

Spreadsheet that tracks after-tax proceeds of an investment for Taxable and Retirement Accounts
(shows Roth but Roth and Traditional are the same)

Total Return	7.1%					
Dividend rate	1.3%					
Year	1	2	3	4	5	6
Value of Investment BOY	1000.0	1069.1	1142.9	1221.8	1306.1	1396.3
Dividend + Price, pretax	71.0	75.9	81.1	86.7	92.7	99.1
Dividend	13.00	13.90	14.86	15.88	16.98	18.15
Memo: Cum Div & Incr in Cost basis	13.00	26.90	41.75	57.64	74.62	92.77
Price	58.00	62.00	66.29	70.86	75.76	80.99
Tax paid on Dividend	1.95	2.08	2.23	2.38	2.55	2.72
Value end after reinvest EOY	1069.1	1142.9	1221.8	1306.1	1396.3	1492.8
Cost basis	1013.0	1026.9	1041.8	1057.6	1074.6	1092.8
Taxable Gain if sold at end of year	58.0	118.1	182.3	250.9	324.3	402.7
Tax at 15%	8.70	17.71	27.34	37.63	48.64	60.41
Net Proceeds Taxable	1060.4	1125.2	1194.4	1268.5	1347.7	1432.3
Net proceeds Roth IRA*	1071.0	1147.0	1228.5	1315.7	1409.1	1509.2
Retirement percent better	1.0%	1.9%	2.8%	3.7%	4.6%	5.4%
<u>After-tax return rate</u>						
Taxable	6.0%	6.1%	6.1%	6.1%	6.1%	6.2%
Roth	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%

* Roth and Traditional IRA's have the same after tax return. It's simpler to understand the benefit of an IRA using Roth as the example.