# Compound Interest

Money

Why the same monthly amount is worth vastly more when it starts earlier.

**Interest earns interest. Growth is exponential in time, so years matter more than amounts.**

$$A = P\,(1 + r/n)^{(nt)}$$

**£100/month at 7% for 10 years** — **≈ £17,300**

You paid in £12,000.

**The same for 20 years** — **≈ £52,000**

Double the time, triple the result.

**The same for 30 years** — **≈ £122,000**

Triple the time, seven times the result.

**THE COMMON MISTAKE**

**× Waiting until you can afford to save more**

**✓ Starting small now and increasing later**

Ten years lost at the beginning cannot be bought back at the end. The early money compounds for the longest.

**Illustrative figures at a constant 7%. Real returns vary and can be negative. Education, not advice.**