I=prt

Using the Simple Interest Calculator above we are going to explore the

Power of Compounding

In the chart below we going to set up a comparison showing simple (annual), semi-annual, quarterly and monthly compounding interest. We have $2,500.00 at 5% interest.

	Interest				Total Wealth
Annually	125.00				$2625.00
Semi Annually	At 6 months	At 1 year			2626.56
	62.50	64.06			
Quarterly	At 3 months	At 6 months	At 9 months	At 1 year	2627.37
	31.25	31.64	32.04	32.44	
Monthly	Jan	Feb	Mar	Apr	
	May	June	July	Aug	
	Sept	Oct	Nov	Dec	
Daily	1/1	1/2	1/3	1/4	
	1/5	1/6	1/7	1/8	
	1/9	1/10	1/11	1/12	

Financial education needs to become a part of our national curriculum and scoring systems so that it's not just the rich kids that learn about money.. it's all of us.
David Bach author of "The Armchaire Millionaire"

1/13	1/14	1/15	1/16	
1/17	1/18	1/19	1/20	
1/21	1/22	1/23	1/24	
1/25	1/26	1/27	1/28	
1/29	1/30	1/31	2/1	

Did you really think I was going to make you do 365 days of calculations out by hand.
I'm hurt.
But there are two ways you can find out. What do you think they are?

Answer: formula in the next chapter – duh?
&
Using a shreadsheet – double duh!