

Name _____

Riding out the Investment Roller Coaster

Sheet #3

Milestones of the Dow Jones Industrial Average

How long term investing really grows your wealth.

Here are some milestones of the Dow Jones Industrial Average:

- January 1906: 100
- March 1956: 500
- November 1972: 1000
- January 1987: 2000
- April 1991: 3000
- March 1999: 10,000
- February 2009: 6500
- May 2013: 15,000
- May 2015: 18,100

1. The Rockefeller family made an investment of \$6000 in the Dow Jones in January 1906 would be worth May 2015?
2. Mortimer Duke invests \$4,500 in the Dow Jones in January 1987. Find out how much it would be worth in May 2013.
3. John invests \$20,000 into the Dow Jones in April 1991. Find out how much it would be worth May 2015.
4. Steve the savvy investor invests \$5,000 into the Dow Jones in November 1972. He sells all of his investments in March 1999. Steve lets his investments stay cash until February 2009, when he re-invests all of his money back into the Dow Jones.
 - a. How much was Steve's investment worth in March 1999?
 - b. How much is his final investment worth May 2015?
 - c. What would be the difference if Steve just left his \$5000 investment in the Dow Jones the entire time from 1972 until 2015?