

Activity 1

PART 2: THE RULE OF 72

Use the Rule of 72 to practice estimating how long it will take to double your \$1,000 savings using various interest rates. If the account paid each annual interest rate listed below, how long would it take to double your savings?

- 5% _____ years
- 8% _____ years
- 12% _____ years
- What conclusions can you draw about how interest rates affect the value of money over time?

