The Power of Compound Interest



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Making money with your money is a no-brainer. Take a look at the difference in returns between two \$40 investments in Coca-Cola in 1919. One had dividends put into a piggy bank. The other had dividends reinvested. Without reinvesting, the initial \$40 investment grew to \$456,273 by 2012. With dividends reinvested, the value increased to \$9,876,106. That's a difference of over 2060%. That's the power of compound interest.