

OVERVIEW

When you invest, you are putting your money into something you believe will increase in value or earn more money for you. You put money into a bank savings account to earn interest, and you have peace of mind because the account is insured from loss. But not every type of investment is guaranteed to increase in value. In some instances, investments might decrease in value.

Any investment involves some degree of risk, but you might think the potential rewards are worth taking some degree of risk. In this lesson you will explore those risks and measure your willingness to accept investment risks.

LEARNING OUTCOMES

In this lesson students will explore the risks and rewards of several investment options. Along the way they will:

- ☑ Give examples of types of investments.
- \square Describe the risk-to-reward principle.
- ☑ Discuss how risk tolerance impacts investment decisions.
- ☑ Explain how diversification is used as an investment strategy.

Students will use what they learn to set up their own personal rules for investing.

PREPARATION

- Order a Module 4 Student Guide for each student. (The Guide is available online to download.)
- Preview the lesson plan, PowerPoint presentation, learning tasks, and Module 4 Student Guide, particularly pages 16-30.
- Print or download the Student Learning Plan for this lesson so each student has a copy.
- Collect investment information or preview the suggested websites to set up research stations for Task3.
- □ Take the Risk Tolerance Quiz to become familiar with the quiz questions.

WHAT YOU WILL NEED

- □ Module 4 Student Guide (pages 16-30)
- PowerPoint Presentation 4-3
- Student Learning Plan 4-3
- Internet access (Tasks 3 and 4)
- Poster paper and markers (or) access to PowerPoint presentation software (Task 3)
- □ Task: Investment FAQs
- Activity 4.7: My Risk Tolerance
- Bookmark web page: Risk Tolerance Quiz, http://njaes.rutgers.edu/money/riskquiz (Task 4)
- Optional) Task: Sorting Cards

NOTES:

Approximate time: 45 minutes (minimum) - 90 minutes (with extension activities)

Resources: These non-profit organizations support investment education:

- Alliance for Educator Education, www.investoreducation.org
- American Association of Individual Investors, www.aaii.com
- BetterInvesting, www.better-investing.org
- Investing for Your Future, www.investing.rutgers.edu



LEARNING TASKS	TEACHING NOTES	MATERIALS
1. Review a case study	PROCEDURE Time Estimate: 5 minutes	Module 4 Student Guide
about someone who started investing early. Do you think he made a good decision?	 Read the story about Damon Williams (A Shoe-In at Investing, Student Guide page 20). Show Slide 2, and ask the students to study the numbers to form opinions about which option they think is the better deal: Buy a pair of new 2003 Air Jordan shoes as a collectible (or) Use the same amount of money to buy Nike stock 	Student Learning Plan STUDENT GUIDE Pages 20
	Guide the students to consider not only the price differences over the years, but also the potential that the collector shoes or stock will be sold for a higher price than the original cost. Use this discussion to transition into today's lesson about investment risk.	SLIDES 2 – Nike Shoes or Nike Stock? 3 - Preview
	Debrief by reviewing that Damon had choices when he decided to invest his money. With his mom's encouragement, Damon chose the option that had the potential for higher return on his investment.	
	□ [Slide 3] Preview today's Learning Outcomes in the Student Learning Plan. By the end of this lesson the students should be able to state rules they can use to guide their own investment decisions.	
2. Read about Justin's	PROCEDURE Time: 5 minutes	STUDENT GUIDE Pages 16-17
business start-up opportunity. Would you be willing to invest in his business? Why or	□ [Slide 4, pages 16-17] Read Justin's story, and ask the following questions. Use the responses to transition into the next task about the value of knowing what you are getting into when investing.	SLIDE 4 – Justin's Investors
why not?	Which investor is a "shareholder" in Justin's business venture? (Answer: Derrick, who in this case is investing his time in return for a 15 percent share of any profits. Review stock from Lesson 4-2.)	
	Is the shareholder guaranteed any return on his investment? (Answer: No. Although Derrick is entitled to a portion of any net profits, he won't receive any payment if there are no profits.)	
	What is the role of Justin's dad? (Answer: Justin's dad provided a loan. In essence, he bought a corporate bond that pays 3 percent interest and will mature in six months. (Student Guide, page 19)	
	In your opinion, what do you think are the chances that either of the investors will earn a return on his investment? (Answer: There is no guarantee that Justin will make enough money to pay his investors or even stay in business. Encourage students to generate reasons that the business might fail. Stress that investors and business owners don't have control over all factors that impact business profits, such as insufficient demand, shipping problems, or damaged inventory.)	



LEARNING TASKS	TEACHING NOTES	MATERIALS
	Read more about Justin's business operation (page 27) before asking the next question.	
	Would you have invested in Justin's business venture either as a stockholder or a bondholder? Why or why not?	
	Debrief by reviewing that Justin's brother and dad agreed to help Justin get started in his business, but they didn't take time to research the potential outcome of the arrangement. They both took a big risk because Justin had no previous experience as a business owner, and there was no work done to investigate whether or not there is a demand for what Justin was selling. Relate this to what was learned in Lesson 4-2 about the value of researching how a company is managed and whether or not there is any indication that an investment will be profitable.	
3. Explore ways to invest and the potential risks and rewards of investing. Share what you learn about a particular type of investment.	 PROCEDURE Time: 20+ minutes [Slide 5] Explain how investment rewards relate to risks. Point out that risk measures uncertainty – not only whether an investment might increase but also whether the investment might decrease. Weighing risk is part of any investment or savings strategy. The higher the amount of risk you take, the greater the chance you could achieve a significant reward or return – and the greater the chance you could lose money, too. Give an example of a low-risk/low-return investment (Click to display example: insured low-interest certificates of deposit) and a high-risk/potentially high-return investment (Click to display example: Buying stock for start-up companies as in the case of Internet companies that flooded the market in the late 1990s. Stock prices soared as investors speculated they would receive high returns on companies that were formed due to the start of the 	STUDENT GUIDE Pages 17-26 SLIDES 5 – Risk Meter 6 – The Language of Investing 7 – Investing FAQs ACTIVITIES Task: Investment FAQ Internet access Credible resources that provide information needed to
	 high returns on companies that were formed due to the start of the World Wide Web. But as the stock market dropped significantly in 2000-2001, the value of Internet company stock plummeted causing many companies to file bankruptcy and investors to lose money. For more information, search "dot-com bubble.") There isn't just the risk of losing the money that is invested— 	complete the FAQ task Poster board and markers for each study team (or) access to computer and PowerPoint
	there are other costs to investing too. In Lessons 4-1 and 4-2, students learned that they will need a minimum balance to open a Money Market savings account, pay an early-withdrawal penalty if they cash in a Certificate of Deposit before the maturity date, and pay a trade fee when they purchase stock. As they decide how to invest their money, they need to compare the minimum balance requirements and any fees associated with investments.	presentation software (optional) Sorting Card Task



LEARNING TASKS	TEACHING NOTES	MATERIALS
	[Slides 6-7] Introduce the Investment FAQ Task to the students. If needed, review investing terminology so they are familiar with terms they might encounter during their research.	
	Arrange for students to work independently or in small groups of two or three as they complete the Investment FAQ Task . Assign each group to research at least one of the five required investment topics. Guide the teams to divide duties and reference multiple sources as they fill in their chart information. This exercise is also a way to introduce students to several online resources they might find useful at a later time.	
	Required StudyOptional Research if Assigned by TeacherBondsFuturesMutual FundsIndex FundsCollectiblesPrecious MetalsReal EstateBusiness	
	Arrange for teams to present their findings either on posters or PowerPoint slides as classmates add details to their FAQ charts.	
	Extension: Print the sorting cards and cut between the card borders so you have one set of cards per student or student group. Challenge the students to use the cards to rank investments from low to high risk, rank investments from low to high return potential, or classify investments by type (income or growth).	
4. Assess your risk tolerance; complete	PROCEDURE Time: 10 minutes Ask the students if they are willing to take the risk of sky diving.	STUDENT GUIDE Pages 28-29
Activity 4.7: My Risk Tolerance. Explore how	Explore further by asking what they would need to know or have in place to add to their comfort level if they were to try sky diving.	SLIDE 8 – Take the Risk
your tolerance can impact your investing decisions.	□ [Slide 8] Use the sky diving example to make the point that each one of us has a different tolerance risk. In the case of investing, this means the degree to which a person could tolerate a	ACTIVITY Activity 4.7: My Risk Tolerance
	decline in asset value. Stress that as students make decisions about how to invest their limited money resources, they need to take into consideration their own risk tolerance. As a rule of thumb, they should have peace of mind so they never wake up in the middle of the night worrying about their investments decisions.	Internet Access to take the online Risk Tolerance Quiz, www.rutgers.edu/ money/riskquiz/
	Arrange for each student to take the online risk Tolerance Quiz* to complete Activity 4.7: My Risk Tolerance .	
	*This quiz was developed by two university personal finance professors, Dr. Ruth Lytton at Virginia Tech and Dr. John Grable at Kansas State University. By taking this quiz, participants will contribute to a study on measuring financial risk tolerance. No identifying information is collected.	



LEARNING TASKS	TEACHING NOTES	MATERIALS
5. Learn about a way you can lessen the	PROCEDURES Time: 5-10+ minutes	STUDENT GUIDE Pages 29-30
risks of investing by diversifying your	Read the Vary Your Assets segment on pages 29-30 to introduce diversification as a way to lessen investment risk.	SLIDE 9 – Diversity to Tame the Risk
investment portfolio. Give examples of situations where it pays to diversify.	□ You can manage risk to some extent with some planning. The ideal strategy is to minimize risk while you maximize return. Give the example that farmers typically produce more than one type of crop and/or raise more than one type of livestock to even out the chances that they will suffer loss if one crop or animal doesn't produce as expected.	
	□ [Slide 9] Ask students to give examples of instances when they benefit from diversification, or, conversely, when they could get into trouble for not diversifying. [Note: Diversification is reviewed again in Lesson 4-4 when the students devise an investment plan.]	
	NOTES: You could provide each pair with a category to force them to apply the concept of diversification to different topics, such as: genetics, nutrition, exercise, writing, trees/shrubs, etc.	
	ALTERNATE ACTIVITIES:	
	□ Use the example of chess to illustrate diversification. The game would become quite boring if they could only use one piece; even the most powerful piece on the board, the Queen, would become limited. It is the combination of different pieces on the chessboard that enables a player to devise a strategy. And if a chess pieces is neutralized or captured, there are other pieces that can still combine to create a winning game.	
	□ Working in pairs, allow students two minutes to create a possible example that illustrates the question posed, "Why is it important to diversify?" Arrange for each pair to pitch the example to the class.	
	EXTENSION: Study a Periodic Table of Investment Returns which illustrates the annual returns for eight asset classes, ranked from best to worst each year. The Periodic Table of Investment Returns was developed by Jay Kloepfer, Director of Callan's Capital Markets and Alternatives Research, in 1999. The table shows how returns fluctuate from year to year which supports the rationale to diversify so earnings are not based on one investment alone. Anyone has permission to download, print, and use the Table. (www.callan.com/research/periodic/)	



LEARNING TASKS	TEACHING NOTES	MATERIALS
	EXTENSION: Have students write a short story or fable that illustrates the idiom, "Don't put your eggs all in one basket." Have the students vote on the best story.	
6. Create your own personal investment policy statement.	PROCEDURE In-class or out-of-class assignment Assign students the task of writing their own investment policy statement. The statement should reflect their personal values and risk tolerance when it comes to saving and investing. Optional: Challenge the students to write the statement as a tweet message in 140 characters or less.	SLIDE 10 - Challenge
TAKING IT HOME List purchases you have made that you now regret.	FURTHER STUDYIn-class or out-of-class assignmentImage: Description of the students	
TAKING IT HOME Interview a family member or close adult about investing decisions.	FURTHER STUDY In-class or out-of-class assignment Encourage students to ask a family member or close adult about the criteria s/he uses when considering saving or investing decisions.	
FURTHER STUDY Research investing scams.	FURTHER STUDYIn-class or out-of-class assignmentImage: Savings accounts are insured by the FDIC for up to \$250,000, but investments are not insured. Research two investing scams.	Internet access

TAKING IT HOME:

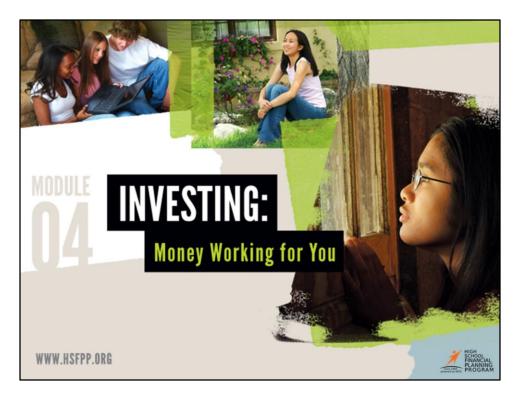
Look around your room for examples of the ten most recent purchases you have made. How do you feel about the "return" on each purchase? Do you regret the original choice of any of these purchases because you feel that your money could have been better used for something else?

TAKING IT HOME

Interview a family member or close adult about what criteria s/he uses when considering saving or investing decisions. Questions to ask: What is your risk tolerance when it comes to savings and investing? How do you diversify your investments?

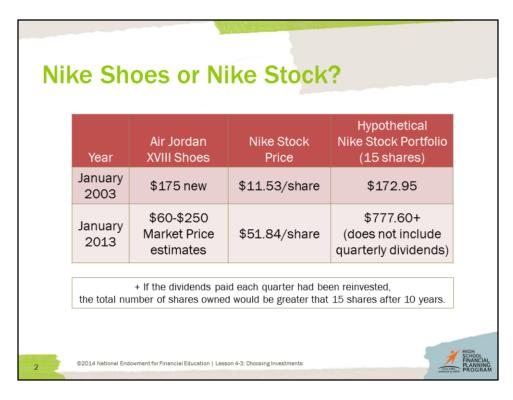
SFURTHER STUDY

Savings accounts are insured by the FDIC for up to \$250,000, but investments are not insured. Research one of these investing scams: ZZZZ Best Inc., 1986; Centennial Technologies Inc., 1996; Bre-X Minerals, 1997; Enron, 2001; WorldCom, 2002; Tyco International (NYSE: TYC), 2002; Bernard Madoff, 2008. Write down four things you could do to protect yourself against investment fraud.



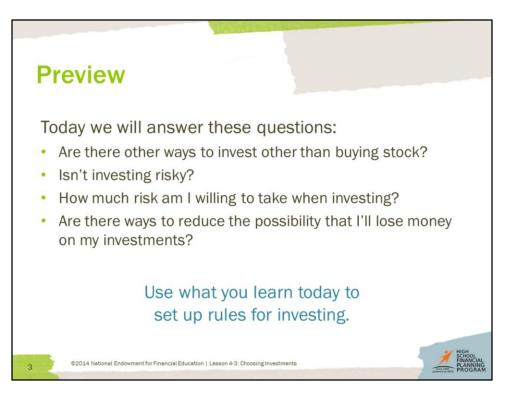


Display this slide as you begin today's lesson.

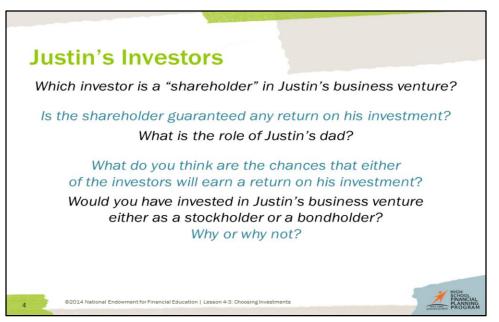


Student Guide, page 20

- Read the story about Damon Williams (A Shoe-In at Investing, Student Guide page 20). Show Slide 2, and ask the students to study the numbers to form opinions about which option they think is the better deal:
 - Buy a pair of new 2003 Air Jordan shoes to preserve as a collectible (or)
 - Use the same amount of money to buy Nike stock
- Guide the students to consider not only the price differences over the years, but also the potential that the collector shoes or stock will be sold for a higher price than the original cost. Use this discussion to transition into today's lesson about investment risk.
- Debrief by reviewing that Damon had choices when he decided to invest his money. With his mom's encouragement, Damon chose the option that had the potential for higher return on his investment.



Preview today's Learning Outcomes in the Student Learning Plan. By the end of this lesson the students should be able to state rules they can use to guide their own investment decisions.



Student Guide, pages 16-17, 19

- Read Justin's story (pages 16-17), and ask the following questions. Use the responses to transition into the next task about the value of knowing what you are getting into when investing.
 - Which investor is a "shareholder" in Justin's business venture?
 Answer: Derrick, who in this case is investing his time in return for a 15 percent share of any profits. If needed, review stock investments from Lesson 4-2.
 - Is shareholder guaranteed any return on his investment?
 Answer: No. Although Derrick is entitled to a portion of any net profits, he won't receive any payment if there are no profits.
 - What is the role of Justin's dad?
 Answer: Justin's dad provided a loan. In essence, Justin's dad bought a corporate bond that pays 3 percent interest and will mature in six months. (Student Guide, page 19)
 - In your opinion, what do you think are the chances that either of the investors will earn a return?

Answer: There is no guarantee that Justin will make enough money to pay his investors or even stay in business. Encourage students to generate reasons that the business might fail. Stress that investors and business owners don't have control over all factors that impact business profits, such as insufficient demand, shipping problems, or damaged inventory.)

- Read more about Justin's business operation (page 27) before asking the next question.
 - Would you have invested in Justin's business venture as a stockholder or a bondholder? Why or why not?
- Debrief by reviewing that Justin's brother and dad agreed to help Justin get started in his business, but they didn't take time to research the potential outcome of the arrangement. They both took a big risk because Justin had no previous experience as a business owner, and there was no work done to investigate whether or not there is a demand for what Justin was selling. Relate this to what was learned in Lesson 4-2 about the value of researching how a company is managed and whether or not there is any indication that an investment will be profitable.



Student Guide, pages 27-28

- Explain how investment rewards relate to risks. Point out that risk measures uncertainty not only whether an investment might increase but also whether the investment might decrease. Weighing risk is part of any investment or savings strategy. The higher the amount of risk you take, the greater the chance you could achieve a significant reward or return and the greater the chance you could lose money, too.
- Click on the slide to show examples of low risk/low return investments (Example: insured low-interest certificates of deposit) and a high-risk/potentially high-return investments (Example: Buying stock for start-up companies as in the case of Internet companies that flooded the market in the late 1990s. Stock prices soared as investors speculated they would receive high returns on companies that were formed due to the start of the World Wide Web. But as the stock market dropped significantly in 2000-2001, the value of Internet company stock plummeted causing many companies to file bankruptcy and investors to lose money. To study further, search "dot-com bubble.")
- There isn't just the risk of losing the money you invest—there are other costs to investing too. In Lesson 4-1 and Lesson 4-2, students learned that they may need a minimum balance to open a Money Market savings account, pay an early-withdrawal penalty if they cash in a Certificate of Deposit before the maturity date, and pay a trade fee when they purchase stock. As they decide how to invest their money, they need to investigate and compare the minimum balance requirements and any fees associated with investments.



Student Guide, page 17

□ Introduce the **Investment FAQ** task to the students. If needed, review investing terminology so they are familiar with terms they might encounter during their research.



Student Guide, pages 18-26

Arrange for students to work independently or in small groups of two or three as they complete the Investment FAQ task. Assign each group to research at one of the five required investment topics. (Note: See list below. More than one group might research the same topic. As an extension activity, use discretion to assign any of the optional three investment topics depending on the interest level of the students.) Guide the teams to divide duties and reference multiple sources as they fill in their chart information. This exercise is also a way to introduce students to several online resources they might find useful at a later time.

Required Study:	Optional Research if Assigned by Teacher:
Bonds	Futures
Mutual Funds	Index Funds
Collectibles	Precious Metals
Real Estate	
Business	

Arrange for teams to present their findings either on posters or PowerPoint slides as classmates add details to their FAQ charts.

Extension: Print the sorting cards and cut between the card borders so you have one set of cards per student or student group. Challenge the students to use the cards to rank investments from low to high risk, rank investments from low to high return potential, classify investments by type (income or growth).



Student Guide, page 27-29

- Ask the students if they are willing to take the risk of sky diving. Explore further by asking what they would need to know or have in place to add to their comfort level if they were to try sky diving.
- Use the sky diving example to make the point that each one of us has a different tolerance risk. In the case of investing, this means the degree to which a person could tolerate a decline in asset value. Stress that as students make decisions about how to invest their limited money resources, they need to take into consideration their own risk tolerance. As a rule of thumb, they should have peace of mind so they never wake up in the middle of the night worrying about their investments decisions.
- Arrange for each student to take the online risk Tolerance Quiz to complete Activity 4.7: My Risk Tolerance.

Note: This quiz was developed by two university personal finance professors, Dr. Ruth Lytton at Virginia Tech and Dr. John Grable at Kansas State University. By taking this quiz, participants will contribute to a study on measuring financial risk tolerance. Results will be recorded anonymously. No identifying information is collected.



Student Guide, pages 29-30

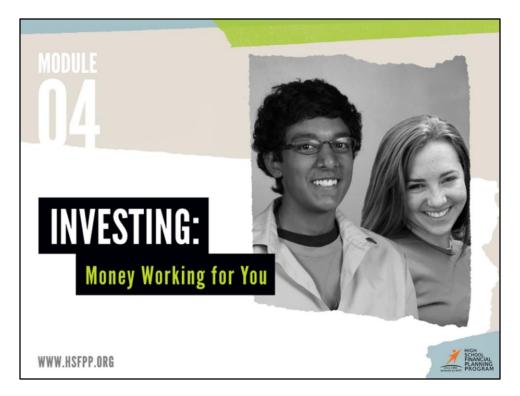
- □ Read the *Vary Your* Assets segment on pages 29-30 to introduce diversification as a way to lessen investment risk.
- You can manage risk to some extent with some planning. The ideal strategy is to minimize risk while you maximize return. Give the example that farmers typically produce more than one type of crop and/or raise more than one type of livestock to even out the chances that they will suffer loss if one crop or animal doesn't produce as expected.
- Ask students to give examples of instances when they benefit from diversification, or, conversely, when they could get into trouble for not diversifying. [Note: Diversification is reviewed again in Lesson 4-4 when the students devise an investment plan.]

ALTERNATE ACTIVITIES:

- □ Use the example of chess to illustrate diversification. The game would become quite boring if they could only use one piece; even the most powerful piece on the board, the Queen, would become limited. It is the combination of different pieces on the chessboard that enables a player to devise a strategy. And if a chess pieces is neutralized or captured, there are other pieces that can still combine to create a winning game.
- Working in pairs, allow students two minutes to create a possible example that illustrates the question posed, "Why is it important to diversify?" Arrange for each pair to pitch the example to the class.



Assign students the task of writing their own investment policy statement. The statement should reflect their personal values and risk tolerance when it comes to saving and investing. Optional: Challenge the students to write the statement as a tweet message in 140 characters or less.



STUDENT LEARNING PLAN Lesson 4-3: Choosing Investments



OVERVIEW

When you invest, you are putting your money into something you believe will increase in value or earn more money for you. You put money into a bank savings account to earn interest, and you have peace of mind because the account is insured from loss. But not every type of investment is guaranteed to increase in value. In some instances, investments might decrease in value.

Any investment involves some degree of risk, but you might think the potential rewards are worth taking some degree of risk. In this lesson you will explore those risks and measure your willingness to accept investment risks.

LEARNING OUTCOMES

In this lesson you will explore the risks and rewards of several investment options. Along the way you will:

- \square Give examples of types of investments.
- \square Describe the risk-to-reward principle.
- Discuss how risk tolerance impacts investment decisions.
- Explain how diversification is used as an investment strategy.

Use what you learn to set up your personal rules for investing.

LEARNING TASKS These tasks match pages 16-30 in Student Guide 4.			
1.	Review a case study about someone who started investing early. Do you think he made a good decision?		
2.	Read about Justin's business start-up opportunity. Would you be willing to invest in his business? Why or why not?		
3.	Explore ways to invest and the potential risks and rewards of investing. Share what you learn about a particular type of investment.		
4.	Assess your risk tolerance; complete Activity 4.7: My Risk Tolerance . Explore how your tolerance can impact your investing decisions.		
5.	Learn about a way you can lessen the risks of investing by diversifying your investment portfolio. Give examples of situations where it pays to diversify.		
6.	Create your own personal investment policy statement.		

TAKING IT HOME

Look around your room for examples of the ten most recent purchases you have made. How do you feel about the "return" on each purchase? Do you regret the original choice of any of these purchases because you feel that your money could have been better used for something else?

TAKING IT HOME

Interview a family member or close adult about what criteria s/he uses when considering saving or investing decisions. Questions to ask: What is your risk tolerance when it comes to savings and investing? How do you diversify your investments?

SET FURTHER STUDY

Savings accounts are insured by the FDIC for up to \$250,000, but investments are not insured. Research one of these investing scams:

- ZZZZ Best Inc., 1986
- Centennial Technologies Inc., 1996
- Bre-X Minerals, 1997
- Enron, 2001
- WorldCom, 2002
- Tyco International (NYSE: TYC), 2002
- Bernard Madoff, 2008

Write down four things you could do to protect yourself against investment fraud.



Instructor Directions

- Arrange for each student to have the **Investment FAQs Task** worksheet, either in paper form or electronic file.
- Establish a plan for students to work independently or in small groups of two or three as they research information about one of the five main investment topics (Bonds, Mutual Funds, Real Estate, Collectibles, and Business).
 - If time is short, assign two or three questions for a topic to each group and then have the students compile the information as a class to complete the chart.
 - Extension: Assign additional investment topics depending on the interest level of the students (Futures, Index Funds, or Precious Metals).
- Create research stations, one for each group. Research stations can contain printed materials for the assigned investing topics, Internet access and appropriate website hints, a human resource (investor, banker, financial planner), or any combination of resources students will need to learn about their respective topics.
- Distribute the task worksheet, and preview the task. If applicable, provide each group with poster paper and markers.
- Assign the group topics. Guide each group to divide duties and reference multiple sources as the group members fill in their chart information. This exercise is also a way to introduce students to several online resources they might find useful at a later time. If time allows, have groups with the same topics compare their respective charts and discuss discrepancies.
- Allow the students 5-10 minutes to gather the information about their respective topics and to *neatly* document that information on their posters or presentation slides. As the teams complete their visuals, check the work for accuracy.
- Arrange for students to present their findings with their visual displays as classmates add the presented information to their own FAQ charts.

Investment Education Resources

- Student Guide, *Module 4: Investing*, pages 18-26
- Alliance for Educator Education, www.investoreducation.org
- American Association of Individual Investors, www.aaii.com
- BetterInvesting, www.better-investing.org
- Investing for Your Future, **www.investing.rutgers.edu**

Task: Investment FAQs

NAME:



DATE:

Student Directions

Explore ways you can invest your money. Compare the potential rewards of making money from investments with the potential risks of not meeting investing goals. There isn't just the risk of losing the money you invest—there are other costs to investing too.

Using at least two different resources, gather information about a particular type of investment.

Record your findings in the FAQ chart. Specifically, gather data to answer these questions about your assigned topic:

- How do I invest in __?
- Why would someone want to invest in __? (List two or three benefits for your type of investment.)
- What are the costs to invest in __? Are there any transaction or commission fees, minimum balance or deposit requirements, or penalty fees?
- What is the typical return (range or current average) on this type of investment? Compared to other types of investments, are the returns considered low, average, or high?
- Is this considered a low, moderate, or high investment risk? Why?

From your findings, create a visual aid to display as you "teach" your classmates about what you learned about your assigned investment topic.

As you learn about other types of investments from other group teaching presentations, add notes to your FAQs chart.

Investment Education Resources

- Student Guide, *Module 4: Investing*, pages 18-26
- Alliance for Educator Education, www.investoreducation.org
- American Association of Individual Investors, www.aaii.com
- BetterInvesting, www.better-investing.org
- Investing for Your Future, www.investing.rutgers.edu



Investment FAQs Chart

Type of Investment	How To Invest	Benefits	Types of Investment Costs	Typical Return (Range or Average)	Return Potential (Low, Average, High)	Risk (Low, Moderate, High)
Bonds						
Mutual Funds						
Real Estate						
Collectibles						
Business						

Task: Investment FAQs



Type of Investment	How To Invest	Benefits	Types of Investment Costs	Typical Return (Range or Average)	Return Potential (Low, Average, High)	Risk (Low, Moderate, High)
Futures						
Index Funds						
Precious Metals						

Task: Sorting Cards

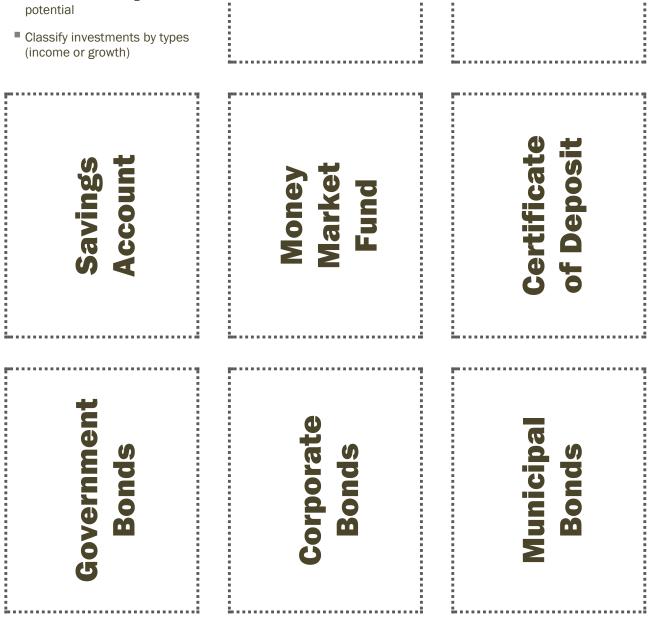


Directions

Print these sorting cards on card stock or regular paper. Cut between the card borders so you have one set of cards per student or student group.

Challenge the students to use the cards to do any of the following:

- Rank from low to high risk
- Rank from low to high return potential



 $\textcircled{\sc constraint} 02014$ National Endowment for Financial Education High School Financial Planning Program

Real Estate	Business	Collectibles
Mutual Funds	Funds	Precious Metals
Futures	Speculative Stock	Blue-Chip Stock

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NAME:



DATE:

Directions:

Rutgers University has developed a quiz to help you determine your comfort level with investing risk. Take the Investment Risk Tolerance Quiz (**www.njaes.rutgers.edu/money/riskquiz**), and rate your own investing risk tolerance.

A. How would you rate your investment risk tolerance?

Right now my investment risk tolerance is

Low

Medium

- 🗌 High
- B. Explain how you determined your rating.

I gave myself this rating because