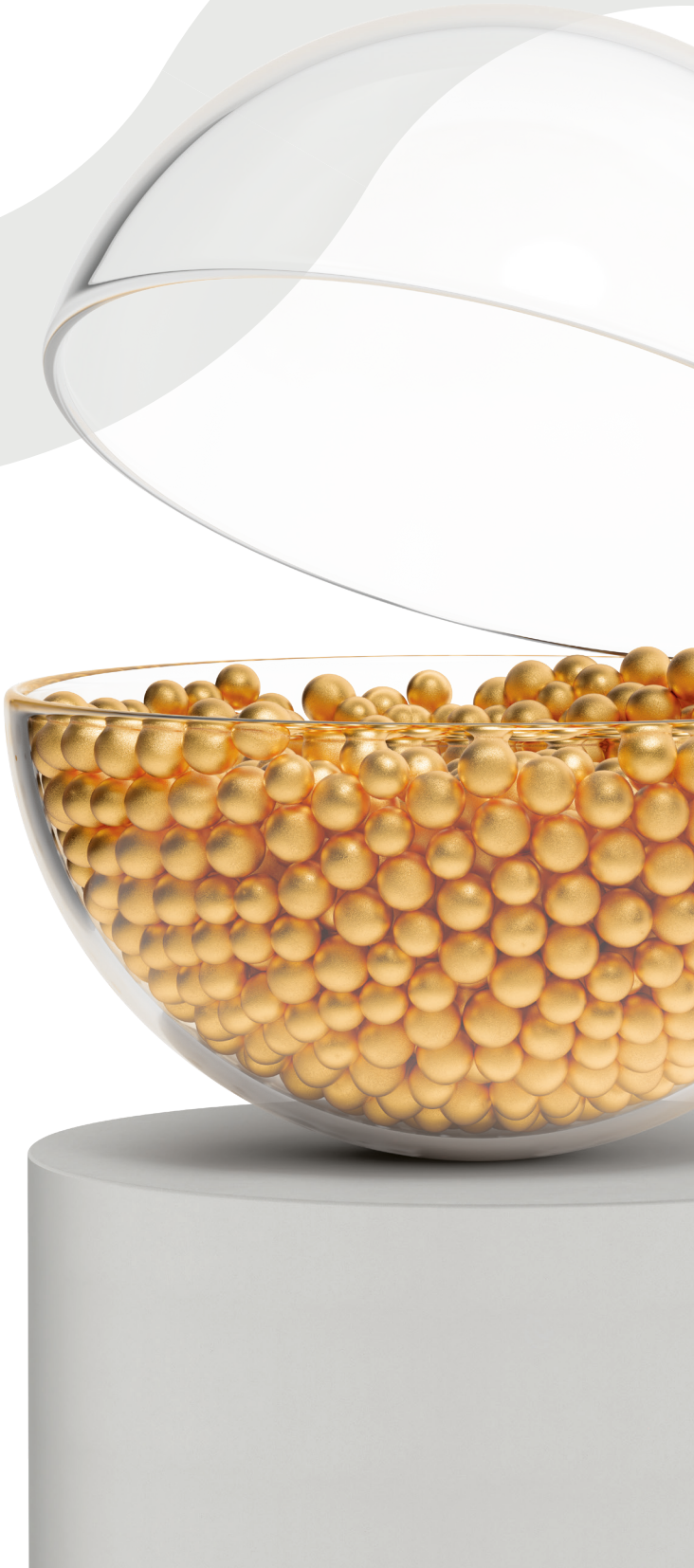
Savings and
Investments

Investing is in your best interest!

In your twenties, saving is rarely a priority.

What if we changed this mindset, which ultimately prevents you from making more money in the long run?

Investments make it easier to deal with unexpected expenses or realize a personal project.



The key is: compound interest

Your savings accrue yearly interest and this amount is then added to the capital. This turns into interest on interest, which is referred to as compound interest. It's a chain reaction that makes your money grow faster!

beneva

Which situation would you prefer?

A good way to create wealth is with long-term savings. It's better to start early, with small amounts, rather than not save at all. Let's demonstrate with two examples.

Nicholas saves $2,000 a year from age 18 to 29. He generates 7% in annual returns.

Samia saves $2,000 a year from 26 to 65. She also generates 7% in annual returns.

Nicolas' savings

Age	Initial amount	Deposits	Interest	Market value
18	$ -	$2,000	$140.00	$2,140.00
19	$2,140.00	$2,000	$289.80	$4,429.80
20	$4,429.80	$2,000	$450.09	$6,879.89
21	$6,879.89	$2,000	$621.59	$9,501.48
22	$9,501.48	$2,000	$805.10	$12,306.58
23	$12,306.58	$2,000	$1,001.46	$15,308.04
24	$15,308.04	$2,000	$1,211.56	$18,519.61
25	$18,519.61	$2,000	$1,436.37	$21,955.98
26	$21,955.98	$2,000	$1,676.92	$25,632.90
27	$25,632.90	$2,000	$1,934.30	$29,567.20
28	$29,567.20	$2,000	$2,209.70	$33,776.90
29	$33,776.90	$2,000	$2,504.38	$38,281.29
30	$38,281.29	0	$2,679.69	$40,960.98
31	$40,960.98	0	$2,867.27	$43,828.24
32	$43,828.24	0	$3,067.98	$46,896.22
33	$46,896.22	0	$3,282.74	$50,178.96
34	$50,178.96	0	$3,512.53	$53,691.48
35	$53,691.48	0	$3,758.40	$57,449.89
36	$57,449.89	0	$4,021.49	$61,471.38
37	$61,471.38	0	$4,303.00	$65,774.38
38	$65,774.38	0	$4,604.21	$70,378.58
39	$70,378.58	0	$4,926.50	$75,305.08
40	$75,305.08	0	$5,271.36	$80,576.44
41	$80,576.44	0	$5,640.35	$86,216.79
42	$86,216.79	0	$6,035.18	$92,251.96
43	$92,251.96	0	$6,457.64	$98,709.60
44	$98,709.60	0	$6,909.67	$105,619.27
45	$105,619.27	0	$7,393.35	$113,012.62
46	$113,012.62	0	$7,910.88	$120,923.51
47	$120,923.51	0	$8,464.65	$129,388.15
48	$129,388.15	0	$9,057.17	$138,445.32
49	$138,445.32	0	$9,691.17	$148,136.50
50	$148,136.50	0	$10,369.55	$158,506.05
51	$158,506.05	0	$11,095.42	$169,601.47
52	$169,601.47	0	$11,872.10	$181,473.58
53	$181,473.58	0	$12,703.15	$194,176.73
54	$194,176.73	0	$13,592.37	$207,769.10
55	$207,769.10	0	$14,543.84	$222,312.94
56	$222,312.94	0	$15,561.91	$237,874.84
57	$237,874.84	0	$16,651.24	$254,526.08
58	$254,526.08	0	$17,816.83	$272,342.91
59	$272,342.91	0	$19,064.00	$291,406.91
60	$291,406.91	0	$20,398.48	$311,805.39
61	$311,805.39	0	$21,826.38	$333,631.77
62	$333,631.77	0	$23,354.22	$356,986.00
63	$356,986.00	0	$24,989.02	$381,975.02
64	$381,975.02	0	$26,738.25	$408,713.27
65	$408,713.27	0	$28,609.93	**$437,323.19**

Samia's savings

Age	Initial amount	Deposits	Interest	Market value
18	$ -	0	$ -	$ -
19	$ -	0	$ -	$ -
20	$ -	0	$ -	$ -
21	$ -	0	$ -	$ -
22	$ -	0	$ -	$ -
23	$ -	0	$ -	$ -
24	$ -	0	$ -	$ -
25	$ -	0	$ -	$ -
26	$ -	$2,000	$140.00	$2,140.00
27	$2,140.00	$2,000	$289.80	$4,429.80
28	$4,429.80	$2,000	$450.09	$6,879.89
29	$6,879.89	$2,000	$621.59	$9,501.48
30	$9,501.48	$2,000	$805.10	$12,306.58
31	$12,306.58	$2,000	$1,001.46	$15,308.04
32	$15,308.04	$2,000	$1,211.56	$18,519.61
33	$18,519.61	$2,000	$1,436.37	$21,955.98
34	$21,955.98	$2,000	$1,676.92	$25,632.90
35	$25,632.90	$2,000	$1,934.30	$29,567.20
36	$29,567.20	$2,000	$2,209.70	$33,776.90
37	$33,776.90	$2,000	$2,504.38	$38,281.29
38	$38,281.29	$2,000	$2,819.69	$43,100.98
39	$43,100.98	$2,000	$3,157.07	$48,258.04
40	$48,258.04	$2,000	$3,518.06	$53,776.11
41	$53,776.11	$2,000	$3,904.33	$59,680.43
42	$59,680.43	$2,000	$4,317.63	$65,998.07
43	$65,998.07	$2,000	$4,759.86	$72,757.93
44	$72,757.93	$2,000	$5,233.06	$79,990.98
45	$79,990.98	$2,000	$5,739.37	$87,730.35
46	$87,730.35	$2,000	$6,281.12	$96,011.48
47	$96,011.48	$2,000	$6,860.80	$104,872.28
48	$104,872.28	$2,000	$7,481.06	$114,353.34
49	$114,353.34	$2,000	$8,144.73	$124,498.08
50	$124,498.08	$2,000	$8,854.87	$135,352.94
51	$135,352.94	$2,000	$9,614.71	$146,967.65
52	$146,967.65	$2,000	$10,427.74	$159,395.38
53	$159,395.38	$2,000	$11,297.68	$172,693.06
54	$172,693.06	$2,000	$12,228.51	$186,921.57
55	$186,921.57	$2,000	$13,224.51	$202,146.08
56	$202,146.08	$2,000	$14,290.23	$218,436.31
57	$218,436.31	$2,000	$15,430.54	$235,866.85
58	$235,866.85	$2,000	$16,650.68	$254,517.53
59	$254,517.53	$2,000	$17,956.23	$274,473.76
60	$274,473.76	$2,000	$19,353.16	$295,826.92
61	$295,826.92	$2,000	$20,847.88	$318,674.80
62	$318,674.80	$2,000	$22,447.24	$343,122.04
63	$343,122.04	$2,000	$24,158.54	$369,280.58
64	$369,280.58	$2,000	$25,989.64	$397,270.22
65	$397,270.22	$2,000	$27,948.92	**$427,219.14**

Nicholas ends up with **$437,323.19** after saving $2,000 a year for 12 years.

Samia ends up with **$427,219.14** after saving $2,000 a year for 40 years.

Even though Samia saved for 40 years and Nicholas for 12, at retirement, he will have more money thanks to compound interest.

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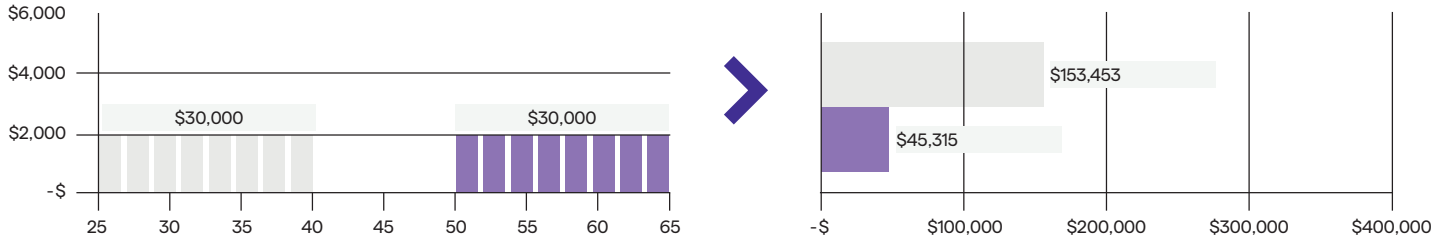
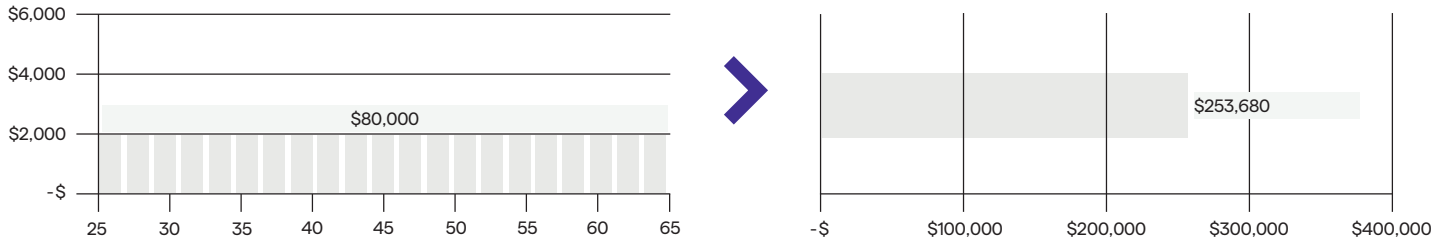
Other scenarios

It pays to invest early!

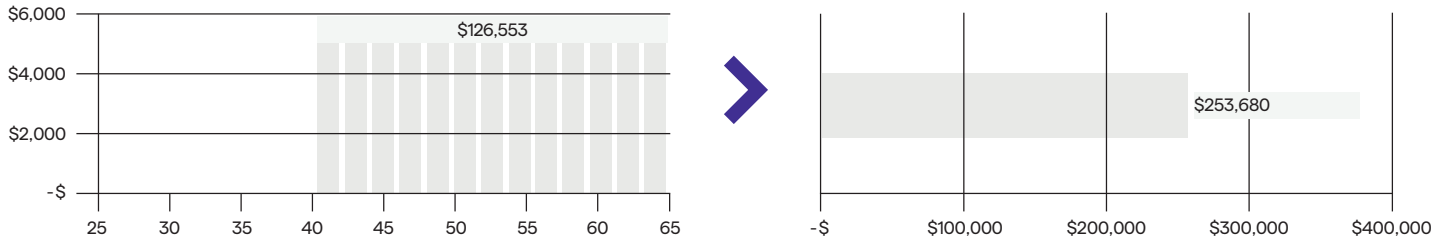
Investing $2,000 annually from age 25 to 40 compared to age 50 to 65.



A. Investing $2,000 annually from age 25 to 65.

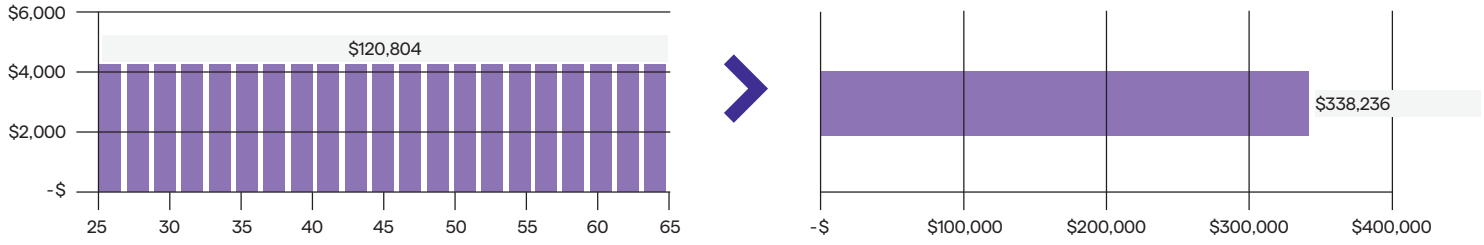


B. Investing $5,062 annually from age 45 to 65 generates the same value as at age 65 in example A.



The optimal solution is to save by making regular preauthorized payments adjusted annually to the cost of living.

Investing $2,000 annually, adjusting for inflation (2%), from age 25 to 65.



Note: All scenarios show the accumulated value of savings at age 65 based on a 5% annual return.

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