Name _____ Date _____

Simple Interest Word Problems

To find **simple interest**, use the formula below.

$$i = prt$$

i = interest earned
p = principal, or starting amount
r = interest rate written as a decimal
t = time in years

Let's try it! Bryce deposits $300 into a savings account that earns 2% simple interest each year. How much interest will Bryce earn over 4 years, assuming he does not add or take out any money?

$$\begin{aligned} i &= prt \\ &= \$300 \cdot 0.02 \cdot 4 \\ &= \$24 \end{aligned}$$



Answer each question.

1. Patty has $90 in a savings account that earns 4% simple interest each year. How much interest will Patty earn in 1 year, assuming she does not add or take out any money?

2. Ed opened a savings account 5 years ago with $600. The account earns 3% simple interest per year, and Ed has not added or withdrawn from the account. How much interest has Ed earned?

3. Max has a savings account that earns 5% simple interest each year. The account has $1,500. If Max does not add or take out any money, how much interest will he earn in 3 years?

4. Gia put $2,650 into a savings account 6 years ago. The account earns 8% simple interest per year, and Gia has not added or taken out any money. How much is in the account now?

5. Francesca has $15,000 in a savings account that earns 7.5% simple interest each year. How much will be in the account in 4 years, assuming she neither adds nor withdraws from the account?

6. Rafi has a savings account that earns 9.2% simple interest each year. The account contains $47,000. If Rafi does not add or take out any money, how much will be in the account in 7 years?

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