

Life Insurance versus 5.0% Compounded Annually

Year	Age	Premiums (for Life Insurance case)	Cash Value (for Life Insurance case)	Growth in Cash Value (for Life Insurance case)	Withdrawal (from Life Insurance case)	Available Cash Value (from Life Insurance case)	Withdrawal (from 5.0% investment account)	Deposit at end of year (for 5.0% case)	Account Amount at end of year (for 5.0% case)
1	25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,200.00	\$ 10,200.00
2	26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,200.00	\$ 20,910.00
3	27	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,200.00	\$ 32,155.50
4	28	\$ 11,545.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,200.00	\$ 43,963.28
5	29	\$ 11,545.00	\$ 5,954.94	\$ 5,954.94	\$ -	\$ 5,954.94	\$ -	\$ 10,200.00	\$ 56,361.44
6	30	\$ 11,545.00	\$ 14,752.46	\$ 8,797.52	\$ -	\$ 14,752.46	\$ -	\$ 10,200.00	\$ 69,379.51
7	31	\$ 11,545.00	\$ 25,519.00	\$ 10,766.54	\$ -	\$ 25,519.00	\$ -	\$ 10,200.00	\$ 83,048.49
8	32	\$ 11,545.00	\$ 38,652.00	\$ 13,133.00	\$ -	\$ 38,652.00	\$ -	\$ 10,200.00	\$ 97,400.91
9	33	\$ 11,545.00	\$ 52,380.00	\$ 13,728.00	\$ -	\$ 52,380.00	\$ -	\$ 10,200.00	\$ 112,470.96
10	34	\$ 11,545.00	\$ 66,053.00	\$ 13,673.00	\$ -	\$ 66,053.00	\$ -	\$ 10,200.00	\$ 128,294.50
11	35	\$ 11,545.00	\$ 80,960.00	\$ 14,907.00	\$ -	\$ 80,960.00	\$ -	\$ 10,200.00	\$ 144,909.23
12	36	\$ 11,545.00	\$ 96,638.00	\$ 15,678.00	\$ -	\$ 96,638.00	\$ -	\$ 10,200.00	\$ 162,354.69
13	37	\$ 11,545.00	\$ 113,159.00	\$ 16,521.00	\$ -	\$ 113,159.00	\$ -	\$ 10,200.00	\$ 180,672.43
14	38	\$ 11,545.00	\$ 130,609.00	\$ 17,450.00	\$ -	\$ 130,609.00	\$ -	\$ 10,200.00	\$ 199,906.05
15	39	\$ 11,545.00	\$ 148,447.00	\$ 17,838.00	\$ -	\$ 148,447.00	\$ -	\$ 10,200.00	\$ 220,101.35
16	40	\$ 11,545.00	\$ 167,719.00	\$ 19,272.00	\$ -	\$ 167,719.00	\$ -	\$ 10,200.00	\$ 241,306.42
17	41	\$ 11,545.00	\$ 187,845.00	\$ 20,126.00	\$ -	\$ 187,845.00	\$ -	\$ 10,200.00	\$ 263,571.74
18	42	\$ 11,545.00	\$ 209,257.00	\$ 21,412.00	\$ -	\$ 209,257.00	\$ -	\$ 10,200.00	\$ 286,950.32
19	43	\$ 11,545.00	\$ 232,019.00	\$ 22,762.00	\$ -	\$ 232,019.00	\$ -	\$ 10,200.00	\$ 311,497.84
20	44	\$ 11,545.00	\$ 255,298.00	\$ 23,279.00	\$ -	\$ 255,298.00	\$ -	\$ 10,200.00	\$ 337,272.73
21	45	\$ 11,545.00	\$ 280,147.00	\$ 24,849.00	\$ -	\$ 280,147.00	\$ -	\$ 10,200.00	\$ 364,336.37
22	46	\$ 11,545.00	\$ 306,650.00	\$ 26,503.00	\$ -	\$ 306,650.00	\$ -	\$ 10,200.00	\$ 392,753.19
23	47	\$ 11,545.00	\$ 334,916.00	\$ 28,266.00	\$ -	\$ 334,916.00	\$ -	\$ 10,200.00	\$ 422,590.85
24	48	\$ -	\$ 365,044.00	\$ 30,128.00	\$ -	\$ 365,044.00	\$ -	\$ 10,200.00	\$ 453,920.39
25	49	\$ -	\$ 388,101.00	\$ 23,057.00	\$ -	\$ 388,101.00	\$ -	\$ 10,200.00	\$ 486,816.41
26	50	\$ -	\$ 412,486.00	\$ 24,385.00	\$ -	\$ 412,486.00	\$ -	\$ 10,200.00	\$ 521,357.23
27	51	\$ -	\$ 438,274.00	\$ 25,788.00	\$ -	\$ 438,274.00	\$ -	\$ 10,200.00	\$ 557,625.09
28	52	\$ -	\$ 465,520.00	\$ 27,246.00	\$ -	\$ 465,520.00	\$ -	\$ 10,200.00	\$ 595,706.34
29	53	\$ -	\$ 494,302.00	\$ 28,782.00	\$ -	\$ 494,302.00	\$ -	\$ 10,200.00	\$ 635,691.66
30	54	\$ -	\$ 524,677.00	\$ 30,375.00	\$ -	\$ 524,677.00	\$ -	\$ 10,200.00	\$ 677,676.24
31	55	\$ -	\$ 556,749.00	\$ 32,072.00	\$ -	\$ 556,749.00	\$ -	\$ 10,200.00	\$ 721,760.06
32	56	\$ -	\$ 590,553.00	\$ 33,804.00	\$ -	\$ 590,553.00	\$ -	\$ 10,200.00	\$ 768,048.06
33	57	\$ -	\$ 626,172.00	\$ 35,619.00	\$ -	\$ 626,172.00	\$ -	\$ 10,200.00	\$ 816,650.46
34	58	\$ -	\$ 663,686.00	\$ 37,514.00	\$ -	\$ 663,686.00	\$ -	\$ 10,200.00	\$ 867,682.99
35	59	\$ -	\$ 703,146.00	\$ 39,460.00	\$ -	\$ 703,146.00	\$ -	\$ 10,200.00	\$ 921,267.13
36	60	\$ -	\$ 744,614.00	\$ 41,468.00	\$ -	\$ 744,614.00	\$ -	\$ 10,200.00	\$ 977,530.49
37	61	\$ -	\$ 788,189.00	\$ 43,575.00	\$ -	\$ 788,189.00	\$ -	\$ 10,200.00	\$ 1,036,607.02
38	62	\$ -	\$ 833,928.00	\$ 45,739.00	\$ -	\$ 833,928.00	\$ -	\$ 10,200.00	\$ 1,098,637.37
39	63	\$ -	\$ 881,895.00	\$ 47,967.00	\$ -	\$ 881,895.00	\$ -	\$ 10,200.00	\$ 1,163,769.24
40	64	\$ -	\$ 932,169.00	\$ 50,274.00	\$ -	\$ 932,169.00	\$ -	\$ 10,200.00	\$ 1,232,157.70
41	65	\$ -	\$ 984,831.00	\$ 52,662.00	\$ 60,000.00	\$ 924,831.00	\$ 86,000.00	\$ -	\$ 1,207,765.58
42	66	\$ -	\$ 1,039,927.00	\$ 55,096.00	\$ 60,000.00	\$ 979,927.00	\$ 86,000.00	\$ -	\$ 1,182,153.86
43	67	\$ -	\$ 1,097,528.00	\$ 57,601.00	\$ 60,000.00	\$ 1,037,528.00	\$ 86,000.00	\$ -	\$ 1,155,261.55
44	68	\$ -	\$ 1,157,712.00	\$ 60,184.00	\$ 60,000.00	\$ 1,097,712.00	\$ 86,000.00	\$ -	\$ 1,127,024.63
45	69	\$ -	\$ 1,220,501.00	\$ 62,789.00	\$ 60,000.00	\$ 1,160,501.00	\$ 86,000.00	\$ -	\$ 1,097,375.86
46	70	\$ -	\$ 1,285,937.00	\$ 65,436.00	\$ 60,000.00	\$ 1,225,937.00	\$ 86,000.00	\$ -	\$ 1,066,244.66
47	71	\$ -	\$ 1,354,026.00	\$ 68,089.00	\$ 60,000.00	\$ 1,294,026.00	\$ 86,000.00	\$ -	\$ 1,033,556.89
48	72	\$ -	\$ 1,424,807.00	\$ 70,781.00	\$ 60,000.00	\$ 1,364,807.00	\$ 86,000.00	\$ -	\$ 999,234.73
49	73	\$ -	\$ 1,498,214.00	\$ 73,407.00	\$ 60,000.00	\$ 1,438,214.00	\$ 86,000.00	\$ -	\$ 963,196.47
50	74	\$ -	\$ 1,574,270.00	\$ 76,056.00	\$ 60,000.00	\$ 1,514,270.00	\$ 86,000.00	\$ -	\$ 925,356.29
51	75	\$ -	\$ 1,652,947.00	\$ 78,677.00	\$ 60,000.00	\$ 1,592,947.00	\$ 86,000.00	\$ -	\$ 885,624.11
52	76	\$ -	\$ 1,734,183.00	\$ 81,236.00	\$ 60,000.00	\$ 1,674,183.00	\$ 86,000.00	\$ -	\$ 843,905.31
53	77	\$ -	\$ 1,817,948.00	\$ 83,765.00	\$ 60,000.00	\$ 1,757,948.00	\$ 86,000.00	\$ -	\$ 800,100.58
54	78	\$ -	\$ 1,904,182.00	\$ 86,234.00	\$ 60,000.00	\$ 1,844,182.00	\$ 86,000.00	\$ -	\$ 754,105.61
55	79	\$ -	\$ 1,992,953.00	\$ 88,771.00	\$ 60,000.00	\$ 1,932,953.00	\$ 86,000.00	\$ -	\$ 705,810.89
56	80	\$ -	\$ 2,084,324.00	\$ 91,371.00	\$ 60,000.00	\$ 2,024,324.00	\$ 86,000.00	\$ -	\$ 655,101.43
57	81	\$ -	\$ 2,178,435.00	\$ 94,111.00	\$ 60,000.00	\$ 2,118,435.00	\$ 86,000.00	\$ -	\$ 601,856.51
58	82	\$ -	\$ 2,275,456.00	\$ 97,021.00	\$ 60,000.00	\$ 2,215,456.00	\$ 86,000.00	\$ -	\$ 545,949.33
59	83	\$ -	\$ 2,375,616.00	\$ 100,160.00	\$ 60,000.00	\$ 2,315,616.00	\$ 86,000.00	\$ -	\$ 487,246.80
60	84	\$ -	\$ 2,479,094.00	\$ 103,478.00	\$ 60,000.00	\$ 2,419,094.00	\$ 86,000.00	\$ -	\$ 425,609.14
61	85	\$ -	\$ 2,584,917.00	\$ 105,823.00	\$ 60,000.00	\$ 2,524,917.00	\$ 86,000.00	\$ -	\$ 360,889.59
62	86	\$ -	\$ 2,694,075.00	\$ 109,158.00	\$ 60,000.00	\$ 2,634,075.00	\$ 86,000.00	\$ -	\$ 292,934.07
63	87	\$ -	\$ 2,806,256.00	\$ 112,181.00	\$ 60,000.00	\$ 2,746,256.00	\$ 86,000.00	\$ -	\$ 221,580.78
64	88	\$ -	\$ 2,921,092.00	\$ 114,836.00	\$ 60,000.00	\$ 2,861,092.00	\$ 86,000.00	\$ -	\$ 146,659.82
65	89	\$ -	\$ 3,038,008.00	\$ 116,916.00	\$ 60,000.00	\$ 2,978,008.00	\$ 86,000.00	\$ -	\$ 67,992.81
66	90	\$ -	\$ 3,156,473.00	\$ 118,465.00	\$ 60,000.00	\$ 3,096,473.00	\$ 86,000.00	\$ -	\$ 14,607.55

NOTES:

	<u>Life Insurance</u>	<u>5.0% Compounded Annually</u>
1.	Numbers above are samples from a real policy.	Numbers are based on annual compound with no loss.
2.	You save \$11,545 each year from age 28 to age 47 and put it towards the premiums in a life insurance.	You save up at age 25 and start your investment account at the end of age 25. No interest has accumulated yet.
3.	Total saved over 20 years (age 28 to 47) = \$230,900. By age 32, the growth of the cash value is more than premiums. By age 38, the cash value surpasses the annual premium. By age 43, the cash value equals the total premium that will be put into the policy.	Total saved over 40 years (age 25 to 64) = \$408,000.
4.	Retire at age 65 and begin to borrow from your life insurance. The growth of the cash value is \$52,662 and increasing each year.	Retire at age 65 and start withdrawing to receive \$60,000 after taxes (\$86,000 required assuming 30% of gross income goes towards tax).
5.	Retirement amount available at age 65 = \$984,831.	Retirement amount available at age 65 = \$1,207,765.
6.	By age 90 there will be more than enough to continue.	By age 90, there will be no money left.