EVERFI®

Student Activity

Your Risk Tolerance

NAME ____ DATE ________________

INSTRUCTIONS

Answer the following questions to determine your risk tolerance when it comes to investing. Choose the response that best represents your feelings or preferences. There are no right or wrong answers, and your responses will help gauge your risk tolerance level. Circle, bold, or highlight your responses.

How would you describe your attitude toward taking risks in general?

a) I am comfortable taking risks and enjoy the excitement they bring.

b) I am somewhat comfortable taking risks, but I prefer to be cautious.

c) I am not comfortable taking risks and prefer to play it safe.

How do you feel about taking a risk without knowing what the outcome will be?

a) I see it as an opportunity.

b) I feel concerned but try to remember the bigger picture.

c) I become anxious and want to act immediately.

Your friends are all buying a “hot” stock that has been rising in value recently. Are you going to invest in it?

a) Yes, I’m going to buy as many shares as I can.

b) Yes, I’ll buy a few shares just to see what happens.

c) No, I’m sticking to my investment strategy.

Imagine you have $1,000 to invest. Which investment option would you choose?

a) An investment that has the potential for high returns but also the possibility of losing a large portion of your investment.

b) An investment that offers a balance between potential returns and potential losses.

c) An investment that provides stability and lower returns with minimal risk of losing your investment.

How would you feel if you invested in a stock and its value dropped by 20% in a short period?

a) I would not be concerned and would see it as an opportunity to buy more at a lower price.

b) I would feel somewhat worried but would monitor the situation before deciding on any action.

c) I would feel very worried and might consider selling my investment to limit future losses.

EXIT TICKET

What did you learn about your risk tolerance? How will you consider this when you start investing?