

Module Target Learning Outcome

Put personal assets to work to build wealth.

Lesson	Target Competencies and Supporting Objectives	Activities	Pages
4-1 Put Savings to Work	Explore how saving and investing can be used to build wealth. <ul style="list-style-type: none"> ▪ Make a distinction between saving and investing. ▪ Demonstrate how to calculate compound interest. ▪ Compare types of savings investments. 	Activity 4.1: What is Wealthy? Activity 4.2: My Windfalls Activity 4.3: More Money Assessment Challenge 4-A: It Pays to Shop Around Taking it Home: Auto Deposit Paycheck Taking it Home: Open Savings Account	3-12
4-2 How Investing Works	Explore how investing works. <ul style="list-style-type: none"> ▪ Summarize how the time value of money impacts saving and investing. ▪ Explain how to buy stock investments. ▪ State fundamental investing guidelines. 	Activity 4.4: Getting a Late Start Activity 4.5: Own a Piece of the Business Activity 4.6: Watch the Price Assessment: Investing Strategies Taking it Home: Interview (Guidelines)	12-23
4-3 Choosing Investments	Explore the risks and rewards of investment options. <ul style="list-style-type: none"> ▪ Give examples of types of investments. ▪ Describe the risk-to-reward principle. ▪ Discuss how risk tolerance impacts investing decisions. ▪ Explain how diversification is used as an investment strategy. 	Task: Investment FAQs Task: Sorting Cards Activity 4.7: My Risk Tolerance Assessment: Personal Investing Rules Taking it Home: Assess spending Satisfaction Taking it Home: Interview (Risk Tolerance)	16-30
4-4 Investing Strategy	Outline strategies to achieve investing goals. <ul style="list-style-type: none"> ▪ Summarize guidelines for investing. ▪ Describe the benefits of dollar cost averaging. ▪ Discuss rights and responsibilities related to investing. 	Success Story: Investor Activity 4.8: Dollar Cost Averaging Assessment Challenge 4-B: Set My SMART Investing Goals Taking it Home: Family Goal	29-40
4-5 Investing Game Plan	Outline a long-range investment game plan. <ul style="list-style-type: none"> ▪ Give examples of how investing fits into financial planning. ▪ Identify strategies to plan for retirement. 	Task: Task: Assessment Challenge 4-C: DECIDE My Investment Plan of Action Taking it Home: Start Retirement Fund	37-40

Introduction to Lessons

Lesson 4-1: Put Savings to Work

Do you want to be rich? Who doesn't! But remember: Being wealthy isn't about how much you earn—it's about how much you keep and what you do with it.

Think of your money as a 24-7 "employee"—expecting it to make more money for you while you go about your daily activities. You do that by saving and also investing your money. The sooner you get started, the sooner you start growing your money.

In this lesson, students select savings investment options that fit their particular situations.

Lesson 4-2: How Investing Works

The best reason for investing is that your money has the potential to actually make more money for you. When you invest, you buy something that you believe will increase in value or earn money for you. There's no guarantee that the investment will grow, but in the long run, investments have the potential to earn more than you can usually make in a savings account.

You may not think that you have much money to invest right now. But the sooner you get started investing, the less money you'll need over time to meet your financial goals.

In this lesson, students explore ways to invest to make decisions about stock investments.

Lesson 4-3: Choosing Investments

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, students explore investing risks and set up their own personal rules for investing.

Lesson 4-4: Investing Strategy

Think you can't build wealth from your current situation? Think again. It is possible with planning and sound decisions.

Warren Buffett is an example of someone who built his wealth, not from luck or an inheritance, but by strategically planning his actions to gradually accumulate assets. Before his teen years he methodically saved and invested his modest earnings from odd jobs. His investment philosophy has paid off over time. In 2008 he was ranked the richest man in the world and is also known for his frugal style and generous charity donations.

In this lesson, students start putting their money to work by setting saving and investing goals.

Lesson 4-5: Investing Game Plan

Money that you invest is money that you are not able to spend right now. You have a choice to put it away for more important longer-term goals, or you can use that money on things you want right now. You certainly don't want to completely deprive yourself of an enjoyable life now for the sake of a potentially better one a long ways down the line. So it's important to find the right balance and continue to tweak your spending, savings, and investing plans as your life situation changes.

In this lesson, students apply strategies to fit investing into long-range financial planning.