021	3,955,225	4,614,429	5,273,633	5,932,838	6,592,042	7,910,450	9,888,063

*This figure may not reflect the dollar amount current tax laws allow you to contribute to your employer's retirement plan. Chart assumes an 8% rate of return and 4% annual income growth. These assumed rates of return are hypothetical and do not represent the returns of any particular investment.