

Investing

One Out of Every 125 Americans
Is Now a Millionaire



Investing

Renting vs. Homeowner

Average renter in 2001 had a net worth
of \$4,800

Average homeowner had a net worth
of \$171,700

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Suggested Allocation of Income

10 percent to give
10 percent to save
70 percent to live on
10 percent for discretionary
spending

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Factors Affecting Growth of Savings

Size of Deposits
Rate of Return
Length of Time

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Effect of: Deposit Size (25 year old - 8 percent account)

<u>Deposit Size</u>	<u>Total Deposit</u>	<u>Balance Age 65</u>
\$100	\$ 48,000	\$ 349,100
200	96,000	698,200
300	144,000	1,047,300
400	192,000	1,396,400
500	240,000	1,745,500

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Effect of: Rate Of Return **(25 year old - \$150 monthly deposits)**

<u>Rate of Return</u>	<u>Total Deposit</u>	<u>Balance at 65</u>
5.0%	\$72,000	\$ 228,903
7.5	72,000	453,573
10.0	72,000	948,612
12.5	72,000	2,068,186

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Effect of: Time

(\$150 monthly deposit – 8% rate of return)

<u>Beginning Age</u>	<u>Total Deposit Balance at 65</u>	
55	\$18,000	\$ 27,441.90
45	36,000	88,353.06
35	54,000	223,553.91
25	72,000	523,651.17