THE IMPORTANCE OF SAVING AT AN EARLY AGE

Quiz:

Investor A – Saves $2,000 per year into a Roth IRA from age 18 to 27. Total savings: $20,000.

Investor B – Saves $2,000 per year into a Roth IRA from age 28 to 65. Total savings: $76,000.

Both invest in dividend stocks and earn 10% per year (S&P 500 has earned 10.1% over the past 30 years).

Question: At age 65, who has more money in their Roth?

Answer:

	Investing	Balance at Age 65
Investor A	$ 20,000	$ 1,192,258
Investor B	$ 76,000	728,087

IDEAS FOR YOU TO CONSIDER

Note: IRA contributions can only be made if someone has earned income (wages or self-employment income).

- **If you have extra money, consider making gifts to help your young child or grandchild to fund a Roth IRA.**
- Small contributions into a Roth IRA for a young person can grow to large sums with compounding.
- Many children/grandchildren earn money working summer jobs in high school or college. That is a great time to help them start a Roth IRA.

$2,000 per year invested in a Roth IRA from ages 15 to 18 ($8,000 total) will grow to $818,649 at age 65.

Consider helping your child or grandchild start a Roth IRA while they are young.