

**Christine and Aparna**

## Activity Sheet 5-5

- Christine started saving at age 25. She saved \$1,000 every year for 10 years. She earned 8% compound interest. At 35, she stopped saving. But her deposit kept collecting compound interest for 30 years, until she retired at age 65.
- Aparna started saving at age 35. She saved \$1,000 every year for 30 years. She earned 8% compound interest. She kept on saving until she retired at age 65.

**Q: Who do you think will have more money at age 65?**

1. Christine
2. Aparna
3. Both Christine and Aparna have the same amount

**Christine**

Start contributing at age	<b>25</b>
Annual contribution	<b>\$1,000</b>
Number of years contributing	10
Total contributions	\$10,000
Total accumulated value at age 65	\$

**Aparna**

Start contributing at age	<b>35</b>
Annual contribution	<b>\$1,000</b>
Number of years contributing	30
Total contributions	\$10,000
Total accumulated value at age 65	\$

(Assumptions: contributions made at the beginning of each year, interest compounded annually at an 8% rate of return; 1% inflation rate)

Calculations: [www.calculator.net](http://www.calculator.net)