

CALCULATING SAVINGS

Name: Class/Block: Date:

Savings add up when you follow a regular savings plan. Calculate the answers to the problems below. Show the steps needed to arrive at your answers. You may use an electronic spreadsheet for your calculations if you show the formulas used at each step.

1. If you put \$250 into an investment that paid 5% *simple* interest each year, how much interest would you earn in five years? What would your savings be worth at the end of five years?

	Year 1	Year 2	Year 3	Year 4	Year 5
Investment					
Interest					
Total					

2. If you put \$250 into an investment that paid 5% *compound* interest each year, how much interest would you earn in five years? What would your savings be worth at the end of five years?

	Year 1	Year 2	Year 3	Year 4	Year 5
Investment					
Interest					
Total					

3. If you put \$240 each year into an investment that paid 5% *compound* interest each year, how much interest would you earn in five years? What would your savings be worth at the end of five years?

	Year 1	Year 2	Year 3	Year 4	Year 5
Carry over	\$0				
Annual Contribution	\$240.00				
Subtotal					
Interest					
Total					