

Overview

In this lesson students will learn about various ways to invest. They will be learning about different types of investments such as stocks, mutual funds and bonds. Students will be assessing different risk that comes with each type of investment and determining when it is a good idea to invest.

Objectives

By the end of the lesson, students will:

- Identify various scams
- Understand the importance of not falling victim to a scam
- Protect themselves from scams

Standards

Employment and Income:

Standard 2. Compare sources of personal income and compensation. Investing

Standard 1. Explain how investing may build wealth and help meet financial goals.

Standard 2. Evaluate investment alternatives.

Standard 3. Demonstrate how to buy and sell investments.

Standard 4. Investigate how agencies protect investors and regulate financial markets and products.

This listing is based on the JumpStart National Standards for Personal Finance. To see how this lesson aligns with other standards (including for your state), visit content.PersonalFinanceLab.com/Standards

Vocabulary

Investing- **expend money with the expectation of achieving a profit or material result by putting it into financial schemes**












Stock- **a share of ownership of a company**

Mutual Fund- **the fund is a pool of money contributed from many different investors that are used to purchase a bundle of securities.**









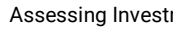
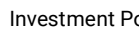
Bond- **a much more formal I.O.U (I owe you) used to borrow money.**

Diversified Portfolio - **means to make sure pick a variety of stocks in different industries**

Lesson Plan Includes

- | | |
|---|---|
|  Direct Instruction |  Technology-Based Activities |
|  Accompanying Presentations |  Worksheets |
|  Class Discussion |  Assessments |
|  Full Class Activities |  External Resources |
|  Individual Activities |  Small Group Activities |
|  In Class or Homework | |

Activity Summary

- Introduction
 **Time: 5 Minutes**
- PFL Building an Investment Strategy Lesson
 **Time: 15 Minutes**
Requires: PFinLab Curriculum Site License, Computer Access
- PFL What is a Stock Lesson
 **Time: 15 Minutes**
Requires: PFinLab Curriculum Site License, Computer Access
- PFL Bond Lesson
 **Time: 15 Minutes**
Requires: PFinLab Curriculum Site License, Computer Access
- PFL Mutual Funds Lesson
 **Time: 15 Minutes**
Requires: PFinLab Curriculum Site License, Computer Access
- PFL EFT Lesson
 **Time: 15 Minutes**
Requires: PFinLab Curriculum Site License, Computer Access
- PFL Portfolio Diversification Lesson
 **Time: 15 Minutes**
Requires: PFinLab Curriculum Site License, Computer Access
- PFL Investing 101 Beginners Investing Course
 **Time: 40+ Minutes**
Requires: PFinLab Curriculum Site License, Computer Access
- Assessing Investment Risk
 **Time: 15 Minutes**
Requires: PFinLab Curriculum Site License, Computer Access
- Investment Poster
 **Time: 15 Minutes**
Requires: Computer Access, Poster Paper

Instructor's Guide

Introduction

Ask students if they know what the term investing means?

Explain:

Investing- expend money with the expectation of achieving a profit or material result by putting it into financial schemes

Explain: There are many different types of ways to invest. It is important to know about all the different ways to invest in order to get the most money out of your investments.

Explain: Some types of investments include stocks, bonds, mutual funds, real estate, Cash.

Explain: Today we will be learning about a few different types of investments and we will be assessing the pros and cons to each investment type.

Time:

5 Minutes

Type:



Required Resources:

Independent Activities

Activities designed for students to learn independently—either in class or as homework. Some activities include presentations if you prefer to use them for direct instruction instead of independent study.

PFinLab Building an Investment Strategy Lesson

Assign your students the “Building an Investment Strategy” lesson on PersonalFinanceLab.com. This lesson breaks different types of investments (Cash, Stocks, Bonds..) down and quickly explains to students the liquidity, risk and potential growth that comes with each type of investment. It also gives students tips and tricks that come with investing.

Students will be required to complete the quiz at the end as an assessment. If used as homework, follow up with discussion questions the next day.

Discussion Questions:

- What does the word liquidity mean?
- Do you think that there is a best type of investment? Why?
- What is one tip or trick that you got from this article?

Resource Links:

Lesson Content (Included in the Assignment on PersonalFinanceLab.com)

<https://content.personalfinancelab.com/finance-knowledge/personal-finance/investing-strategy/>

Accompanying Presentation:

<https://content.personalfinancelab.com/presentations/building-an-investing-strategy-presentation/>

Time:

15 Minutes

Type:



Required Resources:

- PFinLab Curriculum
- Computer Access

Instructor's Guide

PFinLab What is a Stock Lesson

Assign your students the "What is a Stock" lesson on PersonalFinanceLab.com. This lesson is an introduction to stocks. The lesson goes into detail about all the different things and terms that are involved with stocks. Students will also learn how to make a stock trade on the PersonalFinanceLab.com.

Students will be required to complete the quiz at the end as an assessment. If used as homework, follow up with discussion questions the next day

Discussion Questions:

- What is a stock?
- What benefits come with stocks?
- Where can you buy a stock?
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Resource Links:

Lesson Content (Included in the Assignment on PersonalFinanceLab.com)
<https://content.personalfinancelab.com/beginners/stocks/>

Accompanying Presentation:

<https://content.personalfinancelab.com/presentations/what-is-a-stock-presentation/>

Time:

15 Minutes

Type:



Required Resources:

- PFinLab Curriculum
- Computer Access

PFinLab Bond Lesson

Assign your students the "Bond" lesson on PersonalFinanceLab.com. This lesson is an introduction to bonds. The lesson goes into detail about all the different things and terms that are involved with bonds. Students will also learn how to make a bond trade on the PersonalFinanceLab.com.

Students will be required to complete the quiz at the end as an assessment. If used as homework, follow up with discussion questions the next day

Discussion Questions:

- How are bonds different from stocks?
- Why would a government issue out a bond?

Resource Links:

Lesson Content (Included in the Assignment on PersonalFinanceLab.com)
<https://content.personalfinancelab.com/glossary/a-g/bond/>

Accompanying Presentation:

<https://content.personalfinancelab.com/presentations/bonds-presentation/>

Time:

15 Minutes

Type:



Required Resources:

- PFinLab Curriculum
- Computer Access

Instructor's Guide

PFinLab Mutual Fund Lesson

Assign your students the "Mutual Fund" lesson on PersonalFinanceLab.com. This lesson is an introduction to mutual funds. The lesson goes into detail about all the different types of mutual funds and the benefits that come with each type. Students will also learn how to make a mutual fund trade on the PersonalFinanceLab.com.

Students will be required to complete the quiz at the end as an assessment. If used as homework, follow up with discussion questions the next day.

Discussion Questions:

- Explain the different types of mutual funds?
- What type of person would invest in a mutual fund? Why?

Resource Links:

Lesson Content (Included in the Assignment on PersonalFinanceLab.com)
<https://content.personalfinancelab.com/beginners/mutual-funds/>

Time:

15 Minutes

Type:



Required Resources:

- PFinLab Curriculum
- Computer Access

PFinLab ETF Lesson

Assign your students the "Portfolio Diversification" lesson on PersonalFinanceLab.com. This lesson is an introduction to Exchange Traded Fund. The lesson goes into detail about all the different types of ETFs and the benefits that come with each type.

Students will be required to complete the quiz at the end as an assessment. If used as homework, follow up with discussion questions the next day.

Discussion Questions:

- Name and define two types of ETFs.
- How is an ETF different than a mutual fund?

Resource Links:

Lesson Content (Included in the Assignment on PersonalFinanceLab.com)
<https://content.personalfinancelab.com/beginners/exchange-traded-fund-etf/>

Time:

15 Minutes

Type:



Required Resources:

- PFinLab Curriculum
- Computer Access

Instructor's Guide

PFinLab Portfolio Diversification Lesson

Assign your students the "Portfolio Diversification" lesson on PersonalFinanceLab.com. This lesson addresses the importance of having a diversified portfolio. The lesson explains the different ways that you can diversify your portfolio as an investor.

Students will be required to complete the quiz at the end as an assessment. If used as homework, follow up with discussion questions the next day.

Discussion Questions:

- Why is it important to diversify your portfolio?
- Provide an example of how to diversify.
- What are some problems that you can face if you over diversify?

Resource Links:

Lesson Content (Included in the Assignment on PersonalFinanceLab.com)
<https://content.personalfinancelab.com/beginners/portfolio-diversification/>

Accompanying Presentation:

<https://content.personalfinancelab.com/presentations/portfolio-diversification-presentation/>

Time:

15 Minutes

Type:



Required Resources:

- PFinLab Curriculum
- Computer Access

PFinLab Investing 101

Assign your students chapters from the Investing101 course on Personal Finance Lab. These chapters are designed as a self-guided beginners investing course, to be used as a supplement to the stock game, or as an extra resource for students who are interested in learning more about investing on their own.

Chapters 1-3 cover investment basics. These can be replaced with the other lessons found in this lesson plan. Chapters 4-10 cover more intricate details on how to research investments, read stock charts, and understand different levels of risk.

Each chapter has, on average, 10 mini-lessons, concluding with a "chapter exam" as an assessment.

Each chapter can be selected separately as part of an "Assignment" on Personal Finance Lab, and is best used as an "extra" to the stock game (so students progress through the course during class time also reserved for managing their stock portfolios) or as an independent/extra credit exercise as homework.

Resource Links:

Lesson Content (Included in the Assignment on PersonalFinanceLab.com)
<https://content.personalfinancelab.com/investing101/>

Time:

40 Minutes Per Chapter

Type:



Required Resources:

PFinLab Site License

Instructor's Guide

Full Class Activities

Activities designed for whole-class participation. These are best used along with the direct instruction portion of the lesson.

Assessing Investment Risk

In this teacher lead activity, students will be learning about the different levels of risk that come with each different type of investment.

Pass out worksheet

Explain to students that for this activity they will be assessing the risk that comes with each type of investment.

Give students 3 minutes to list out as many different types of investments that they can on the back of the worksheet.

After the 3 minutes go around the classroom and ask students what they came up with. Write the different answers on the board.

Here is a list of possible solutions (add as many extras that you see fitting):

- Aggressive Growth Stocks - Corporate Bonds - Futures
- Gov't Securities/Bonds - Aggressive Growth Mutual Fund - Real Estate
- U.S. Savings Bonds - Aggressive Growth Bonds - Savings Account - Cash
- High Quality Stocks - High Quality Mutual Funds - Money Market Funds - Certificate of Deposit

Once you have the list written on the board, have students label the chart:

- High Risk
- Medium Risk
- Low Risk

Ask them what they think the risk level is of investing in Cash?

Explain that the only risk is inflation which occurs for everything so that would be at the lowest level.

Next ask them where they think mutual funds would go?

Explain that mutual funds have some risk since they rely on the market. So it would be placed in the middle group.

Have students work in pairs or alone to finish the rest.

After the students have finished the list, show them an example of a finished chart and have them check their answers.

Ask if any students have any questions and collect the worksheet.

Resource Links:

<https://www.easyteacherworksheets.com/pages/pdf/graphicorgs/relation/pyramids/2.html>

Time:

20 Minutes

Type:



Required Resources:

- Worksheet

Instructor's Guide

Small Group Activities

Activities designed for small groups of students. These resources are best used after full-class direct instruction and activities.

Investment Posters

In this activity students will be working in small groups to assess different types of investments and making a poster for the class to educate the class on the investment idea.

Put students in groups of 3-4

Assign each group an investment type (it is okay if groups have the same type):

- Stocks
- Bonds
- Mutual Funds
- Certified Deposits
- Real Estate
- Cash

Give each group a piece of poster paper and have them research the following information:

- Definition
- Average Cost
- Liquidity
- Risk
- How long people hold it
- Pro and Cons
- Example
- Fun/ Interesting Fact
- Volatility

Once groups have finished their posters, have them present it to the class.

Hang posters up in the classroom.

Time:

15 Minutes

Type:



Required Resources:

- Poster Paper
- Computer Access

Conclusion

Remind students about the importance of knowing the different types of stocks.

Remind students why it is important to have a diversified portfolio.

Briefly ask students to define:

- Stock
- Bond
- Mutual Fund
- EFT

Resource Page

PYRAMID OF INVESTMENT RISK

