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**The power of compounding**

This is a simple table that shows you the power of compounding. As an example, if you compound something at 14% per year (cols) for 5 years (rows), you end up with approx. 2 times what you started with.

| | 2% | 4% | 6% | **8%** | 10% | 12% | **14%** | 16% | 18% | **20%** |
|---|---|---|---|---|---|---|---|---|---|---|
| 5 | 1.1x | 1.2x | 1.3x | **1.5x** | 1.6x | 1.8x | **1.9x** | 2.1x | 2.3x | **2.5x** |
| 10 | 1.2x | 1.5x | 1.8x | **2.2x** | 2.6x | 3.1x | **3.7x** | 4.4x | 5.2x | **6.2x** |
| 15 | 1.3x | 1.8x | 2.4x | **3.2x** | 4.2x | 5.5x | **7.1x** | 9.3x | 12.0x | **15.4x** |
| 20 | 1.5x | 2.2x | 3.2x | **4.7x** | 6.7x | 9.6x | **13.7x** | 19.5x | 27.4x | **38.3x** |
| 25 | 1.6x | 2.7x | 4.3x | **6.8x** | 10.8x | 17.0x | **26.5x** | 40.9x | 62.7x | **95.4x** |
| **30** | **2x** | **3x** | **6x** | **10x** | **17x** | **30x** | **51x** | **86x** | **143x** | **237x** |
| 35 | 2x | 4x | 8x | **15x** | 28x | 53x | **98x** | 180x | 328x | **591x** |
| 40 | 2x | 5x | 10x | **22x** | 45x | 93x | **189x** | 379x | 750x | **1 470x** |
| 45 | 2x | 6x | 14x | **32x** | 73x | 164x | **364x** | 795x | 1 717x | **3 657x** |
| 50 | 3x | 7x | 18x | **47x** | 117x | 289x | **700x** | 1 671x | 3 927x | **9 100x** |
| 55 | 3x | 9x | 25x | **69x** | 189x | 509x | **1 348x** | 3 509x | 8 985x | **22 645x** |
| 60 | 3x | 11x | 33x | **101x** | 304x | 898x | **2 596x** | 7 370x | 20 555x | **56 348x** |

*- Up to 12-14% return, 2% extra return is approx equal to ~5 years of additional compounding*

*- We have highlighted 8% (average yearly market return), 14% (what many investment firms target) and 20% (Warren Buffett)*

*- 30 years might be considered an average investment horizon starting after you've made some initial money*

*- Thank you Christopher Beselin for inspiring us to do this!*