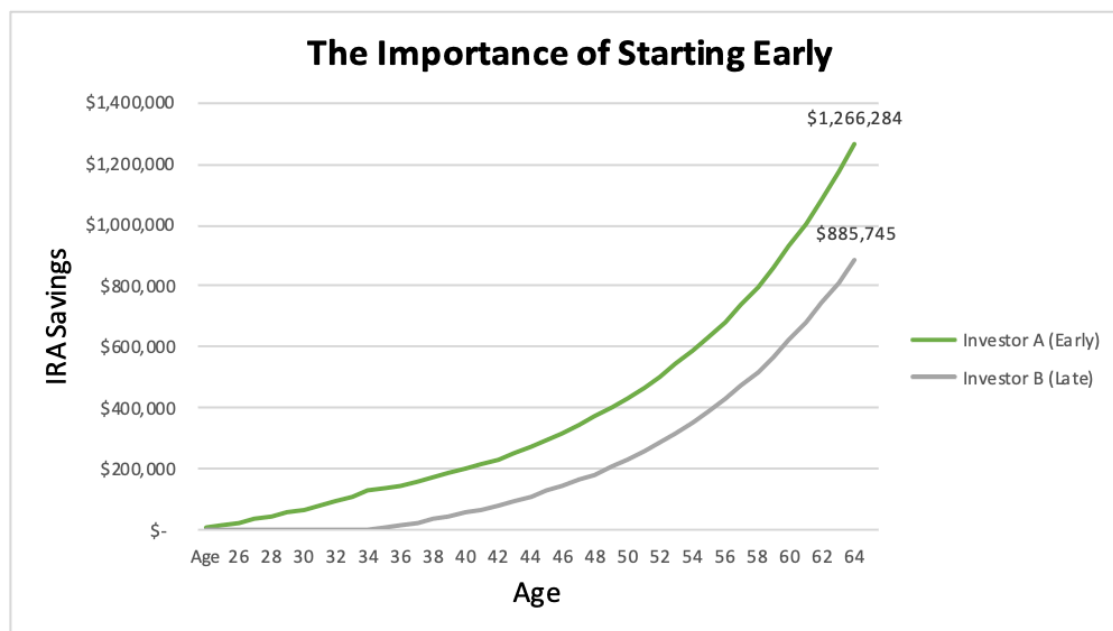


## Pawleys Investment Advisor's Retirement Planner: The Importance of Starting Early

Age	Investor A (Early)	Investor B (Late)
25	\$ 7,560	-
26	\$ 15,725	-
27	\$ 24,543	-
28	\$ 34,066	-
29	\$ 44,352	-
30	\$ 55,460	-
31	\$ 67,456	-
32	\$ 80,413	-
33	\$ 94,406	-
34	\$ 109,518	-
35	\$ 125,840	-
36	\$ 135,907	\$ 7,560
37	\$ 146,780	\$ 15,725
38	\$ 158,522	\$ 24,543
39	\$ 171,204	\$ 34,066
40	\$ 184,900	\$ 44,352
41	\$ 199,692	\$ 55,460
42	\$ 215,667	\$ 67,456
43	\$ 232,921	\$ 80,413
44	\$ 251,555	\$ 94,406
45	\$ 271,679	\$ 109,518
46	\$ 293,413	\$ 125,840
47	\$ 316,886	\$ 143,467
48	\$ 342,237	\$ 162,504
49	\$ 369,616	\$ 183,065
50	\$ 399,185	\$ 205,270
51	\$ 431,120	\$ 230,332
52	\$ 465,610	\$ 257,398
53	\$ 502,859	\$ 286,630
54	\$ 543,087	\$ 318,200
55	\$ 586,534	\$ 352,296
56	\$ 633,457	\$ 389,120
57	\$ 684,134	\$ 428,890
58	\$ 738,864	\$ 471,841
59	\$ 797,973	\$ 518,228
60	\$ 861,811	\$ 568,326
61	\$ 930,756	\$ 622,433
62	\$ 1,005,217	\$ 680,867
63	\$ 1,085,634	\$ 743,976
64	\$ 1,172,485	\$ 812,135
65	\$ 1,266,284	\$ 885,745

Investor A (green line) opens an IRA at age 25 and adds \$7,000 annually until age 35, for total contributions of \$77,000. Investor A never adds another dollar after age 35. Investor B (grey line) delays and finally opens an IRA at age 35, and adds \$7,000 annually until age 50, and then adds \$8,000 annually until age 65, for total contributions of \$225,000. Both investors gain an average annual return in their portfolios of 8%. At retirement, Investor A's portfolio is worth **\$1,266,284** and Investor B has only \$885,745. Investor A's savings are 1.429 times larger than Investor B's savings, and are 42.96% more than Investor B's savings. By starting early, Investor A is able to reap the benefits of the time value of money, while Investor B, by delaying, is never able to catch up to Investor A, not even coming close.



*The quality of our research relies on the accuracy of data and information provided by companies and third parties. P.I.A. does not guarantee completeness or accuracy. Projection figures are for informational purposes only and are not intended to replace your monthly statements. No adjustments have been made for fees or taxes.*