

Compounding Interest Continuously:

$$A = p \cdot e^{rt}$$

A = the amount \$ after t years

p = original amount (principal)

r = interest rate as a decimal

t = # years

\$25,000 20 years at 6%

You invest \$25,000 at 6%
interest compounded continuously.

How much will you have in 20 years?

$$25000 e^{(.06 * 20)}$$

$$= \$83,002.92$$