

Present Value of \$1 to Be Paid in the Future

This table shows how much \$1, to be paid at the end of various periods in the future, is currently worth, with interest at different rates, compounded annually.

To use the table, find the vertical column under your interest rate (or cost of capital). Then find the horizontal row corresponding to the number of years it will take to receive the payment. The point at which the column and the row intersect is your present value of \$1. You can multiply this value by the number of dollars you expect to receive, in order to find the present value of the amount you expect.

An example showing how to use this table to find the Net Present Value of a major purchase or project follows the table.

Present Value of \$1 to be Paid in Future

Years	3.0%	3.5%	4.0%	4.5%
1	\$0.970874	\$0.966184	\$0.961538	\$0.956938
2	\$0.942596	\$0.933511	\$0.924556	\$0.915730
3	\$0.915142	\$0.901943	\$0.888996	\$0.876297
4	\$0.888487	\$0.871442	\$0.854804	\$0.838561
5	\$0.862609	\$0.841973	\$0.821927	\$0.802451
6	\$0.837484	\$0.813501	\$0.790315	\$0.767896
7	\$0.813092	\$0.785991	\$0.759918	\$0.734828
8	\$0.789409	\$0.759412	\$0.730690	\$0.703185
9	\$0.766417	\$0.733731	\$0.702587	\$0.672904
10	\$0.744094	\$0.708919	\$0.675564	\$0.643928
11	\$0.722421	\$0.684946	\$0.649581	\$0.616199
12	\$0.701380	\$0.661783	\$0.624597	\$0.589664
13	\$0.680951	\$0.639404	\$0.600574	\$0.564272
14	\$0.661118	\$0.617782	\$0.577475	\$0.539973
15	\$0.641862	\$0.596891	\$0.555265	\$0.516720
16	\$0.623167	\$0.576706	\$0.533908	\$0.494469
17	\$0.605016	\$0.557204	\$0.513373	\$0.473176
18	\$0.587395	\$0.538361	\$0.493628	\$0.452800
19	\$0.570286	\$0.520156	\$0.474642	\$0.433302
20	\$0.553676	\$0.502566	\$0.456387	\$0.414643
21	\$0.537549	\$0.485571	\$0.438834	\$0.396787
22	\$0.521893	\$0.469151	\$0.421955	\$0.379701
23	\$0.506692	\$0.453286	\$0.405726	\$0.363350
24	\$0.491934	\$0.437957	\$0.390121	\$0.347703
25	\$0.477606	\$0.423147	\$0.375117	\$0.332731

Years	5.0%	5.5%	6.0%	6.5%
1	\$0.952381	\$0.947867	\$0.943396	\$0.938967
2	\$0.907029	\$0.898452	\$0.889996	\$0.881659
3	\$0.863838	\$0.851614	\$0.839619	\$0.827849
4	\$0.822702	\$0.807217	\$0.792094	\$0.777323
5	\$0.783526	\$0.765134	\$0.747258	\$0.729881

Years	5.0%	5.5%	6.0%	6.5%
6	\$0.746215	\$0.725246	\$0.704961	\$0.685334
7	\$0.710681	\$0.687437	\$0.665057	\$0.643506
8	\$0.676839	\$0.651599	\$0.627412	\$0.604231
9	\$0.644609	\$0.617629	\$0.591898	\$0.567353
10	\$0.613913	\$0.585431	\$0.558395	\$0.532726
11	\$0.584679	\$0.554911	\$0.526788	\$0.500212
12	\$0.556837	\$0.525982	\$0.496969	\$0.469683
13	\$0.530321	\$0.498561	\$0.468839	\$0.441017
14	\$0.505068	\$0.472569	\$0.442301	\$0.414100
15	\$0.481017	\$0.447933	\$0.417265	\$0.388827
16	\$0.458112	\$0.424581	\$0.393646	\$0.365095
17	\$0.436297	\$0.402447	\$0.371364	\$0.342813
18	\$0.415521	\$0.381466	\$0.350344	\$0.321890
19	\$0.395734	\$0.361579	\$0.330513	\$0.302244
20	\$0.376889	\$0.342729	\$0.311805	\$0.283797
21	\$0.358942	\$0.324862	\$0.294155	\$0.266476
22	\$0.341850	\$0.307926	\$0.277505	\$0.250212
23	\$0.325571	\$0.291873	\$0.261797	\$0.234941
24	\$0.310068	\$0.276657	\$0.246979	\$0.220602
25	\$0.295303	\$0.262234	\$0.232999	\$0.207138

Years	7.0%	7.5%	8.0%	8.5%
1	\$0.934579	\$0.930233	\$0.925926	\$0.921659
2	\$0.873439	\$0.865333	\$0.857339	\$0.849455
3	\$0.816298	\$0.804961	\$0.793832	\$0.782908
4	\$0.762895	\$0.748801	\$0.735030	\$0.721574
5	\$0.712986	\$0.696559	\$0.680583	\$0.665045
6	\$0.666342	\$0.647962	\$0.630170	\$0.612945
7	\$0.622750	\$0.602755	\$0.583490	\$0.564926
8	\$0.582009	\$0.560702	\$0.540269	\$0.520669
9	\$0.543934	\$0.521583	\$0.500249	\$0.479880
10	\$0.508349	\$0.485194	\$0.463193	\$0.442285
11	\$0.475093	\$0.451343	\$0.428883	\$0.407636
12	\$0.444012	\$0.419854	\$0.397114	\$0.375702
13	\$0.414964	\$0.390562	\$0.367698	\$0.346269
14	\$0.387817	\$0.363313	\$0.340461	\$0.319142
15	\$0.362446	\$0.337966	\$0.315242	\$0.294140
16	\$0.338735	\$0.314387	\$0.291890	\$0.271097
17	\$0.316574	\$0.292453	\$0.270269	\$0.249859
18	\$0.295864	\$0.272049	\$0.250249	\$0.230285
19	\$0.276508	\$0.253069	\$0.231712	\$0.212244
20	\$0.258419	\$0.235413	\$0.214548	\$0.195616
21	\$0.241513	\$0.218989	\$0.198656	\$0.180292
22	\$0.225713	\$0.203711	\$0.183941	\$0.166167
23	\$0.210947	\$0.189498	\$0.170315	\$0.153150
24	\$0.197147	\$0.176277	\$0.157699	\$0.141152
25	\$0.184249	\$0.163979	\$0.146018	\$0.130094

Years	9.0%	9.5%	10.0%	10.5%
1	\$0.917431	\$0.913242	\$0.909091	\$0.904977
2	\$0.841680	\$0.834011	\$0.826446	\$0.818984
3	\$0.772183	\$0.761654	\$0.751315	\$0.741162
4	\$0.708425	\$0.695574	\$0.683013	\$0.670735
5	\$0.649931	\$0.635228	\$0.620921	\$0.607000
6	\$0.596267	\$0.580117	\$0.564474	\$0.549321
7	\$0.547034	\$0.529787	\$0.513158	\$0.497123
8	\$0.501866	\$0.483824	\$0.466507	\$0.449885
9	\$0.460428	\$0.441848	\$0.424098	\$0.407136
10	\$0.422411	\$0.403514	\$0.385543	\$0.368449
11	\$0.387533	\$0.368506	\$0.350494	\$0.333438
12	\$0.355535	\$0.336535	\$0.318631	\$0.301754
13	\$0.326179	\$0.307338	\$0.289664	\$0.273080
14	\$0.299246	\$0.280674	\$0.263331	\$0.247132
15	\$0.274538	\$0.256323	\$0.239392	\$0.223648
16	\$0.251870	\$0.234085	\$0.217629	\$0.202397
17	\$0.231073	\$0.213777	\$0.197845	\$0.183164
18	\$0.211994	\$0.195230	\$0.179859	\$0.165760
19	\$0.194490	\$0.178292	\$0.163508	\$0.150009
20	\$0.178431	\$0.162824	\$0.148644	\$0.135755
21	\$0.163698	\$0.148697	\$0.135131	\$0.122855
22	\$0.150182	\$0.135797	\$0.122846	\$0.111181
23	\$0.137781	\$0.124015	\$0.111678	\$0.100616
24	\$0.126405	\$0.113256	\$0.101526	\$0.091055
25	\$0.115968	\$0.103430	\$0.092296	\$0.082403

Years	11.0%	11.5%	12.0%	12.5%
1	\$0.900901	\$0.896861	\$0.892857	\$0.888889
2	\$0.811622	\$0.804360	\$0.797194	\$0.790123
3	\$0.731191	\$0.721399	\$0.711780	\$0.702332
4	\$0.658731	\$0.646994	\$0.635518	\$0.624295
5	\$0.593451	\$0.580264	\$0.567427	\$0.554929
6	\$0.534641	\$0.520416	\$0.506631	\$0.493270
7	\$0.481658	\$0.466741	\$0.452349	\$0.438462
8	\$0.433926	\$0.418602	\$0.403883	\$0.389744
9	\$0.390925	\$0.375428	\$0.360610	\$0.346439
10	\$0.352184	\$0.336706	\$0.321973	\$0.307946
11	\$0.317283	\$0.301979	\$0.287476	\$0.273730
12	\$0.285841	\$0.270833	\$0.256675	\$0.243315
13	\$0.257514	\$0.242900	\$0.229174	\$0.216280
14	\$0.231995	\$0.217847	\$0.204620	\$0.192249
15	\$0.209004	\$0.195379	\$0.182696	\$0.170888
16	\$0.188292	\$0.175227	\$0.163122	\$0.151901
17	\$0.169633	\$0.157155	\$0.145644	\$0.135023
18	\$0.152822	\$0.140946	\$0.130040	\$0.120020
19	\$0.137678	\$0.126409	\$0.116107	\$0.106685
20	\$0.124034	\$0.113371	\$0.103667	\$0.094831
21	\$0.111742	\$0.101678	\$0.092560	\$0.084294

Years	11.0%	11.5%	12.0%	12.5%
22	\$0.100669	\$0.091191	\$0.082643	\$0.074928
23	\$0.090693	\$0.081786	\$0.073788	\$0.066603
24	\$0.081705	\$0.073351	\$0.065882	\$0.059202
25	\$0.073608	\$0.065785	\$0.058823	\$0.052624

Years	13.0%	13.5%	14.0%	14.5%
1	\$0.884956	\$0.881057	\$0.877193	\$0.873362
2	\$0.783147	\$0.776262	\$0.769468	\$0.762762
3	\$0.693050	\$0.683931	\$0.674972	\$0.666168
4	\$0.613319	\$0.602583	\$0.592080	\$0.581806
5	\$0.542760	\$0.530910	\$0.519369	\$0.508127
6	\$0.480319	\$0.467762	\$0.455587	\$0.443779
7	\$0.425061	\$0.412125	\$0.399637	\$0.387580
8	\$0.376160	\$0.363106	\$0.350559	\$0.338498
9	\$0.332885	\$0.319917	\$0.307508	\$0.295631
10	\$0.294588	\$0.281865	\$0.269744	\$0.258193
11	\$0.260698	\$0.248339	\$0.236617	\$0.225496
12	\$0.230706	\$0.218801	\$0.207559	\$0.196940
13	\$0.204165	\$0.192776	\$0.182069	\$0.172000
14	\$0.180677	\$0.169847	\$0.159710	\$0.150218
15	\$0.159891	\$0.149645	\$0.140096	\$0.131195
16	\$0.141496	\$0.131846	\$0.122892	\$0.114581
17	\$0.125218	\$0.116164	\$0.107800	\$0.100071
18	\$0.110812	\$0.102347	\$0.094561	\$0.087398
19	\$0.098064	\$0.090173	\$0.082948	\$0.076330
20	\$0.086782	\$0.079448	\$0.072762	\$0.066664
21	\$0.076798	\$0.069998	\$0.063826	\$0.058222
22	\$0.067963	\$0.061672	\$0.055988	\$0.050849
23	\$0.060144	\$0.054337	\$0.049112	\$0.044409
24	\$0.053225	\$0.047874	\$0.043081	\$0.038785
25	\$0.047102	\$0.042180	\$0.037790	\$0.033874

Years	15.0%
1	\$0.869565
2	\$0.756144
3	\$0.657516
4	\$0.571753
5	\$0.497177
6	\$0.432328
7	\$0.375937
8	\$0.326902
9	\$0.284262
10	\$0.247185
11	\$0.214943
12	\$0.186907
13	\$0.162528
14	\$0.141329
15	\$0.122894

Years	15.0%
16	\$0.106865
17	\$0.092926
18	\$0.080805
19	\$0.070265
20	\$0.061100
21	\$0.053131
22	\$0.046201
23	\$0.040174
24	\$0.034934
25	\$0.030378

Example: As an example of how the table can be used to compute the net present value of a major project, consider the following:

Traders, Inc. is considering the acquisition of a new machine. After all the factors are considered (including initial costs, tax savings from depreciation, revenue from additional sales, and taxes on additional revenues), Traders projects the following cash flows from the machine:

Year 1:	(\$10,000)
Year 2:	\$ 3,000
Year 3:	\$ 3,500
Year 4:	\$ 3,500
Year 5:	\$ 3,000

Assume that Traders' cost of capital is 9%, using the net present value table shows whether the new machine would at least cover its financial costs:

Year	Cash Flow	Table Factor	Present Value
1	(\$10,000) x	1.000000 =	(\$10,000.00)
2	\$ 3,000 x	0.917431 =	\$2,752.29
3	\$ 3,500 x	0.841680 =	\$2,945.88
4	\$ 3,500 x	0.772183 =	\$2,702.64
5	\$ 3,000 x	0.708425 =	\$2,125.28

NPV =			\$ 526.09

Since the net present value of the cash flow is positive, the purchase of the new machine would be at least slightly profitable for Traders.