

HOW FAST IS YOUR MONEY MOVING?

You work hard for your money. But most people guess at their financial future. Banks and credit card companies do not guess. They use a formula called the Rule of 72.

The Formula

The calculation is simple. You do not need a calculator. Dividing 72 by your interest rate tells you exactly how many years it takes for your money (or debt) to double.

Equation: $72 \div \text{Rate} = \text{Years to Double}$

If You Earn		Rate		Years to Double
4%	72	÷	4	= 18 Years
8%	72	÷	8	= 9 Years
12%	72	÷	12	= 6 Years

The Cost of Being Conservative

Many keep savings in banks growing at 1-4%, thinking it's safe. But inflation eats away at low returns. Here is the difference between a "safe" 4% return and a goal of 12% over a working lifetime.

Scenario: Age: 29 | Starting: \$10,000 | Time: 36 Years (to age 65)

The Bank
4% → \$40K → Doubles 2x

The Goal
12% → \$640K → Doubles 6x

The Cost of Not Knowing: \$600,000

The Trap: When the Rule Works Against You

Compound interest cuts both ways.

If you have a credit card with an 18% interest rate, the bank applies the Rule of 72 to your debt.

$$72 \div 18\% = 4 \text{ years}$$

Your debt doubles every 4 years if left alone.

Time Required to Double

Lower bar = Faster doubling (good for assets, bad for debt)

Stop Guessing. Start Building.

You cannot control the economy. You can control your interest rate. If your money is sitting still, you are losing the game. Let's find vehicles that give you a fighting chance.



Kevat Patel
Financial Strategy Expert

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