Investing basics

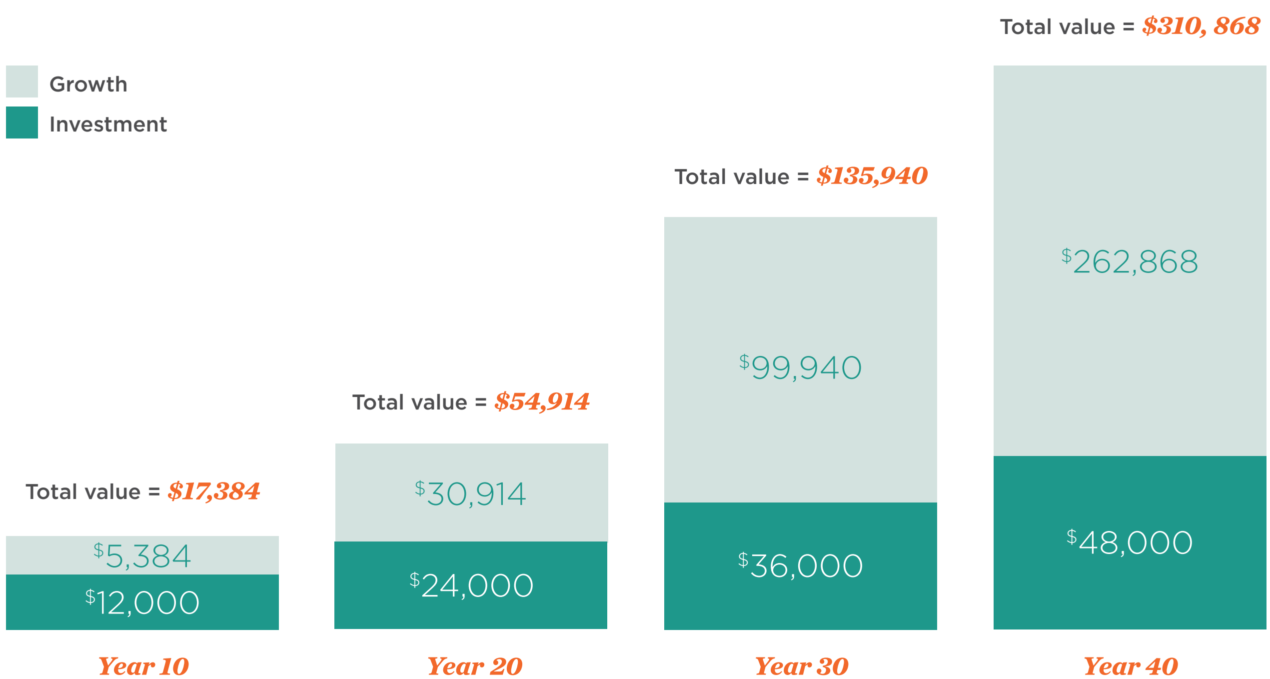
Conversation starter

Do I really need to start investing now?

Definitely — The sooner you invest, the sooner you can take advantage of compound growth .

Compounding is one of the most powerful financial tools thanks to its ability to amplify an investment by generating growth from past growth. This means that new growth is created from total contributions and reinvested earnings. This type of growth is known as compound growth.

For example, consider an annual investment of $1,200 that grows at 8%. In 40 years, compound growth will create $262,868 from your total investment.



Estimated earnings based on annual contributions of $1,200 growing tax deferred at 8% annually with all earnings reinvested.

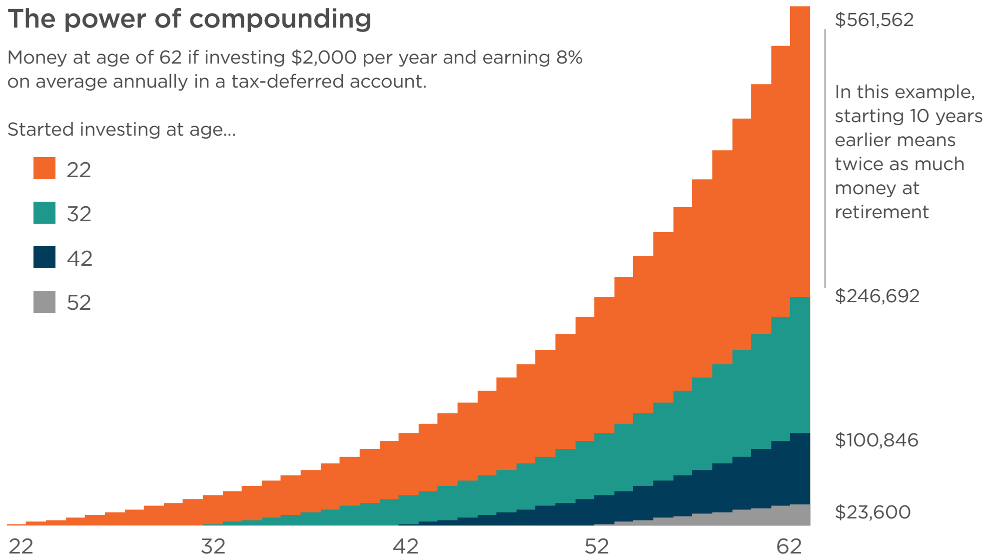
Better together: Time and compound growth

When you start investing during your 20s or early 30s, you're taking advantage of your biggest asset – time. The more time you give compound growth, the more it works for you. So, what may initially seem like a small investment could grow into substantial gains when you're ready to retire.

By investing just ten years earlier, you could potentially earn significantly more.

The power of compounding

Money at age of 62 if investing $2,000 per year and earning 8% on average annually in a tax-deferred account.



A simple way to get started

If you have a retirement plan available at work, consider enrolling in it now. These plans generally have features that can help you accumulate more money for taking advantage of compound growth. So the sooner you enroll, the greater the opportunity for growth.

Employer match – Many employers will match a percentage of your investment into your retirement account with money of their own, up to a maximum amount.

Tax deferral – The money invested into your retirement account, whether from you or your employer, can also grow tax deferred until you make withdrawals.

Work with your financial advisor to learn more about how you can start investing.

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