

How the Numbers Were Calculated

The Dow closed above 11,000 for the first time on May 3, 1999. Between then and November 30, 2010, we had 31.65% inflation (according to the Government's key inflation barometer – see www.inflationdata.com).

The Dow would have to be at 14,500.84 today – *just* to offset 11 ½ years of inflation, so that's the number we started these calculations at.

In the first chart below, we calculated where the Dow needs to be to give you a cumulative 5% per year return. And in the second chart, we calculated it based on a cumulative 7% per year return.

Date	Inflation-Adjusted Starting Number	X 5%	Cumulative Return Needed (add starting number +5%)
5/3/1999	\$ 14,500.84	\$ 725.04	\$ 15,225.88
5/3/2000	\$ 15,225.88	\$ 761.29	\$ 15,987.18
5/3/2001	\$ 15,987.18	\$ 799.36	\$ 16,786.53
5/3/2002	\$ 16,786.53	\$ 839.33	\$ 17,625.86
5/3/2003	\$ 17,625.86	\$ 881.29	\$ 18,507.15
5/3/2004	\$ 18,507.15	\$ 925.36	\$ 19,432.51
5/3/2005	\$ 19,432.51	\$ 971.63	\$ 20,404.14
5/3/2006	\$ 20,404.14	\$ 1,020.21	\$ 21,424.34
5/3/2007	\$ 21,424.34	\$ 1,071.22	\$ 22,495.56
5/3/2008	\$ 22,495.56	\$ 1,124.78	\$ 23,620.34
5/3/2009	\$ 23,620.34	\$ 1,181.02	\$ 24,801.36
5/3/2010	\$ 24,801.36	\$ 1,240.07	\$ 26,041.43
11/30/2010	\$ 26,041.43	\$ 759.37	\$ 26,800.79

Date	Inflation-Adjusted Starting Number	X 7%	Cumulative Return Needed (add starting number +5%)
5/3/1999	\$ 14,500.84	\$ 1,015.06	\$ 15,515.90
5/3/2000	\$ 15,515.90	\$ 1,086.11	\$ 16,602.01
5/3/2001	\$ 16,602.01	\$ 1,162.14	\$ 17,764.15
5/3/2002	\$ 17,764.15	\$ 1,243.49	\$ 19,007.64
5/3/2003	\$ 19,007.64	\$ 1,330.54	\$ 20,338.18
5/3/2004	\$ 20,338.18	\$ 1,423.67	\$ 21,761.85
5/3/2005	\$ 21,761.85	\$ 1,523.33	\$ 23,285.18
5/3/2006	\$ 23,285.18	\$ 1,629.96	\$ 24,915.14
5/3/2007	\$ 24,915.14	\$ 1,744.06	\$ 26,659.20
5/3/2008	\$ 26,659.20	\$ 1,866.14	\$ 28,525.35
5/3/2009	\$ 28,525.35	\$ 1,996.77	\$ 30,522.12
5/3/2010	\$ 30,522.12	\$ 2,136.55	\$ 32,658.67
11/30/2010	\$ 32,658.67	\$ 1,333.45	\$ 33,992.12