

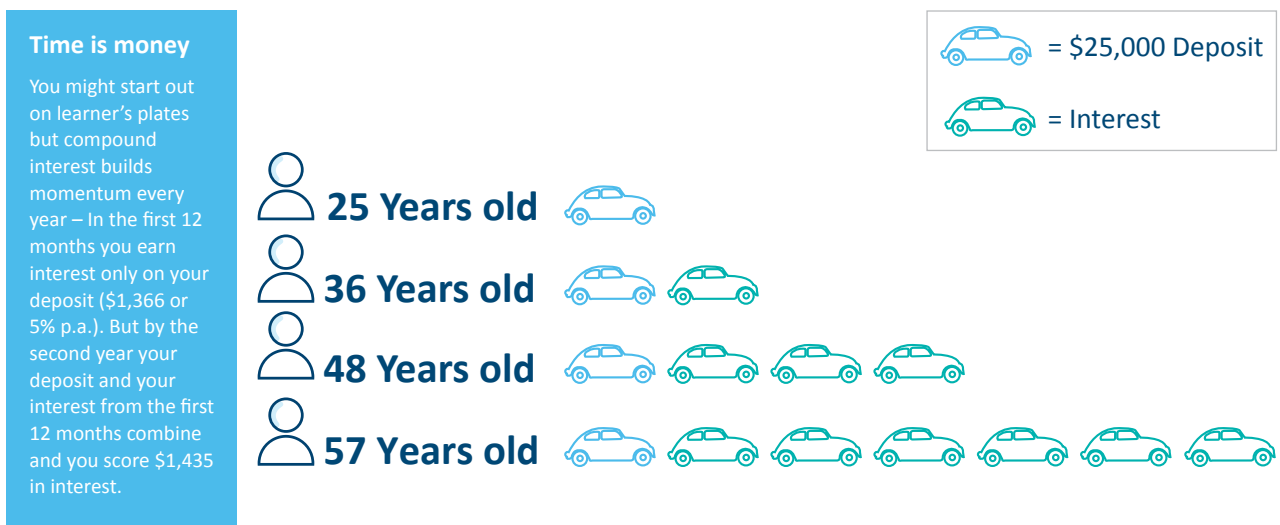
Save now for a mid-life crisis car thanks to compound interest

What's a badge worth to you?

To some the difference between the most economical BMW and the cheapest VW is an extra letter in the name, with BMW drivers paying \$25,000 more for that extra flair.

If you had enough money to buy the fancier German auto first up but chose to snap up a VW and invest the remainder, you'd have \$130,000 more to your name by the time you wanted to splurge on your midlife crisis car.

The illustration below show the effects of compound interest.



Over 32 years you've earned more than \$100,000 in interest from your deposit. Giving you the opportunity to buy 7 VWs or one sportscar.**

* <https://www.moneysmart.gov.au/tools-and-resources/calculators-and-apps/compound-interest-calculator> on \$26,694

** VW Polo = \$18,000 BMW 1 series = \$44,694