



LONG TERM INVESTMENT IN THE S&P 500 HAS PAID WELL

by Leland V. Gustafson

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A long-time financial advisor, Professor Gustafson illustrates in the table below how much better someone laying money aside for retirement can do by investing in the S&P 500 instead of saving money in a bank. His calculations extend through January 6, 2014.

INVESTING IN THE STOCK MARKET

Since 1914

by buying the 500 largest U.S. companies (S&P 500)

**Dollar Amount Invested Per
Month**

	Ended	40	Years/Mo	100	250	500	40 Year
Best	1989	12.56%		1,418,343	3,545,857	7,091,714	Best
Worst	1968	8.83%		448,739	1,121,847	2,243,695	Worst
MED		10.77%		807,797	2,019,493	4,038,986	MED
Bank		3.00%		92,837	232,094	464,187	Bank

	Ended	35	Years/Mo	100	250	500	35 Year
Best	1967	13.01%		855,156	2,137,890	4,275,781	Best
Worst	1949	8.28%		247,473	618,683	1,237,367	Worst
MED		10.97%		493,677	1,234,193	2,468,385	MED
Bank		3.00%		74,342	185,854	371,709	Bank

	Ended	30	Years/Mo	100	250	500	30 Year
Best	2004	13.82%		533,105	1,332,763	2,665,527	Best
Worst	1946	7.50%		135,670	339,174	678,349	Worst
MED		10.76%		268,310	670,774	1,341,548	MED
Bank		3.00%		58,419	146,048	292,097	Bank

	Ended	20	Years/Mo	100	250	500	20 Year
Best	1999	17.99%		234,001	585,003	1,170,007	Best
Worst	1948	3.09%		33,226	83,066	166,132	Worst
MED		10.93%		86,524	216,311	432,622	MED
Bank		3.00%		32,912	82,281	164,561	Bank

	Ended	10	Years/Mo	100	250	500	10 Year
Best	1958	20.07%		38,409	96,023	192,046	Best
Worst	2008	-1.47%		11,154	27,886	55,772	Worst
MED		9.95%		20,594	51,486	102,972	MED
Bank		3.00%		14,009	35,023	70,045	Bank

10.27% is the CAGR since 1914 (99 years)

CARG = Compounded Annual Growth Rate

**MED =
Median**

2014

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