

SAVE NOW
or later



Twin Sister
Case Study no.1

LESLIE & CARLY

Sisters and best friends, the two just graduated from college together. Many of their friends and family have been known to refer to Carly as the practical sister and Leslie as the “free spirit.” When asked about their future plans, the sisters’ responses reflect their different viewpoints. Carly promptly states that she would accept an appropriate job and start saving as much as she could for retirement. Leslie, being the free spirit that she is, prefers to travel for a few years and take some part-time jobs before starting to save for retirement. She thinks that even if she waits until she is 30, she should be able to catch up to Carly’s investment by the time she retires by adding to her portfolio over a longer period.

Carly starts Saving Now.

Leslie waits 10 Years.

If Carly were to start contributing \$2,000 to her investment portfolio each year for the next 10 years, how big would her portfolio be by the time she turns 90? If Leslie were to wait for 10 years and then contribute \$2,000 per year until she is 90 years old, would she catch up to Carly’s portfolio assuming that both sisters were able to attain an 8% return per year?

Both attaining 8% return would Leslie catch up?

After 10 years & \$20,000 out of pocket, Carly stops contributing.

Now Leslie starts her saving journey. At the age of 31, she contributes the same amount each year, \$2,000 until she is 90 years old. Her portfolio totals \$2,706,941.

Carly’s portfolio totals \$3,168,432.

Leslie invested 6 times as much and only achieved 85% of Carly’s portfolio.

Starting Early

Age	Contributing \$2000/year during ages 21-30	
	Contribution	Account Value after 8% interest
21	\$ 2,000.00	\$ 2,160.00
22	\$ 2,000.00	\$ 4,492.80
23	\$ 2,000.00	\$ 7,012.22
24	\$ 2,000.00	\$ 9,733.20
25	\$ 2,000.00	\$ 12,671.86
26	\$ 2,000.00	\$ 15,845.61
27	\$ 2,000.00	\$ 19,273.26
28	\$ 2,000.00	\$ 22,975.12
29	\$ 2,000.00	\$ 26,973.12
30	\$ 2,000.00	\$ 31,290.97
31	\$ -	\$ 33,794.25
32	\$ -	\$ 36,497.79
33	\$ -	\$ 39,417.62
34	\$ -	\$ 42,571.03
35	\$ -	\$ 45,976.71
86	\$ -	\$ 2,328,892.28
87	\$ -	\$ 2,515,203.67
88	\$ -	\$ 2,716,419.96
89	\$ -	\$ 2,933,733.56
90	\$ -	\$ 3,168,432.24
	\$ (20,000.00) Total "Out of Pocket"	
	Total Account Value: \$ 3,168,432.24	

Starting Late

Age	Contributing \$2000/year during ages 31-90	
	Contribution	Account Value after 8% interest
21	\$ -	\$ -
22	\$ -	\$ -
23	\$ -	\$ -
24	\$ -	\$ -
25	\$ -	\$ -
26	\$ -	\$ -
27	\$ -	\$ -
28	\$ -	\$ -
29	\$ -	\$ -
30	\$ -	\$ -
31	\$ 2,000.00	\$ 2,160.00
32	\$ 2,000.00	\$ 4,492.80
33	\$ 2,000.00	\$ 7,012.22
34	\$ 2,000.00	\$ 9,733.20
35	\$ 2,000.00	\$ 12,671.86
86	\$ 2,000.00	\$ 1,982,528.04
87	\$ 2,000.00	\$ 2,143,290.29
88	\$ 2,000.00	\$ 2,316,913.51
89	\$ 2,000.00	\$ 2,504,426.59
90	\$ 2,000.00	\$ 2,706,940.72
	\$ (120,000.00) Total "Out of Pocket":	
	Total Account Value: \$ 2,706,940.72	

Ages 36-85 not shown

DISCLAIMER: "All names, characters, businesses, places, & incidents described are fabricated to simulate a real life scenario. Any similarities to actual events or persons, living or dead, is entirely coincidental. Not all investments are suitable for all investors and past performance is not a guarantee of future results. Do not take risks beyond your level of aptitude and comfort."

