

Name: _____

Rule of 72

The Rule of 72 states that in order to DOUBLE your money in an investment (say turn \$100,000 into \$200,000 you divide the rate you are getting paid into 72

$$72 \div 1 = 72 \text{ years}$$

$$72 \div 2 = 36 \text{ years}$$

Use this knowledge to complete the table below, determining how long it will take your investment to double at the stated interest rate.

Interest Rate	Years to Double
1%	72
2%	36
3%	
4%	
5%	
6%	
7%	
8%	
9%	
10%	
11%	
12%	
13%	
14%	
15%	

- 1) What rate (percentage) do you consider a good interest rate for an investment? Why?
**there is no right/wrong answer!*

- 2) At an interest rate of 10%, how many years would it take you to earn 4 times your investment (double twice)?