



# You Can Be *A Millionaire* Only If You Want To!

By: Jonas Angus

In Cooperation With:



*Croteau Financial*

# Gift Certificate

- \$100 Redeemable At Avidia Bank To Open a Savings Account
- \$10 iTunes or Google Play Store Gift Card from Avidia Bank
- Start of Savings Account
- Recommend A Monthly Savings of \$25





# Your Reward For Savings!

- \$25 Cash Deposit from Avidia Bank Into Your Savings Account after 6 months if you maintain a \$100 minimum balance.
- \$100 Cash Deposit Into Your Savings Account from TPE Solutions, Inc. after 12 months if you can show you saved \$10 to \$25 each month!

## Additional Incentive from Avidia Bank:

- \$100 Balance = \$5 McDonalds Gift Card
- \$250 Balance = \$10 Dunkin Donuts Gift Card
- \$500 Balance = \$15 Best Buy Gift Card
- \$1,000 Balance = \$25 Visa Gift Card

# What Is Interest (%) On Savings Account

- Interest is the money the bank pays you so that they can use it to make loans to other people.
- Interest on a savings account is usually compounded daily and paid out monthly.
- Compound Interest : Earning interest on your interest. Bank is paying you interest again on the money they have already paid you in interest (REAL COOL!)
- Main Advice: Make deposit Every Month, Sit Back and Watch It Grow.

# Average Interest Return(10 yrs.)

- Savings Account : 0.5 to 1 % → Guaranteed (starter)
- Bonds : 2 to 5 % → Higher Interest Than Savings  
But Safe & Low Risk
- Stock Market (Ownership In Companies) : 7 to 10 %  
→ High Interest. Value Grows As Companies Grow,  
But Higher Risk. Need To Sit Back And Watch It  
Grow. Expect Up & Down.

# Savings And The Power of Compound Interest



# The Power of *Compound Interest*

- Compound Interest Is Easy Math
  - When you start saving money, the money earns interest
  - The interest makes a pot of money bigger, so it starts accruing more interest
  - Over a lot of years, that little bit of interest early in the process makes a huge difference

## THE POWER OF COMPOUND INTEREST

**IT IS MAGICAL**

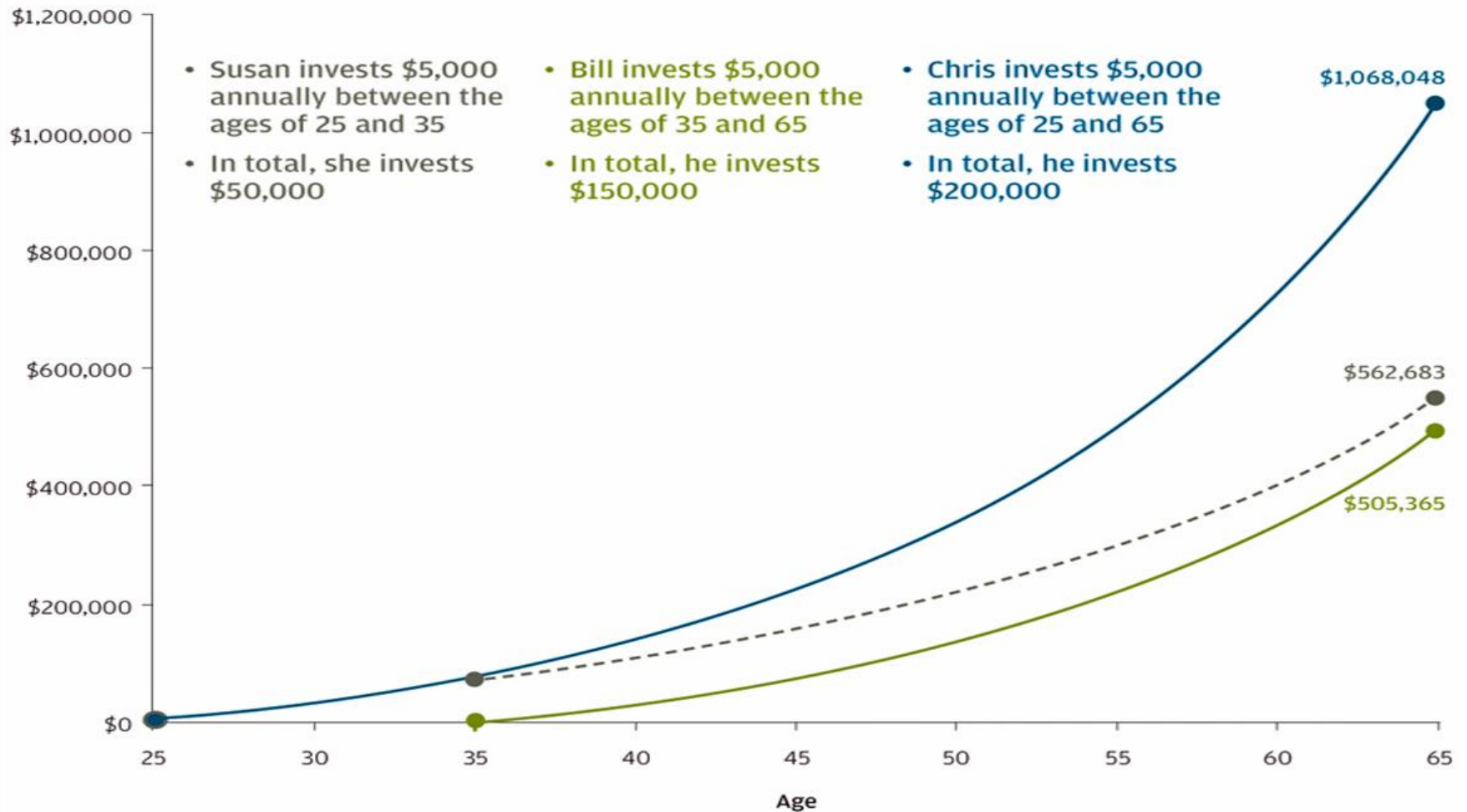
*Assumed growth rate of 9%*

HYPOTHETICAL INVESTOR # 1		
AGE	ANNUAL CONTRIBUTION	YEAR-END ACCOUNT BALANCE
25	\$1,200	\$1,308.00
26	\$1,200	\$2,734.00
27	\$1,200	\$4,288.00
28	\$1,200	\$5,982.00
29	\$1,200	\$7,828.00
30	\$1,200	\$9,847.00
31	\$1,200	\$12,034.00
32	\$1,200	\$14,425.00
33	\$0	\$15,724.00
34	\$0	\$17,139.00
35	\$0	\$18,681.00
36	\$0	\$20,362.00
37	\$0	\$22,195.00
38	\$0	\$24,913.00
39	\$0	\$26,370.00
40	\$0	\$28,743.00
41	\$0	\$31,330.00
42	\$0	\$34,150.00
43	\$0	\$37,223.00
44	\$0	\$40,573.00
45	\$0	\$44,225.00
46	\$0	\$48,205.00
47	\$0	\$52,544.00
48	\$0	\$57,273.00
49	\$0	\$62,427.00
50	\$0	\$68,046.00
51	\$0	\$74,170.00
52	\$0	\$80,845.00
53	\$0	\$88,121.00
54	\$0	\$96,052.00
55	\$0	\$104,697.00
56	\$0	\$114,119.00
57	\$0	\$124,390.00
58	\$0	\$135,585.00
59	\$0	\$147,788.00
60	\$0	\$161,089.00
61	\$0	\$175,587.00
62	\$0	\$191,389.00
63	\$0	\$208,865.00
64	\$0	\$227,390.00
<b>Total Contributions:</b>	<b>\$9,600</b>	
<b>Total Earnings:</b>	<b>\$217,790</b>	
<b>Final Account Balance:</b>	<b>\$227,390</b>	

HYPOTHETICAL INVESTOR # 2		
AGE	ANNUAL CONTRIBUTION	YEAR-END ACCOUNT BALANCE
25	\$0	\$0
26	\$0	\$0
27	\$0	\$0
28	\$0	\$0
29	\$0	\$0
30	\$0	\$0
31	\$0	\$0
32	\$0	\$0
33	\$1,200	\$1,308.00
34	\$1,200	\$2,734.00
35	\$1,200	\$4,288.00
36	\$1,200	\$5,982.00
37	\$1,200	\$7,828.00
38	\$1,200	\$9,841.00
39	\$1,200	\$12,034.00
40	\$1,200	\$14,425.00
41	\$1,200	\$17,032.00
42	\$1,200	\$19,872.00
43	\$1,200	\$22,969.00
44	\$1,200	\$26,344.00
45	\$1,200	\$30,023.00
46	\$1,200	\$34,033.00
47	\$1,200	\$38,404.00
48	\$1,200	\$43,168.00
49	\$1,200	\$48,362.00
50	\$1,200	\$54,022.00
51	\$1,200	\$60,192.00
52	\$1,200	\$66,917.00
53	\$1,200	\$74,248.00
54	\$1,200	\$82,238.00
55	\$1,200	\$90,948.00
56	\$1,200	\$100,441.00
57	\$1,200	\$110,789.00
58	\$1,200	\$122,068.00
59	\$1,200	\$134,362.00
60	\$1,200	\$147,762.00
61	\$1,200	\$162,369.00
62	\$1,200	\$178,290.00
63	\$1,200	\$195,644.00
64	\$1,200	\$214,560.00
<b>Total Contributions:</b>	<b>\$38,400</b>	
<b>Total Earnings:</b>	<b>\$176,160</b>	
<b>Final Account Balance:</b>	<b>\$214,560</b>	



## Growth of savings accounts

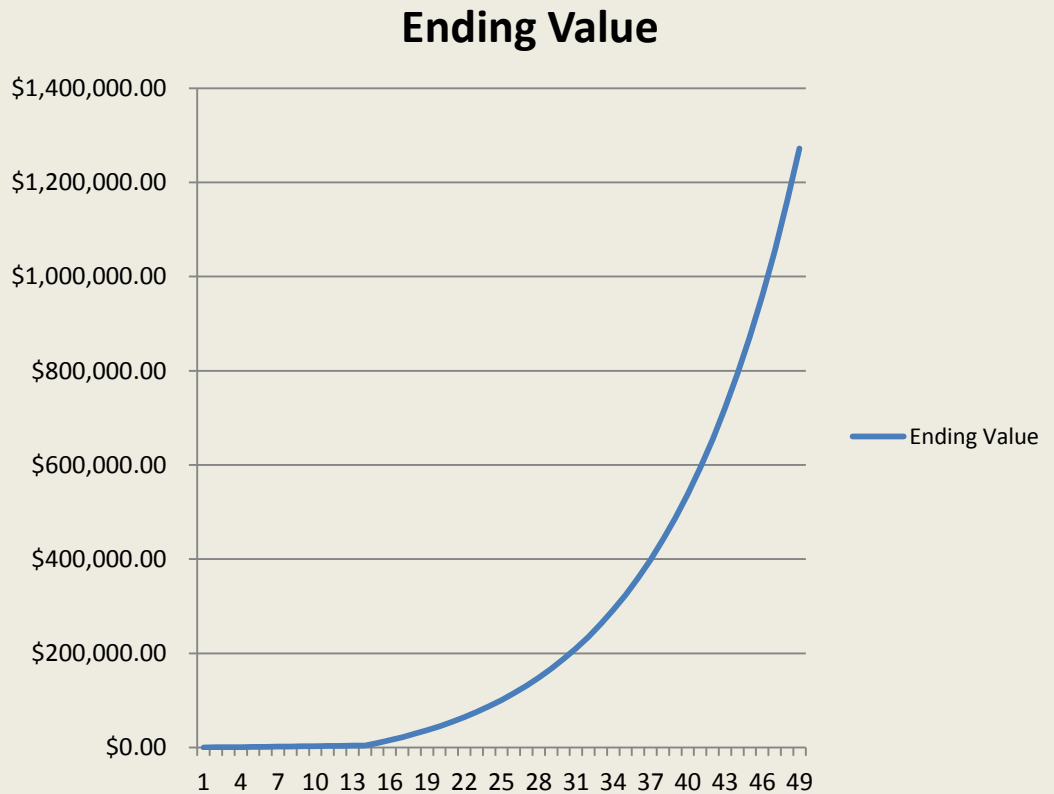


The above example is for illustrative purposes only and not indicative of any investment. Account value in this example assumes a 7% annual return. Source: J.P. Morgan Asset Management.

Compounding refers to the process of earning return on principal plus the return that was earned earlier.

# How To Save Towards A Million Dollars

Initial Investment	\$100.00
18-30 Rate of Return	0.50%
18-30 Monthly Contribution	\$25.00
31-65 Rate of Return	9%
31-65 Monthly Contribution	\$400.00





# Savings Growth By Age

Age	Beginning Value	Contributions	Earnings	Ending Value					
				\$100.00	42	\$100,758.20	\$ 4,800.00	\$9,654.85	\$115,213.05
18	\$ 100.00	\$ 300.00	\$1.19	\$401.19	43	\$115,213.05	\$ 4,800.00	\$11,010.81	\$131,023.86
19	\$401.19	\$ 300.00	\$2.70	\$703.89	44	\$131,023.86	\$ 4,800.00	\$12,493.98	\$148,317.84
20	\$703.89	\$ 300.00	\$4.22	\$1,008.10	45	\$148,317.84	\$ 4,800.00	\$14,116.27	\$167,234.11
21	\$1,008.10	\$ 300.00	\$5.74	\$1,313.85	46	\$167,234.11	\$ 4,800.00	\$15,890.75	\$187,924.86
22	\$1,313.85	\$ 300.00	\$7.27	\$1,621.12	47	\$187,924.86	\$ 4,800.00	\$17,831.68	\$210,556.54
23	\$1,621.12	\$ 300.00	\$8.81	\$1,929.93	48	\$210,556.54	\$ 4,800.00	\$19,954.69	\$235,311.23
24	\$1,929.93	\$ 300.00	\$10.36	\$2,240.29	49	\$235,311.23	\$ 4,800.00	\$22,276.85	\$262,388.08
25	\$2,240.29	\$ 300.00	\$11.92	\$2,552.21	50	\$262,388.08	\$ 4,800.00	\$24,816.85	\$292,004.93
26	\$2,552.21	\$ 300.00	\$13.48	\$2,865.69	51	\$292,004.93	\$ 4,800.00	\$27,595.11	\$324,400.04
27	\$2,865.69	\$ 300.00	\$15.05	\$3,180.73	52	\$324,400.04	\$ 4,800.00	\$30,634.00	\$359,834.03
28	\$3,180.73	\$ 300.00	\$16.63	\$3,497.36	53	\$359,834.03	\$ 4,800.00	\$33,957.95	\$398,591.98
29	\$3,497.36	\$ 300.00	\$18.22	\$3,815.58	54	\$398,591.98	\$ 4,800.00	\$37,593.71	\$440,985.70
30	\$3,815.58	\$ 300.00	\$19.81	\$4,135.39	55	\$440,985.70	\$ 4,800.00	\$41,570.53	\$487,356.23
31	\$4,135.39	\$ 4,800.00	\$590.96	\$9,526.35	56	\$487,356.23	\$ 4,800.00	\$45,920.41	\$538,076.64
32	\$9,526.35	\$ 4,800.00	\$1,096.67	\$15,423.02	57	\$538,076.64	\$ 4,800.00	\$50,678.33	\$593,554.98
33	\$15,423.02	\$ 4,800.00	\$1,649.82	\$21,872.84	58	\$593,554.98	\$ 4,800.00	\$55,882.59	\$654,237.56
34	\$21,872.84	\$ 4,800.00	\$2,254.86	\$28,927.70	59	\$654,237.56	\$ 4,800.00	\$61,575.03	\$720,612.59
35	\$28,927.70	\$ 4,800.00	\$2,916.65	\$36,644.36	60	\$720,612.59	\$ 4,800.00	\$67,801.47	\$793,214.06
36	\$36,644.36	\$ 4,800.00	\$3,640.53	\$45,084.88	61	\$793,214.06	\$ 4,800.00	\$74,611.98	\$872,626.04
37	\$45,084.88	\$ 4,800.00	\$4,432.31	\$54,317.19	62	\$872,626.04	\$ 4,800.00	\$82,061.38	\$959,487.42
38	\$54,317.19	\$ 4,800.00	\$5,298.36	\$64,415.55	63	\$959,487.42	\$ 4,800.00	\$90,209.57	\$1,054,496.99
39	\$64,415.55	\$ 4,800.00	\$6,245.66	\$75,461.21	64	\$1,054,496.99	\$ 4,800.00	\$99,122.13	\$1,158,419.12
40	\$75,461.21	\$ 4,800.00	\$7,281.82	\$87,543.03	65	\$1,158,419.12	\$ 4,800.00	\$108,870.74	\$1,272,089.85
41	\$87,543.03	\$ 4,800.00	\$8,415.17	\$100,758.20					
					<b>TOTALS</b>	<b>\$ 172,000.00</b>	<b>\$1,100,089.85</b>	<b>\$ 1,272,089.85</b>	



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