

# Compound Interest: The Money Tree your parents always talked about but never explained!

"The most powerful force in the universe is compound interest." - Albert Einstein

Ben and Arthur each invest \$2,000 per year (\$5.49/day or \$38.46/week or \$167/month) at 12% interest. Ben starts investing at age 19 and <b>STOPS</b> at age 26 -- (TOTAL: 8 years = \$16,000 invested). Arthur starts investing at age 27 and stops at age 65 -- (TOTAL: 39 years = \$78,000 invested).				
Age	Ben Invests ...		Arthur Invests ...	
19	\$2,000	\$2,240	\$0	\$0
20	\$2,000	\$4,749	\$0	\$0
21	\$2,000	\$7,558	\$0	\$0
22	\$2,000	\$10,706	\$0	\$0
23	\$2,000	\$14,230	\$0	\$0
24	\$2,000	\$18,178	\$0	\$0
25	\$2,000	\$22,599	\$0	\$0
26	\$2,000	<b>\$27,551 (Interest = \$3,306/yr)</b>	\$0	\$0
27	\$0	\$30,857	\$2,000	\$2,240
28	\$0	\$34,560	\$2,000	\$4,749
29	\$0	\$38,708	\$2,000	\$7,558
30	\$0	\$43,352	\$2,000	\$10,706
31	\$0	\$48,554	\$2,000	\$14,230
32	\$0	<b>\$54,381 (Interest \$5,827/yr)</b>	\$2,000	\$18,178
33	\$0	\$60,907	\$2,000	\$22,599
34	\$0	\$68,216	\$2,000	\$27,551
35	\$0	\$76,802	\$2,000	\$33,097
36	\$0	\$85,570	\$2,000	\$39,309
37	\$0	\$95,383	\$2,000	\$46,266
38	\$0	<b>\$107,339 (Interest 11,500/yr)</b>	\$2,000	\$54,058
39	\$0	\$120,220	\$2,000	\$62,785
40	\$0	\$134,646	\$2,000	\$72,559
41	\$0	\$150,804	\$2,000	\$83,506
42	\$0	\$168,900	\$2,000	\$95,767
43	\$0	\$189,168	\$2,000	\$109,499
44	\$0	<b>\$211,869 (Interest \$22,866/yr)</b>	\$2,000	\$124,879
45	\$0	\$237,293	\$2,000	\$142,104
46	\$0	\$265,768	\$2,000	\$161,396
47	\$0	\$297,660	\$2,000	\$183,004
48	\$0	\$333,379	\$2,000	\$207,204
49	\$0	\$373,385	\$2,000	\$234,308
50	\$0	<b>\$418,191 (Interest \$44,806/yr)</b>	\$2,000	\$264,665
51	\$0	\$468,374	\$2,000	\$298,665
52	\$0	\$524,579	\$2,000	\$336,745
53	\$0	\$587,528	\$2,000	\$379,394
54	\$0	\$658,032	\$2,000	\$427,161
55	\$0	\$736,995	\$2,000	\$480,660
56	\$0	<b>\$825,435 (Interest \$88,439/yr)</b>	\$2,000	\$540,579
57	\$0	\$924,487	\$2,000	\$607,688
58	\$0	\$1,035,425	\$2,000	\$682,851
59	\$0	\$1,159,676	\$2,000	\$767,033
60	\$0	\$1,298,837	\$2,000	\$861,317
61	\$0	\$1,454,698	\$2,000	\$966,915
62	\$0	<b>\$1,629,261 (\$174,562/yr)</b>	\$2,000	\$1,085,185
63	\$0	\$1,824,773	\$2,000	\$1,217,647
64	\$0	\$2,043,746	\$2,000	\$1,366,005
65	\$0	<b>\$2,288,996 (Interest \$245,247/yr)</b> ( <b>\$20,437 per month</b> )	\$2,000	<b>\$1,532,166</b> ( <b>\$12,768 per month</b> )

**... and Arthur never caught up!**