

Section 3—Savings**Title of Lesson/Subject:** *Saving and Investments***Prepared by:****Contact Information****E-mail address:****Phone:****Time Allotment:**

4-5 class periods

Grade Level:11th and 12th grade Independent Living Class**ND Standards Competencies:****Key Economic Concepts:****Brief Description:****Learner Objectives:**

As a result of this unit, students will be able to:

- List advantages of saving money
- Understand and appreciate the concept of “paying yourself first”
- Identify and evaluate common saving methods, i.e., savings accounts, certificates of deposit, money market accounts NOW accounts
- Distinguish the differences between saving and investing
- List and evaluate investment vehicles such as stocks, bonds, real estate, collectible, insurance

Introduction:**Materials Needed:**

NEFE Manual, VISA Choice and Decisions materials, Internet access, “Rich Dad, Poor Dad” by Kyosocki

Audio/Visual Equipment Needed:**Lesson Outline:**

Introduction:

I. WE would begin this unit by discussing "Who Wants to Be a Millionaire?" and the likelihood of being able to do so. **ACTIVITY:** IN pairs, have students use a calculator to figure out how long it takes by taking a 1c investment and doubling it each day. (It takes about 26 days to make 1M). Students need to SEE this to believe it!! This activity should lead into the reasons and advantages of saving money.

II. Review the Rule of 72 to more realistically show how investments can double and grow greatly when given time and a decent interest rate. Have students compare today's interest rates with what historically they have been to suggest some hope!! Have students look at the chart on page 49 of the NEFE workbook to show the results of starting early.

III. Distinguish the difference between saving and investing by having them review some of their short and long

term financial goals done earlier in the course. The likelihood of reaching the long term financial goals and having a comfortable retirement most likely will involve INVESTING.

IV. What are some ways to invest?? Have students complete of the following types of investments; savings accounts, savings bonds, CD's, bonds, mutual funds, stocks, collectibles, real estate using the NEFE workbook or online information. Have students work in pairs on a short verbal description of one of the investments listed. Include things like risk, availability, opportunity for growth, etc. Conclude with a question like WHY might one want to use a combination of these investments?? To further your point, have each student choose a stock that is sold on the stock market. Have them look up the abbreviation that it is quoted in.

V. After students have each chosen a stock and gotten its code, give each student \$2000 in play money to Invest. Have students follow their stock each day by looking in the paper or on the internet. If they have lost money, they must turn in that amount, if they have gained some, teacher will pay out. (Usually enough of them have lost, so there will be money to hand out to those who have gained!!). Follow this for several days, perhaps a few weeks. Discuss what types of things might be driving the market up and down such as the election did this fall. Hopefully the concept of RISK will come out loud and clear.

VI. For outside reading, have students read and discuss Kyosocki's "Rich Dad, Poor Dad" which is about a person who seeks advice from his conservative dad (a school principal) and his rich dad, an assertive investor. He does some interesting things in real estate, etc. that he uses as investments and also overcomes some obstacles such as bankruptcy.

Resources:

Activities:

Application/Assignment:

Evaluation Plan:

Conclude and evaluate this unit of instruction with the examination in NEFE and a writing assignment. Students would be asked to write a hypothetical letter to a sibling, or friend who has not had this class or similar instruction and advise him or her as to how to make their \$\$ GROW. Include minimum requirements, such as how many investment tools must be included in the letter, etc. Evaluate using the six trait model evaluation rubric.