

Case Studies: Riding vs. Car Ownership

Let's say you save \$10,000 per year by riding a bike to work.
That's \$833 per month.

What do we do with the savings?



CASE STUDY 1

Let's say you used the money to pay off your mortgage by \$833 per month.

Let's say your mortgage was \$250,000 over 25 years at 7%.

By saving \$833 as a result of riding your bike to work you will have paid off your mortgage in **11 years and 9 months being 13 years and 3 months earlier and saving \$154,000 in interest.**

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Source: RACV published data, Bicycle Victoria Inc

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CASE STUDY 2

Let's say you have an annual salary of \$60,000.

Let's say you invested the savings of \$833 per month from age 45 in a deposit account paying 6% per annum calculated monthly.

After tax windfall by retirement age (67 years) you would be \$358,000 better off!



CASE STUDY 3

If you started saving your \$833 per month by riding your bike, by age 25 you would end up a millionaire with a massive payout of \$1,047,000.

CASE STUDY 4

If your salary is \$60,000. You have to earn \$14,300 to get \$10,000 in take home after tax pay.

If you salary sacrificed the \$14,300 and put it straight into your Super Fund (only taxed at 15%) then the same 45 year old could end up with an extra \$677,490 in Superannuation on retirement.

AND

Remember the young 25 year old in Cast Study 3, well if he or she did the same salary sacrifice of \$14,300 and put it straight into their Superannuation Fund they could end up with a staggering \$3,583,000 by retirement.

Source: RACV published data, Bicycle Victoria Inc