

# Accumulating A Million Dollars

How long does it take to accumulate \$1,000,000?

The answer depends on three things.

- How many years are available to accumulate the fund,
- The after-tax rate of return, and
- The method of contribution: One lump sum, or monthly contributions.

The table below shows how long it takes to accumulate \$1,000,000 under varying circumstances. The results shown are hypothetical.<sup>1</sup> The actual growth will depend on a number of factors.

## Annual Rate of Return (after taxes)

Years	Annual Rate: 2.00% <sup>2</sup>		Annual Rate: 4.00% <sup>2</sup>		Annual Rate: 6.00% <sup>2</sup>		Annual Rate: 8.00% <sup>2</sup>	
	Lump Sum	Monthly	Lump Sum	Monthly	Lump Sum	Monthly	Lump Sum	Monthly
5	\$904,913	\$15,861	\$819,003	\$15,083	\$741,372	\$14,333	\$671,210	\$13,610
10	818,867	7,535	670,766	6,791	549,633	6,102	450,523	5,466
15	741,003	4,768	549,360	4,064	407,482	3,439	302,396	2,890
20	670,543	3,392	449,927	2,726	302,096	2,164	202,971	1,698
25	606,783	2,572	368,492	1,945	223,966	1,443	136,237	1,051
30	549,086	2,030	301,796	1,441	166,042	996	91,443	671
35	496,875	1,646	247,172	1,094	123,099	702	61,378	436
40	449,628	1,362	202,434	846	91,262	502	41,197	286

**Example:** If you contribute \$2,164 per month to an investment which returns 6% after taxes, you should accumulate \$1,000,000 in 20 years. Likewise, if you currently have \$302,096 invested at 6% (after-tax) for 20 years, it will grow to \$1,000,000 without any additional contribution.

Values shown in this presentation are hypothetical and not a promise of future performance.

<sup>1</sup> The calculations shown assume monthly compounding. Monthly contribution amounts are calculated on an end-of-month (ordinary-annuity) basis.

<sup>2</sup> Seeking a higher rate of return generally involves a greater degree of volatility and risk.