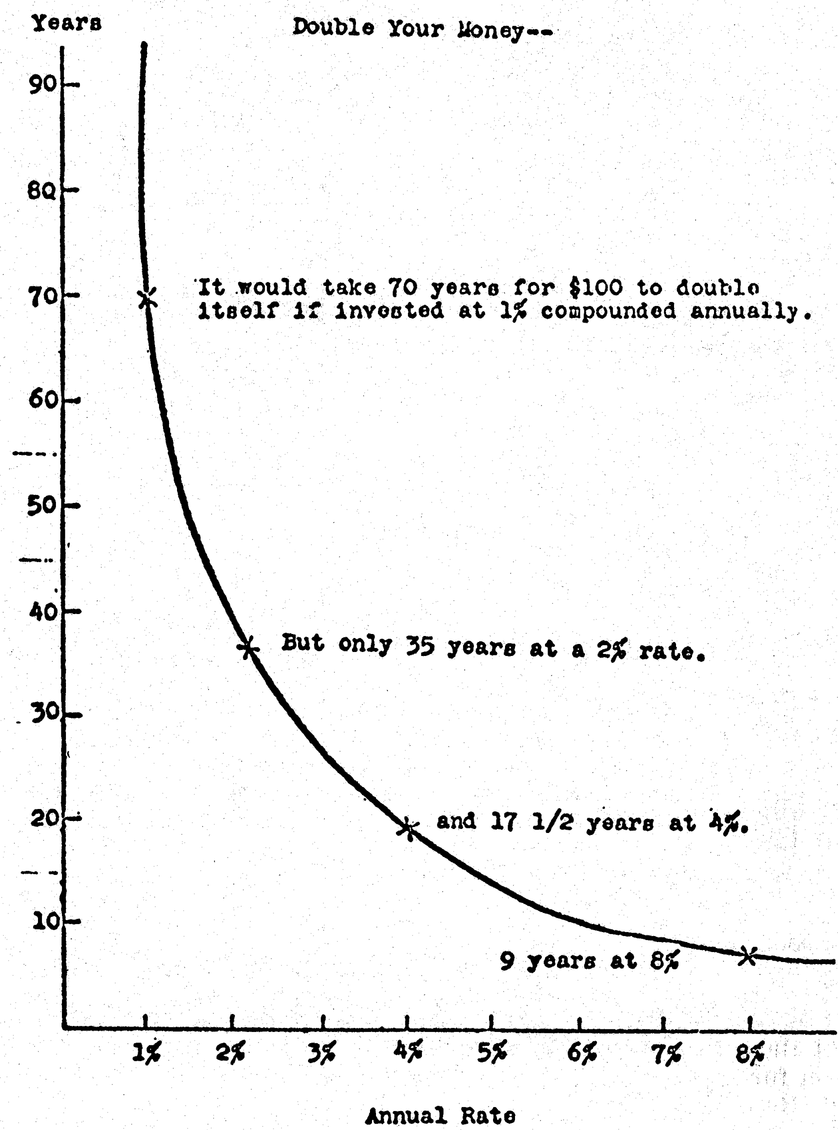

Number of years required for a principal sum to double by accumulating interest at specified rates, compounded annually.

Figure 1

For example, suppose that approximately $2,000 is needed to complete a car purchase. The left side of the diagram below shows the amounts that must be saved monthly for 36 months to accumulate the required $2,000 to pay cash. On the right side is shown the amounts that must be paid every month for 36 months to discharge a $2,000 note, at stipulated annual nominal interest rates, compounded monthly.