

COMPOUNDING GROWTH

- Compound interest is the magic that happens when you **earn interest on interest** or growth on growth.
- Interest on an investment or on debt compounds when it earns interest on the interest already added in previous months or periods.
- **If you reinvest the dividends and interest you earn on your investment**, they will compound at a more modest level, but over many years compounding can get you ahead of someone who saves more than you but starts later.
- Small amounts saved for long periods can harness the power of compounding as long as your **growth or interest rate beats inflation**.



Time is money

