ARTICLE:

How Money Grows

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This series is designed to answer the question:
"Does it matter if I invest sooner in each year rather than later?"

The answer is yes, as the tables reveal.

For illustration purposes we are assuming $100,000 per year at the beginning of each year for 10, 20, and 30 years (Annuity Due) compared to investing at the end of each year for 10, 20 and 30 years (Ordinary Annuity).

We looked at returns compounded over various time periods at 8%, 10% and 12%.*

$100,000 BEGINNING OF YEAR

Time Period	8%	10%	12%
After 10 Years	$1,564,550	$1,753,120	$1,965,460
After 20 Years	$4,942,290	$6,300,250	$8,069,870
After 30 Years	$12,234,590	$18,094,340	$27,029,260

$100,000 END OF YEAR

Time Period	8%	10%	12%
After 10 Years	$1,448,660	$1,593,740	$1,754,870
After 20 Years	$4,576,200	$5,727,500	$7,205,240
After 30 Years	$11,328,320	$16,449,400	$24,133,270

ADDITIONAL GROWTH

Investing at the beginning of each year compared to at the end of each year.
"The Cost of Liquidity"

Time Period	8%	10%	12%
After 10 Years	$115,890	$159,380	$210,590
After 20 Years	$366,090	$572,750	$864,630
After 30 Years	$906,270	$1,644,940	$2,895,990

*All assumptions made in this analysis illustrating potential rate of return may be higher or lower. This table does not account for loss to taxes, fees, and inflation. These calculations are neither predictions nor guarantees of future investment performance.

If you have questions about this or other planning issues, please give us a call at 216-765-0121.