

Name: _____

Block: _____ Date: _____

Who Wants to Be a Millionaire?

Saving money every month toward retirement is the way **ANYONE** can become a millionaire. Google "[Dave Ramsey Investment Calculator](#)" and use the online applet to help you fill in the charts below. Then use the information to draw conclusions about investing.

The S&P 500 has averaged about 10% annual returns over the long term, though actual yearly returns can fluctuate significantly.

Source: Investopedia

Compare Length of Time:

Age You Begin Investing (Current Age)	Age You Plan to Retire	How much have you saved for retirement?	How much will you contribute monthly?	What do you think your annual return will be?	Total Contributions	Total Money You Have (Your Results)
20	50	0	\$300	10%		
20	60	0	\$300	10%		
20	70	0	\$300	10%		

- 1) If you save \$300 a month for 30 years (age 20 to 50) at 10% interest, how much money will you have?
- 2) If you save \$300 a month for 50 years (age 20 to 70) at 10% interest, how much money will you have?
- 3) How much more money will you have after 50 years than you had after 30 years?

Compare Monthly Deposits:

Age You Begin Investing (Current Age)	Age You Plan to Retire	How much have you saved for retirement?	How much will you contribute monthly?	What do you think your annual return will be?	Total Contributions	Total Money You Have (Your Results)
20	60	0	\$100	10%		
20	60	0	\$300	10%		
20	60	0	\$500	10%		
20	60	0	\$1,000	10%		

- 4) If you save \$500 a month for 40 years at 10% interest, how much money will you have?
- 5) If you save \$1,000 a month for 40 years at 10% interest, how much money will you have?
- 6) How much more money will you have if you deposit \$1,000 a month over \$500 a month?
- 7) Does doubling your deposits (\$500 to \$1,000) simply double your money?

The Power of Compound Interest at Different Ages:

Age You Begin Investing (Current Age)	Age You Plan to Retire	How much have you saved for retirement?	How much will you contribute monthly?	What do you think your annual return will be?	Total Contributions	Total Money You Have (Your Results)
20	60	0	\$300	10%		
30	60	0	\$600	10%		
35	60	0	\$1,200	10%		
40	60	0	\$1,500	10%		
45	60	0	\$2,000	10%		

8) If you save \$300 a month for 40 years at 10% interest, how much money will you have?

9) If you save \$1,500 a month for 20 years at 10% interest, how much money will you have?

10) How much more money will you have if you invest for 40 years at \$300 per month instead of 20 years at \$1,500 per month at 10% interest?

Your Investigation:

Create your own values for saving money. Fill in the chart with the parameters you chose. Can you create ways you can retire with \$3 million, \$5 million, and \$10 million?

Age You Begin Investing (Current Age)	Age You Plan to Retire	How much have you saved for retirement?	How much will you contribute monthly?	S&P 500 averages 10% yearly Source: Investopedia	Total Contributions	Total Money You Have (Your Results)
				10%		
				10%		
				10%		

Your Dream:

In complete sentences, explain how much money you plan to have when you retire, at what age you want to retire, and how much money you plan to save every month so you can be a millionaire.

Your Conclusion:

Write a paragraph explaining what you learned. How does saving for a longer time period help you have more money? Is interest rate important when investing? How much should you save each month?