

# THE SNOWBALL EFFECT

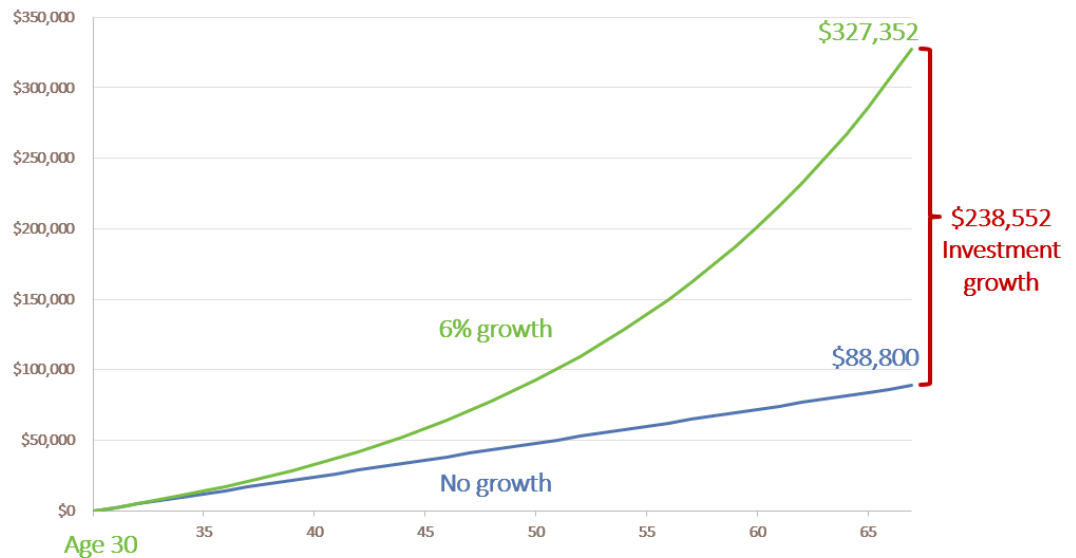
## COMPOUNDING CAN HELP YOUR RETIREMENT PLAN SAVINGS GROW FASTER OVER TIME

One of the great things about retirement plan investing is that we have the benefit of time, and the longer we have our savings invested, the faster they tend to grow. This is because of something called compound returns. When our investments earn a return, those returns are reinvested and can continue to grow. It's very much like the way a snowball expands as it rolls downhill – starting small, but getting larger and larger as it picks up more snow.

Take a look at the example below. If Alice starts saving at age 30 and her investments grow at a rate of 6% a year, she winds up with over \$238,000 more than she actually saved. Notice the curve of the green line – the longer she saves, the faster her account increases.



**Alice**  
\$40,000 Income  
Age 30



The money you save today has much more potential for growth than the money you save ten or twenty years from now. Save what you can, as soon as you can, and let compound returns work for you!

### WE'RE HERE TO HELP

Have questions? You can reach a BerganKDV advisor at no additional cost to you.

Salary deferral rate assumes an annual salary of \$40,000. Account value except "No growth" example assumes a 6% annual return. Deferral rates and account values are rounded to the nearest whole numbers. The above example is for illustrative purposes only and not indicative of any investment, which will fluctuate with market conditions. Regular investing does not ensure a profit or protect against loss in a declining market. The actual results for the period shown will vary. Past performance is no guarantee of future results. The information in this material may contain projections or other forward-looking statements regarding future events, targets or expectations. There is no assurance that such events or targets will be achieved, and may be significantly different than that shown here.

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