

START EARLY

When it comes to saving for retirement, TIME can have a big impact on the amount of money you have when you are ready to retire.

Not only will you be getting returns on the money you contribute, but you will also be getting returns on the earnings generated.



The table to the right demonstrates the impact compounding returns can have on your retirement savings.

Pat started saving for retirement at age 25 and contributed \$2,000 per year for 10 years and then stopped.

Jamie started saving for retirement at age 35 and contributed \$2,000 per year for 32 years until retiring at age 67.

In total, Pat contributed \$20,000 for retirement and Jamie contributed \$64,000. Let's say that each year they both earned a 7% rate of return on their savings, who do think will have more money when they retire?

Pat, who contributed LESS THAN A THIRD of what Jamie contributed, has more money at age 67 when they are both ready to retire!

Simply stated, the earlier you start saving, the more time your money has to grow. **WHAT'S THE REAL COST OF WAITING?**

This hypothetical illustration is intended to explain the concept of compounding returns. It is not intended to indicate the returns you might achieve on any particular investment option in your plan.

AGE	PAT'S CONTRIBUTIONS	JAMIE'S CONTRIBUTIONS
25	\$2,000	\$0
26	\$2,000	\$0
27	\$2,000	\$0
28	\$2,000	\$0
29	\$2,000	\$0
30	\$2,000	\$0
31	\$2,000	\$0
32	\$2,000	\$0
33	\$2,000	\$0
34	\$2,000	\$0
35	\$0	\$2,000
36	\$0	\$2,000
37	\$0	\$2,000
38	\$0	\$2,000
39	\$0	\$2,000
40	\$0	\$2,000
41	\$0	\$2,000
42	\$0	\$2,000
43	\$0	\$2,000
44	\$0	\$2,000
45	\$0	\$2,000
46	\$0	\$2,000
47	\$0	\$2,000
48	\$0	\$2,000
49	\$0	\$2,000
50	\$0	\$2,000
51	\$0	\$2,000
52	\$0	\$2,000
53	\$0	\$2,000
54	\$0	\$2,000
55	\$0	\$2,000
56	\$0	\$2,000
57	\$0	\$2,000
58	\$0	\$2,000
59	\$0	\$2,000
60	\$0	\$2,000
61	\$0	\$2,000
62	\$0	\$2,000
63	\$0	\$2,000
64	\$0	\$2,000
65	\$0	\$2,000
66	\$0	\$2,000
AMOUNT CONTRIBUTED	\$20,000	\$64,000
TOTAL WORTH	\$257,686.14	\$235,866.85