

The Time Value of Money

Invest Now Rather Than Later

Source: 'Smart Couples Finish First', David Bach

BILLY Investing at Age 14 (10% Annual Return)			SUSAN Investing at Age 19 (10% Annual Return)			KIM Investing at Age 27 (10% Annual Return)		
AGE	INVESTMENT	TOTAL VALUE	AGE	INVESTMENT	TOTAL VALUE	AGE	INVESTMENT	TOTAL VALUE
14	\$2,000	\$2,200	19	\$2,000	2,200	19	0	0
15	2,000	4,620	20	2,000	4,620	20	0	0
16	2,000	7,282	21	2,000	7,282	21	0	0
17	2,000	10,210	22	2,000	10,210	22	0	0
18	2,000	13,431	23	2,000	13,431	23	0	0
19	0	14,774	24	2,000	16,974	24	0	0
20	0	16,252	25	2,000	20,871	25	0	0
21	0	17,877	26	2,000	25,158	26	0	0
22	0	19,665	27	0	27,674	27	\$2,000	2,200
23	0	21,631	28	0	30,442	28	2,000	4,620
24	0	23,794	29	0	33,486	29	2,000	7,282
25	0	26,174	30	0	36,834	30	2,000	10,210
26	0	28,791	31	0	40,518	31	2,000	13,431
27	0	31,670	32	0	44,570	32	2,000	16,974
28	0	34,837	33	0	48,027	33	2,000	20,871
29	0	38,321	34	0	53,929	34	2,000	25,158
30	0	42,153	35	0	59,322	35	2,000	29,874
31	0	46,368	36	0	65,256	36	2,000	35,072
32	0	51,005	37	0	71,780	37	2,000	40,768
33	0	56,106	38	0	78,958	38	2,000	47,045
34	0	61,716	39	0	86,854	39	2,000	53,949
35	0	67,888	40	0	95,540	40	2,000	61,544
36	0	74,676	41	0	105,094	41	2,000	69,899
37	0	82,144	42	0	115,603	42	2,000	79,089
38	0	90,359	43	0	127,163	43	2,000	89,198
39	0	99,394	44	0	139,880	44	2,000	100,318
40	0	109,334	45	0	153,868	45	2,000	112,550
41	0	120,267	46	0	169,255	46	2,000	126,005
42	0	132,294	47	0	188,180	47	2,000	140,805
43	0	145,523	48	0	204,798	48	2,000	157,086
44	0	160,076	49	0	226,278	49	2,000	174,094
45	0	176,083	50	0	247,806	50	2,000	194,694
46	0	193,692	51	0	272,586	51	2,000	216,363
47	0	213,061	52	0	299,845	52	2,000	240,199
48	0	234,367	53	0	329,830	53	2,000	266,419
49	0	257,803	54	0	362,813	54	2,000	295,261
50	0	283,358	55	0	399,094	55	2,000	326,988
51	0	311,942	56	0	439,003	56	2,000	361,886
52	0	343,136	57	0	482,904	57	2,000	400,275
53	0	377,450	58	0	531,194	58	2,000	442,503
54	0	415,195	59	0	584,314	59	2,000	488,953
55	0	456,715	60	0	642,745	60	2,000	540,048
56	0	502,386	61	0	707,020	61	2,000	596,253
57	0	552,625	62	0	777,722	62	2,000	658,078
58	0	607,887	63	0	855,494	63	2,000	726,086
59	0	668,676	64	0	941,043	64	2,000	800,895
60	0	735,543	65	0	1,035,148	65	2,000	883,185
61	0	809,098						
62	0	890,007						
63	0	979,008						
64	0	1,076,909						
65	0	1,184,600						

S E E T H E D I F F E R E N C E

Total Invested = \$10,000. Earnings beyond investment = \$1,174,600.	Total Invested = \$16,000. Earnings beyond investment = \$1,019,148.	Total Invested = \$78,000. Earnings beyond investment = \$805,185.
Billy earns \$1,174,600	Susan earns \$1,019,148	Kim earns \$805,185

Billy invested \$68,000 less than Kim and has \$369,415 more!
START INVESTING EARLY!



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