

College, Career & Life Planning



When Should I Start Saving for Retirement?

- The Chart below illustrates the effect of compounding over time and indicates the importance of beginning to invest for retirement early in your life.
- In this example, by beginning at age 25 (investing for 40 years), you build about 9 times as much investment value by age 65 as you would by beginning at age 55 (investing for 10 years).
- Assumptions:
 - All figures are in current \$\$ (present value).
 - Inflation rate: 3%/year. Investment return: 8%/year. Investment Contribution: \$25/week.
 - Invested in a tax-deferred IRA.

Present Value of Investments at Age 65
(Based on When You Start Investing)

