

Three years ago, State U hired a new football coach and gave him a 6-year contract that paid him \$1.2 million the first year with raises of 6% per year after that.

After 3 poor seasons, the booster club has demanded that he be fired. The boosters have agreed to buy out the rest of his contract with a single lump sum payment that is equivalent to the remaining 3 years of his salary.

At an interest rate of 6% per year, how much money do the boosters need to raise in order to buy out the contract?