credit union

## Create Wealth Through Compound Interest time value of money

Create significant wealth over time. Albert Einstein called compound interest the eighth wonder of the world! After looking at the numbers below, you might move it up to the first wonder of the world!

| YEARS OF MONTHLY DEPOSITS | DOLLARS DEPOSITED PER MONTH | AVERAGE ANNUAL RETURN | ACCOUNT BALANCE |
| :---: | :---: | :---: | :---: |
| 5 years | \$50 | 10\% | \$3,871 |
|  | \$100 | 10\% | \$7,743 |
|  | \$250 | 10\% | \$19,359 |
|  | \$500 | 10\% | \$38,718 |
|  | \$1,000 | 10\% | \$77,437 |
| 10 years | \$50 | 10\% | \$10,241 |
|  | \$100 | 10\% | \$20,483 |
|  | \$250 | 10\% | \$51,210 |
|  | \$500 | 10\% | \$102,422 |
|  | \$1,000 | 10\% | \$204,844 |
| 25 years | \$50 | 10\% | \$66,335 |
|  | \$100 | 10\% | \$132,676 |
|  | \$250 | 10\% | \$331,702 |
|  | \$500 | 10\% | \$663,411 |
|  | \$1,000 | 10\% | \$1,326,827 |
| 40 years | \$50 | 10\% | \$316,171 |
|  | \$100 | 10\% | \$632,375 |
|  | \$250 | 10\% | \$1,580,989 |
|  | \$500 | 10\% | \$3,162,010 |
|  | \$1,000 | 10\% | \$6,324,049 |

These numbers don't lie. Notice how investing $\$ 250 /$ month for 5 years turns into $\$ 19,359$. If you keep this money invested for 10 years, it turns into $\$ 51,210$. You would guess that after 10 years that $\$ 19,359$ would simply double to nearly $\$ 40,000$. Since you're earning interest upon interest, you instead have $\$ 51,210$. Of course it looks even better when you get to the level of investing $\$ 500$ and $\$ 1,000$ per month. Significant wealth is created by letting monthly automation and compound interest do the work for you.

