

The **CAGR**: summarizing change in a single value

Compound **A**nnual **G**rowth **R**ate

$$= \left(\left(1 + \left(\frac{\textit{End Value} - \textit{Start Value}}{\textit{Start Value}} \right) \right)^{\frac{1}{\# \textit{Periods}}} - 1 \right) \times 100$$

CAGR Calculation is straightforward

Example: Abbott GE Students

End Value = Year 2002 SS

Start Value = Year 1999 SS

Intervals = 3 (there are *three* intervals between *four* years)

$$CAGR = \left(\left(1 + \left(\frac{1933 - 1851}{1851} \right) \right)^{\frac{1}{3}} - 1 \right) \times 100 = 1.5\%$$