

Name: _____ Period: _____

Who wants to be a Millionaire?

What does it take to be a millionaire? Which factor do you think is most important? Is it having rich parents who die and leave it all to you? Most of the millionaires in the United States have achieved this status on their own through hard work, smart investing strategies and through NOT GETTING INTO DEBT!

Today you are going to develop a strategy to become a millionaire on your own. In your best estimate, answer the following questions. For the purpose of these questions, you should assume that you will have some kind of a job at around age 16 and that you can save some of your monthly income. The average retirement age is around 65 years.

1. How old do you want to be when you retire? _____
2. How much money do you think you will have to save each month in order to have \$1,000,000 by the time you retire? _____
3. Circle which strategy you think would be the most likely to make you a millionaire:
 - Start Investing Right after High School (age 18) and put \$250 / month into the stock market.
 - Start investing now, and put \$175 / month into the stock market.
 - Start Investing at age 45 after you are established in your career and invest \$1000 / month in the stock market.
 - Take an annual trip to Las Vegas and bring \$1,000 with you and hope to hit it rich.
4. Follow your teacher's directions and fill out the information below using the millionaire calculator.

Go to the Millionaire Calculator and enter information for the scenarios above.

You can find the Millionaire Calculator at <http://www.econedlink.org/interactives/interest.html>

Enter age 18 as the "Starting Age" For Monthly Savings, enter \$250 and leave the interest rate at 8%. Then click on "Calculate"

- How old will you be when you become a millionaire under this scenario? _____
- Now, enter age 45 as the "starting age." Set the monthly contribution at \$999 (highest it will allow).**
- How old will you be when you become a millionaire under this scenario? _____
- Finally, enter your current age as the "Age when you begin investing." For the term in years, figure out how many years it will be until you are 65. Set your monthly contribution at \$175.**
- How old will you be when you become a millionaire under this scenario? _____

According to the numbers you found, what is the most important factor in determining whether or not you will make it to \$1,000,000 and have financial security? _____

Bonus: Play with the calculator. How much would your parents have to contribute a month, at 8% interest, to make a 1 year old a millionaire by retirement at age 65? _____