

	Return	Year	Year	Year	Year	Year	Year	Year
Lump sum		5	10	20	30	40	50	60
\$100,000 @ 7% / yr.		\$140,255	\$196,715	\$386,968	\$761,226	\$1,497,446	\$2,945,702	\$5,794,643
	Versus							
\$100,000 @ 6% / yr.		\$ 133,823	\$179,085	\$320,714	\$574,349	\$1,028,572	\$1,842,015	\$3,298,769
	Versus							
\$100,000 @ 5% / yr.		\$127,628	\$169,889	\$265,330	\$432,194	\$703,999	\$1,146,702	\$1,867,919

Note:

For explanation, \$100,000 growing at an average annual rate of return of 7% for 40 years grows to \$1,497,446 in 40 years. \$100,000 growing at an average annual rate of return of 5% for 40 years grows to \$703,999. Two percentage points matter! 50 and 60 year time frames may seem ridiculous but a 40 year old who lives to 90 has a 50 year time horizon.

	Return	Year	Year	Year	Year	Year
Per Year		5	10	20	30	40
\$10,000 @ 7% / yr.		\$57,507	\$138,164	\$409,955	\$944,608	\$1,996,351
	Versus					
\$10,000 @ 6% / yr.		\$ 56,371	\$ 131,808	\$ 367,856	\$ 790,582	\$ 1,547,620
	Versus					
\$10,000 @ 5% / yr.		\$55,256	\$125,779	\$330,660	\$664,388	\$1,207,998

Note:

\$10,000 invested per year growing at an average annual rate of return of 7% for 40 years grows to \$1,996,351 in 40 years. At 5%, it grows to \$1,207,998, or 39.5% less. Start work at 25 and retire at 65 is a 40 year contributory period.