

**ZMATH 2000f.04345**

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**The 72 rule and other approximate rules of compound interest.**

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There is a simple approximate rule of thumb used by investors and accountants to estimate the time taken in years,  $n$ , for an investment to double with an interest rate of  $R\%$ , or indeed for a debt to double if left unpaid. One simply divides 72 by  $R$  to estimate the time in years. The rule is known as “Rule 72” or “the 72 Rule” and is often attributed to the investment advisor Henri Aram who popularized it. This rule and a more accurate approximation are derived and discussed.

*Classification:* F80