

CHAPTER 1 ACTIVITY

The Impact of Daily Decisions

OBJECTIVE

The purpose of this activity is to evaluate ways to save and invest money by looking at how everyday purchases add up over time.

Teacher Directions

Hand out the student activity sheet and compute problems.

Problems are based on 30-day months.

Shown below is an image of the calculator to be used for computing the information in this activity.

Investing Calculator

Use Simple Version (for the free spirits)

Starting Balance

Save/Invest for Years

Rate of Return

Compounding Freq.

Contribute

Every

For Years

Contribution Timing

* Mouse over the fields for more information.

[Reset Values](#)

Balance Contributions Interest Earned

Chart View Print

\$12,000,000
\$10,000,000
\$8,000,000
\$6,000,000
\$4,000,000
\$2,000,000
\$0

Start Year 6 Year 12 Year 18 Year 24 Year 30 Year 36 Year 42 Year 48 Year 54 Year 60

* Mouse over the graph plots for more information.

How much could I save if I gave up:

Future Value

Total Interest

Total Contributions

\$1,000,000 Year

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*Please note all numbers are estimates. ?

Name _____

Date _____

THE IMPACT OF DAILY DECISIONS

1. Fill in the missing blanks by computing the daily and monthly cost of each item listed below (use 30 days in a month).
2. Make your own chart by evaluating your frequent expenses and computing the daily and monthly cost.
3. Go to www.daveramsey.com/investingcalculator and use the advanced version of the investing calculator, and figure out the future value of your expenses if you invested that money for 30 years.
4. How much would you have if you left it invested for an additional 10 years?

Expense	Cost Per Day	Cost Per Month	If Invested at 12% From Age 16-76
Cigarettes	\$3	\$90	\$11,622,000
Gourmet Coffee	_____	\$150	\$19,371,943
Lunch (5 days/week)	\$8	_____	\$20,663,319