

Compounding, in numbers.

The worksheet for the article “Compounding, properly explained” — the worked example on one page, with space to run your own numbers.

THE IDEA

Invested money earns returns. Those returns are reinvested, so they start earning returns of their own. Given enough time, the growth begins to feed on itself — which is why **when** you start can matter more than **how much** you start with.

THE WORKED EXAMPLE

	Aarav	Diya
Starts investing at	Age 25	Age 40
Invests	₹10,000 a year	₹20,000 a year
For	30 years	15 years
Total contributed	₹3,00,000	₹3,00,000
Assumed return	10% a year	10% a year
Could grow to	₹16,44,940 (~ ₹16.45 lakh)	₹6,35,450 (~ ₹6.35 lakh)

Same money in — ₹3,00,000 each. Aarav ends with about **2.6 times** more. The difference is not the amount. It is time.

Contributions are made at the end of each year. The 10% return is assumed steady — real returns are not.

RUN YOUR OWN NUMBERS

Amount I can invest each year ₹

Years I can leave it invested

Assumed yearly return %

It could grow to about ₹

Work it out with the free calculator: betafactor.in/tools/compounding-calculator/

READ THIS FIRST

- Returns in real life vary from year to year and can be negative — no smooth curve is a promise.
- Fees, taxes, and inflation are not included in these figures.
- This worksheet is an educational illustration, not financial advice.