EVERFI®

Lesson Plan

Investing Basics

20 minutes

Prerequisite: Digital lesson–Investing Basics

INSTRUCTIONS

Each digital lesson is supplemented with a follow-up synchronous lesson plan to extend and reinforce learning. Activities and questions are structured in a way that supports both in-person and virtual classroom settings.

OBJECTIVES

Students will be able to

- Recognize the value of investing in the financial market.
- Define the different types of investments available.
- Compare investment options by considering the relationship between risks and rewards.

MATERIALS

In-Person Lesson

- Your Risk Tolerance worksheet
- Writing utensils

Virtual Lesson

- Your Risk Tolerance worksheet

STANDARDS ADDRESSED

2021 *Jump$tart National Standards for Personal Finance*

- 12-1a. Give examples of factors that can influence a person's risk tolerance.
- 12-3a. Discuss the advantages and disadvantages of investing in riskier assets.
- 12-3c. Explain why the expected rate of return on a value stock or mutual fund is likely to be lower than that of a growth stock or mutual fund.
- 12-3d. Explain why bonds with longer maturities generally earn a higher return than shorter-term bonds.

SECTION	DESCRIPTION	FORMAT	DURATION
Discussion	Ask students these questions: *“Think about a time when you took a risk that resulted in a positive outcome. What was the risk and outcome?”* Ask a couple of students to share their examples with the class.	**Virtual**: Students raise their hands in class or virtually. Students enter responses into chat or answer verbally one by one. **In-Person**: Group discussion	3 mins
Activity	Distribute copies of the worksheet **Your Risk Tolerance**. Review the worksheet instructions with the class, emphasizing that there are no right or wrong answers. After students complete this activity, provide the following guidance for students to score their responses. Count the number of responses you selected from each category (a, b, c). • If you have mostly (a) responses, your risk tolerance is considered high. • If you have mostly (b) responses, your risk tolerance is considered moderate. • If you have mostly (c) responses, your risk tolerance is considered low. Key takeaways to share with students once they’ve calculated their results: • *Your risk tolerance can and should change over time, based on your confidence, experience, and goals.* • *If you have a low risk tolerance, you may want to hire a financial professional who can advise you about investing to reach your goals.* • *Remember, when you start young, you have more time to potentially benefit from risky investments.*	**Virtual and In-Person**: Students use the **Your Risk Tolerance** worksheet	15 mins
Exit Ticket	Ask students to respond to the question: *“What did you learn about your risk tolerance? How will you consider this when you start investing?”* If time permits, invite students to share their answers.	**Virtual**: Answer individually in chat (shared with the whole class), or have some students share with the whole class. **In-Person**: Discuss as a class.	2 mins