

Annual Interest Rate	Age Investment Started			
	20	30	40	50
3%	\$185,440	\$129,924	\$72,919	\$37,19
6%	\$425,487	\$222,870	\$109,729	\$46,55
10%	\$1,437,810	\$542,049	\$196,694	\$63,54

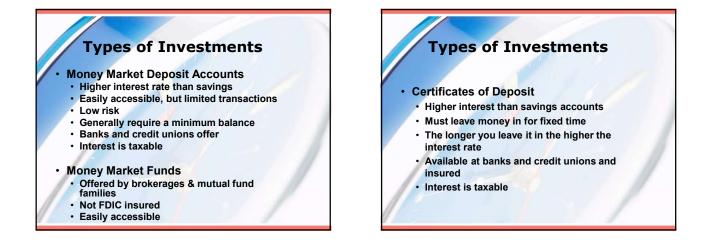












Types of Investments

Bonds

- Loan to a corporation or government
- Earns higher interest than CDs but return may be lower than for stocks
- Government bonds less risky than corporate bonds
- Can buy from employers, banks, and brokerages
- The minimum may be more than you have • Returns are taxable
- Can buy U.S. savings bonds online www.treasurydirect.gov



Types of Investments

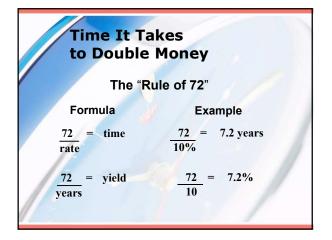
Stocks

- Buying a part of a publicly traded company
- As profits increase value of stock increases
- Highest potential rate of return
- Highest risk
- No limit on how long you have to invest or how much you could lose
- Pay taxes on dividends and gains from appreciation
- Available from stock brokers and online brokerages





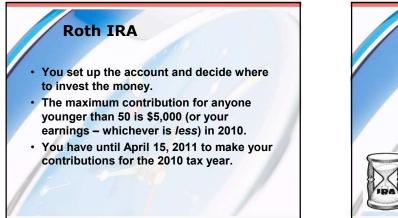
Average Annual Return	Investment
1926-2005*	11. 10
Savings Accounts	2%
Certificates of Deposit (1 yr)	4.5%
Long - Term Bonds	5.92%
Large Cap Stocks	10.36%
Mutual Funds	9.14%
Small Cap Stocks	12.64 <mark>%</mark>
Inflation	2.69%

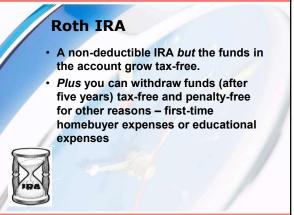












Diversify

- Have a variety of investments, not just one type
 - Stock
 - Bond
 - Mutual fund
 - CD





