MODULE 5

Enzo and Tess

Activity Sheet 5-5

- Enzo started saving at age 35. He made an initial investment of $3,000 at 5% compound interest rate. His money kept growing for 30 years, until he retired at age 65.
- Tess started saving at age 45. She made the same initial investment of $3,000 at the same compound interest rate as Enzo. Her money kept growing for 20 years, until she retired at age 65.

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

1. Enzo
2. Tess
3. Both Enzo and Tess have the same amount

Enzo

Age at contribution	35
Initial contribution	$3,000
Years to grow	30
Compound interest rate	5%
Total accumulated value at age 65	$

Tess

Age at contribution	45
Initial contribution	$3,000
Years to grow	20
Compound interest rate	5%
Total accumulated value at age 65	$

(Assumptions: Initial contribution made at the beginning of the year, interest compounded annually at a 5% rate of return. No additional contributions made. Calculations made using:
https://www.getsmarteraboutmoney.ca/calculators/compound-interest-calculator/