

The amount you have available for saving should increase as you progress on your Money Map.

2. *The rate of return.* The second variable is the rate of return you earn on your savings and investments. The following table demonstrates how an investment of \$1,000 per year grows at various rates. As you can see, an increase in the rate of return has a remarkable effect on the amount accumulated. A 2 percent increase almost doubles the amount over forty years.

RATES OF RETURN OVER THE SHORT AND LONG TERM

Percent Earned	Year 5	Year 10	Year 20	Year 30	Year 40
6%	5,813	13,656	38,502	88,706	165,950
8%	6,123	15,245	49,083	124,192	290,906
10%	6,453	17,070	63,278	188,366	526,985
12%	6,816	19,169	82,435	291,235	980,358

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QUESTION: I'm fifty-five years old. Is it too late for me to begin to save and invest?

ANSWER: Absolutely not! No way! It's never too late to begin to apply God's financial principles. The key is simply to be faithful starting today.

3. *The time.* Answer this question: Who do you think accumulated more by age sixty-five—Alice, who started saving \$1,000 a year at age twenty-one for eight years and then completely stopped—or Ben, who saved \$1,000 a year for thirty-seven years but started at age twenty-nine? Both earned 10 percent. Is it Alice, who contributed a total of \$8,000 or Ben, who contributed \$37,000? Look at the chart “The Impact of Compounding” on page 163.

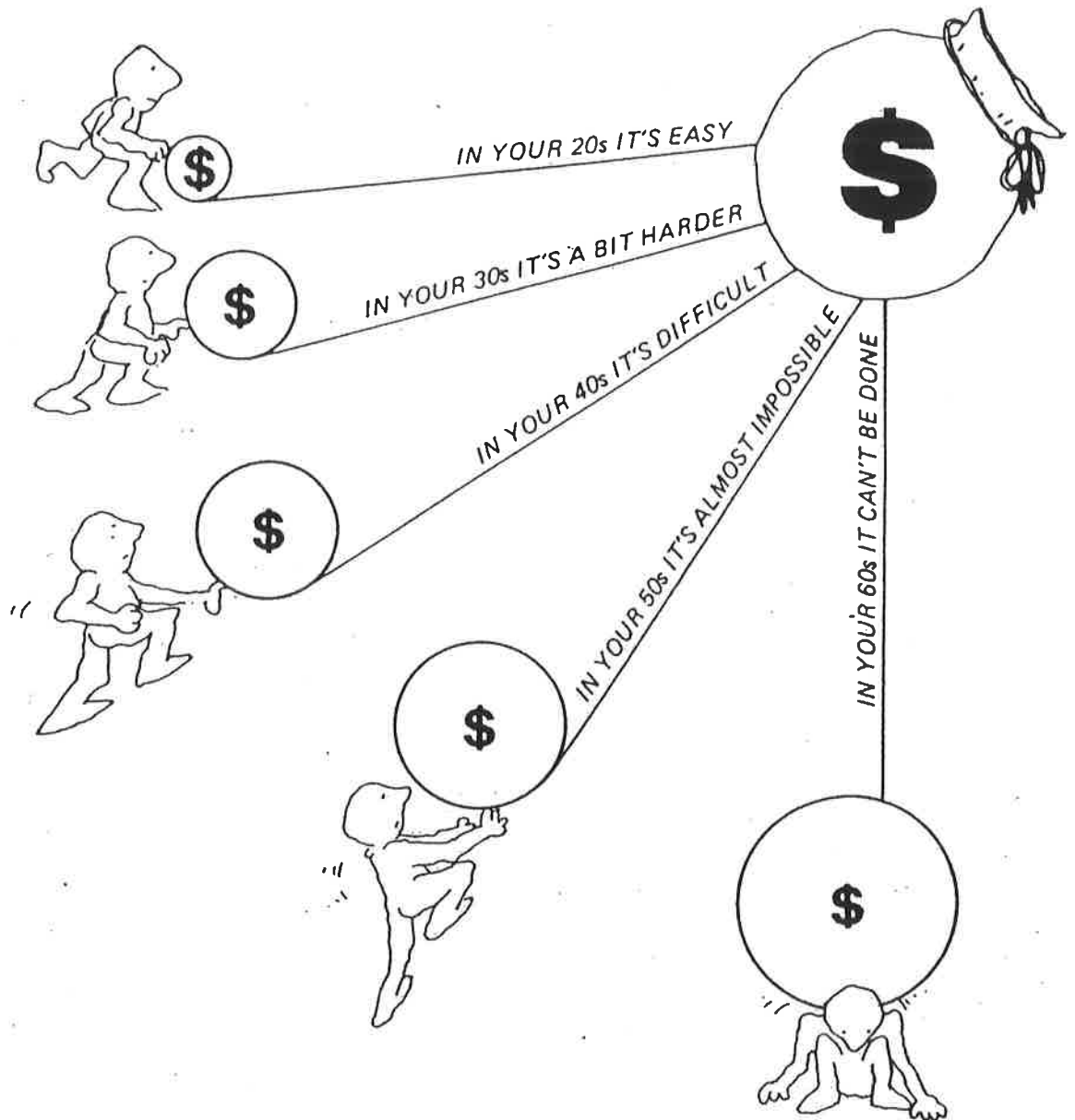
Incredibly, it's Alice, who contributed a total of only \$8,000—\$29,000 less than Ben! Thanks to compounding Alice accumulated \$64,693 more because she started saving earlier. The sooner you start saving, the better!

10% per year example

THE IMPACT OF COMPOUNDING

Age	Alice		Ben	
	Contribution	Year-end Value	Contribution	Year-end Value
21	1,000	1,100	0	0
22	1,000	2,310	0	0
23	1,000	3,641	0	0
24	1,000	5,105	0	0
25	1,000	6,716	0	0
26	1,000	8,487	0	0
27	1,000	10,436	0	0
28	1,000	12,579	0	0
29	0	13,837	1,000	1,100
30	0	15,221	1,000	2,310
31	0	16,743	1,000	3,641
32	0	18,417	1,000	5,105
33	0	20,259	1,000	6,716
34	0	22,284	1,000	8,487
35	0	24,513	1,000	10,436
36	0	26,964	1,000	12,579
37	0	29,661	1,000	14,937
38	0	32,627	1,000	17,531
39	0	35,889	1,000	20,384
40	0	39,478	1,000	23,523
41	0	43,426	1,000	26,975
42	0	47,769	1,000	30,772
43	0	52,546	1,000	34,950
44	0	57,800	1,000	39,545
45	0	63,580	1,000	44,599
46	0	69,938	1,000	50,159
47	0	76,932	1,000	56,275
48	0	84,625	1,000	63,003
49	0	93,088	1,000	70,403
50	0	103,397	1,000	78,543
51	0	112,636	1,000	87,497
52	0	123,898	1,000	97,347
53	0	136,290	1,000	108,182
54	0	149,919	1,000	120,100
55	0	164,911	1,000	133,210
56	0	181,402	1,000	147,631
57	0	199,542	1,000	163,494
58	0	219,496	1,000	180,943
59	0	241,446	1,000	200,138
60	0	265,590	1,000	221,252
61	0	292,149	1,000	244,477
62	0	321,364	1,000	270,024
63	0	353,501	1,000	298,127
64	0	388,851	1,000	329,039
65	0	427,736	1,000	363,043

**Saving for the future is
easy when you are young.**



**Don't make the mistake of
leaving it until it's too late!**