

smart future

session 2
take home activity



Why Wait?

It is never too late to start saving your money for the future, but it sure does help if you start early. Complete the following activity with a parent or a guardian to see how much better it is to start saving early.

1. Assume both you and your parent/guardian invest money in an investment account earning 9% interest.
2. The Rule of 72 tells you how many years it will take for your money to double in an investment.
3. Answer the questions and fill out the chart using the Rule of 72, which has already been completed below.

Rule of 72
$72 \div 9 = 8$ years to double

1. Looking at the chart below, who do you think will have more money at around 65 years old?

2. Fill in the amounts at each age for you and your parent/guardian.

You		
Now	__ years old	\$3,000
In 8 Years	__ years old	
In 16 years	__ years old	
In 24 years	__ years old	
In 32 years	__ years old	
In 40 years	__ years old	
In 48 years	__ years old	

Your Parent/Guardian		
Now	__ years old	\$3,000
In 8 Years	__ years old	
In 16 years	__ years old	
In 24 years	__ years old	
In 32 years	__ years old	
In 40 years	__ years old	
In 48 years	__ years old	



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Why Wait? (cont.)

3. How old are you when you reach \$48,000? How about your parent? How old are you when you reach \$188,000?
4. How much do you have when you are in your forties? How about your parent?
5. Is it better to start young with less money or older with more?