

## COMPARE: Types of Savings Accounts

There are multiple types of savings accounts that can help you meet your savings goals. You'll explore and compare four different types of savings accounts in this activity by first researching the basics of the accounts, then comparing which of those accounts a specific bank or credit union offers, and finally applying what you have learned about those accounts to various saving goal scenarios!

### Part I: Research Savings Accounts

1. **TEAMWORK:** Create small teams of 4-6 students per group. Your teacher will assign you one of the four types of savings accounts to research: (1) Traditional Savings Account, (2) Online Savings Account, (3) Certificate of Deposit, or (4) Money Market Account. With your teammates, conduct online research on your assigned savings account type. Complete each field below.

Type of Saving Account: _____		
Describe how it works / Draw a picture:	Typical Interest Rate:	Typical Minimum Balance:
	Can you add to balance regularly?	Is it FDIC insured?

	Can you write checks / pay bills directly from it?	Is your money “stuck” for a set time?
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2. *SHARE OUT:* After each group has finished their research, go around the classroom and each team will share their research from each savings account type. Assign each teammate in your group different parts of your research to share to the class. When another group is presenting on a savings account type that you did NOT research with your team, follow along with their presentation by completing the main points in the table below.

❖ **Teacher Tip:** Select one group per savings account type to present, or have all teams who researched the same type of savings account all take turns sharing different parts of their research. (For example, Team 1 will share about Online Savings Accounts description, Team 2 will share about Interest Rate and Minimum Balance, etc.)

Type of Account	Description	Typical Interest Rate	Typically Minimum Balance	Add to balance regularly?	Is it FDIC insured ?	Write checks / pay bills directly ?	Money stuck for a set time?
Traditional Savings Account							
Online Savings Account							

Certificate of Deposit							
Money Market Account							

## Part II: Research A Bank or Credit Union

Now that you know the basics of how these four types of savings accounts work, let's take a closer look at how these accounts compare against each other at your favorite bank or credit union. Select one bank or credit union (it can be one that you or your parents / guardians currently use, or one that you are interested in learning more about). Then, research the bank or credit union's options for savings accounts. *NOTE: If the bank offers multiple products in the same category (ex: two tiers of MMA or CDs at 10 different time intervals) just record answers for ONE of the options.*

- ❖ **Teacher Tip:** Part II of this activity can continue to be completed with the same teams, or you can also have students work in pairs or individually if they want to research a specific bank or credit union they are interested in learning more about!
3. What bank or credit union do you want to explore? Include the name, website link and indicate if this bank / credit union is an ONLINE or a TRADITIONAL brick & mortar institution.

4. Research information for a savings account, a CD, and an MMA for this bank / credit union. Record your findings in the table below.

	Savings Account	CD	MMA
Account name (ex: Basic Savings, 1 Year CD, 5 Year CD)			
Interest rate			
Minimum deposit or balance			
Fee			
Time period for your deposit			

### Part III: Apply Your Knowledge!

Congratulations - you now have a deeper understanding of how various types of savings accounts can be used for different savings goals! Now that you know more about the details on these different accounts, apply your learning by helping out the following characters by reading each scenario below and selecting which type of savings account, from the 3 you've chosen above, fits best.



Name:

### Students will be able to:

- List the advantages of online and mobile banking versus traditional banking
- Explain what online bill pay is and how recurring payments work
- Enumerate the benefits of direct deposit for their paychecks
- Explain how to bank safely online
- Explore the pros and cons of a cashless society

**NOTE:** Vocabulary for this unit can be found in the [NGPF Personal Finance Dictionary](#)

## INTRO

### **DATA CRUNCH:** [How Do Consumers Use Mobile Banking?](#)

Analyze the image on the worksheet to answer the questions on this Data Crunch.

## LEARN IT

### **ARTICLE:** [The Advantages of Personal Internet Banking](#)

Mobile banking uses smart phone apps to interact with your bank accounts. Online banking is a more broad category that includes any device that is connected to the internet. Being able to conduct transactions online and on our phones has reduced the need for people to go to banks in person and do things on paper. Read the *Advantages* section of the article to learn more about the benefits of online banking. Then, answer the questions.

- 1. The article listed 7 major advantages of online banking. Choose 2 and, in your own words, explain how they can make banking easier or more convenient.**
  
- 2. Do you already conduct your banking online or through your phone? If yes, which of these advantages do you find helpful? If not, which of these do you think you would find to be the most helpful? Why?**

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### **ARTICLE:** [Online Bill Pay: What It Is and Why to Use It](#)

In the Data Crunch, you saw that many people are utilizing online and mobile banking with their checking accounts. They love the convenience and time-saving features of online banking, including the ability to pay their bills online. Skim this article to learn more. Then, answer the questions.

- 1. What might be the benefit of setting up a recurring payment through online bill pay?**
- 2. Picture yourself moving out on your own or maybe with a roommate, working your first full-time job. List at least four people or companies you might want to pay regularly by using online bill pay.**

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### **VIDEO:** [What is Direct Deposit?](#)

Another feature online banking offers is Direct Deposit, which is now the most common form of payment for work. Watch this video to learn what some of the benefits of direct deposit are. Then, answer the following questions.

- 1. In your own words, explain what direct deposit is.**
- 2. What information will you need to provide to your employer to set up direct deposit?**
- 3. What are the benefits of using direct deposit?**

 **DO IT****ACTIVITY: [INTERACTIVE: Online Bank Simulator](#)**

Now that we've explored the most important aspects of banking, let's try using an online bank. Follow the directions on the worksheet to complete this activity.

 **LEARN IT****ARTICLE: [Is Online Banking Safe? How to Boost Your Banking Security](#)**

With many transactions like payments and direct deposits happening online, you might be concerned about the safety of your money. Read the article to learn about ways that you can improve your online banking security and protect your money. Then, answer the questions.

- 1. Why is it recommended that you avoid doing online banking on public Wi-Fi?**
  
  
  
  
  
  
  
  
  
  
- 2. How can turning on text and email alerts help keep your account safe?**

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**ARTICLE: [The Pros and Cons of Moving to a Cashless Society](#)**

Another major change is a move towards a cashless society. Being cashless offers many conveniences, but it's not without its downsides. Read the article up to "What Does a Cashless Society Look Like?" Then, answer the questions.

- 1. In your own words, what is a cashless society?**
  
  
  
  
  
  
  
  
  
  
- 2. How does a cashless society affect your privacy?**
  
  
  
  
  
  
  
  
  
  
- 3. How does a cashless society affect the economically disadvantaged?**
  
  
  
  
  
  
  
  
  
  
- 4. How might a cashless society negatively impact someone who is unbanked or**



**underbanked?**



## **EXIT TICKET**

Follow your teacher's directions to complete the Exit Ticket.

# CREATE: Your Savings Goals

**030 min**

We all know that saving money is good for us, but it can be difficult to save regularly. One of the most effective ways to help you save is to set savings goals for yourself and identify ways to keep yourself accountable. In this activity, you'll identify what your savings goals are, calculate how much you need to save, and write a letter to your future self to help you reach your goals.

## Part I: Identify Your Savings Goals

1. Using post-it notes, small pieces of paper, or a piece of scrap paper, brainstorm specific savings goals you would like to meet. These goals can vary from small (saving for a new pair of sunglasses) to big (saving for college). Aim to come up with at least 15-20 ideas.
2. Now sort your ideas into three piles:
  - a. Short-term goals: goals you would like to achieve within two months
  - b. Medium-term goals: goals you would like to achieve from within two months to three years
  - c. Long-term goals: goals you would like to achieve three or more years out
3. Fill out the table below using the piles you created.

<b>Short-Term Goals</b> <b>&lt; 2 months</b>	<b>Medium-Term Goals</b> <b>2 months - 3 years</b>	<b>Long-Term Goals</b> <b>&gt; 3 years</b>

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4. Which goal, in each category, would motivate you most to save? Why?
- a. Short-term:
  
  
  
  
  
  
  
  
  
  
  - b. Medium-term:
  
  
  
  
  
  
  
  
  
  
  - c. Long-term:
5. Let's say you have a part-time job and you're able to save \$100 per month from your paychecks. How would you distribute the money between your 3 savings goals above? Explain your reasoning.

## Part II: Calculate How Much You Need to Save

Now that you've identified what your savings goals are, it's important to think about how much you would need to save on a regular basis so that you can reach those goals! Read through the following example on how Sanjana calculates how much she would need to save to buy a new computer. Then, answer the questions that follow.

Sanjana wants to buy a computer that she can use for school next year which is 9 months away. She discovers that she can buy a computer for \$400 at a discount electronics store in town.

- How much does Sanjana have to save every MONTH to buy the computer?  
ANSWER:  $\$400 / 9 \text{ months} = \$44.44/\text{mo}$
- How much does Sanjana have to save every WEEK to buy the computer?  
ANSWER:  $\$44.44 / 4 \text{ weeks} = \$11.11/\text{wk}$
- How much does Sanjana have to save every DAY to buy the computer?  
ANSWER:  $\$11.11 / 7 \text{ days} = \$1.59/\text{day}$

6. Now it's your turn. Pick either your medium- or long-term savings goal from Question 4

and write it down below.

7. Conduct research online to figure out a rough estimate of how much you would need to save to reach your goal. Write the figure below.
8. How many months or years away would you like to achieve your goal? Choose a reasonable time frame.
9. Now, do the math! Calculate how much per month, week, and day you'll need to save to reach your goal.

<b>Month:</b>
<b>Week:</b>
<b>Day:</b>

10. Brainstorm at least 3-5 strategies you can use to save towards your goal.

11. Why is it helpful to break down the total amount you would need to save on a monthly, weekly, or daily basis?

### **Part III: Keep Yourself Accountable**

So far, you've identified what your goals are, how much you need to save, and strategies you can use to save regularly. Sounds like you're good to go, right? Not so fast! Saving also takes discipline, and you need to keep yourself accountable. One way to do this is to write a letter to your *future self* to remind you why you're saving in the first place.

12. In the space below, outline what your letter to your future self will look like. In the outline, be sure to:

- Address yourself
- Explain why you are writing this letter
- Describe your savings goal(s) in detail and why you want to reach your goal
- Identify any concerns you may have about meeting your goal
- Outline specific steps you can take to address your concerns
- Provide some words of encouragement and close the letter

13. Now, using your outline above, write a letter to your future self using the site [FutureMe](#). On the website:
- a. Select the 1, 3, 5 year option or a specific date when the letter will be emailed to you
  - b. Choose the PRIVATE option
  - c. Enter the email address you would like your letter to be sent to. Make sure you will have access to that email by the time the letter is sent to you.

**Teacher Tips:**

- ❖ Have students write their letters on paper if you do not have access to devices or if you do not want students to use the website.
- ❖ (Optional) Use this activity with the corresponding [Canva template](#).

Name:

### Students will be able to:

- Explain what a checking account is used for
- Understand the variety of ways they can deposit and withdraw funds from their checking account
- Explain the pros and cons of opening a checking account at a credit union
- Understand the purpose of FDIC insurance
- Understand what the various components of a bank statement mean to interpret where their money goes

**NOTE:** Vocabulary for this unit can be found in the [NGPF Personal Finance Dictionary](#)

## INTRO

### ACTIVITY: MOVE: Your Account Balance

Checking accounts are a great way to store and access your money for day-to-day transactions like paying for groceries or depositing your paycheck. Follow your teacher's directions to complete the activity about the types of transactions that might change your bank account balances.

## LEARN IT

### INFOGRAPHIC: [Checking Accounts: How You Can Access Your Money](#)

Checking accounts are a great option for storing your money for short term and day to day use. Read the section of the infographic titled Day to Day Banking up to Checking or Savings: What's the Difference? and use it to answer the questions.

1. **The article describes ways to put money into your checking account. Place a checkmark next to each method that you have personally used and a question mark next to those that you want to know more about.**

Ways to Put Money INTO Your Checking Account	✓ or ?
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Make a cash deposit at your bank	
Deposit a check at your bank	
Use an ATM to deposit your money	
Make a mobile deposit	
Use Direct Deposit	
Transfer money from another account	

- 2. There are also many different options for taking money out of your checking account. Place a checkmark next to each method that you have personally used and a question mark next to those that you want to know more about.**

<b>Ways to Take Money OUT of Your Checking Account</b>	<b>✓ or ?</b>
ATM withdrawal using a debit card	
Visit a bank teller to make a withdrawal	
Make a purchase using a debit card	
Write a check	
Use online bill pay	
Transfer money to another account	

- 3. Which withdrawal and deposit method do you think you would use most in your own life?**

**EDPUZZLE: [Are Credit Unions Better Than Big Banks?](#)**

You can open a checking account at many different financial institutions. One of those options is a credit union. Watch this video and follow your teacher's directions to answer the questions either in your student activity packet or within the EdPuzzle itself.

*NOTE: EdPuzzle videos shuffle answer choices and do not always match the order provided here.*



**1. Which are two advantages of having an account at a local community bank versus a national bank?**

- a. Community banks are typically larger and more well-known than national banks
- b. Community banks typically have LOWER fees and charges when compared to a national bank
- c. Community banks typically have HIGHER fees and charges when compared to a national bank
- d. Community banks typically give back and support the local community

**2. True or False: When you deposit your money at a community or online bank, your money is insured by the FDIC up to \$250,000.**

- a. True
- b. False

**3. What questions should you ask before opening an account at a national bank, community bank, or credit union? (choose all correct answers)**

- a. What type of fees are there with this account?
- b. Is there a fee for using an ATM? If so, how much?
- c. Is there a minimum balance requirement with this account?
- d. Do you offer online banking or mobile banking?

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**ARTICLE: [10 Reasons to Open a Checking Account](#)**

You might be wondering why you even need a checking account. Why not just deal in cash? Skim the 10 reasons in this article and their descriptions. Then, answer the questions.

**1. Which 4 reasons to open an account would benefit you, personally, the most?**

- Keeping your money safe
- More options for paying
- Easier to deal with checks
- Makes paying bills easier
- Makes a paper trail to track your money
- Ability to get cash from an ATM

**2. What is the benefit of making sure your account is FDIC/NCUA insured?**

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**VIDEO: [How To Read Your Bank Statement And Why It's Important To Do So](#)**

With your checking account, you'll receive a bank statement that you will want to review on a regular basis. Watch the video to familiarize yourself with what is included on a bank statement. Then, answer the questions.

**1. Why is it important to review your bank statement each month?**



**DO IT**

**ACTIVITY: [FINE PRINT: Checking Account Statement](#)**

Now that you've seen the importance of reading your bank statement, let's try it out! Follow the directions on the worksheet to complete this activity.



**EXIT TICKET**

Follow your teacher's directions to complete the Exit Ticket.

Name:

### Students will be able to:

- Identify various rules of thumb and strategies to save money
- Brainstorm short, medium and long-term savings goals
- Explain what an emergency fund is for and how much to save up

**NOTE:** Vocabulary for this unit can be found in the [NGPF Personal Finance Dictionary](#)

## INTRO

### **ACTIVITY:** CREATE: Your Savings Goals

Follow the directions on the worksheet to complete Part I of this activity.

## LEARN IT

### **VIDEO:** How Much Should I Save?

After you establish your savings goals, it's time to start saving! What's a reasonable amount to save from your paycheck? Watch this video on general guidelines for how much to save. Then, answer the questions.

1. **How much does the video recommend you save?**
  
  
  
  
  
  
  
  
  
  
2. **What categories encompass the portion of your paycheck that is designated for saving?**
  
  
  
  
  
  
  
  
  
  
3. **Why does it make sense to start saving or investing right now?**

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**INFOGRAPHIC:** [50/30/20 Infographic](#)

**ARTICLE:** [Your Guide To The 50/30/20 Budgeting Rule](#)

The 50/30/20 budgeting rule is a well known rule of thumb and considered easy to follow. Use the infographic and article to answer the questions.

- 1. True or False: When calculating the percentages for each budget category, you should use your pre-tax income**
  
- 2. Fill in some examples of items that would fit into each budget category**

<b>50% Needs</b>	
<b>30% Wants</b>	
<b>20% Savings</b>	

- 3. When might the 50/30/20 rule not be the best saving strategy to use?**

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**EDPUZZLE:** [Pay Yourself First](#)

Automating your saving can make it even easier for you to save! Watch this video and follow your teacher's directions to answer the questions either in your student activity packet or within the EdPuzzle itself.

*NOTE: EdPuzzle videos shuffle answer choices and do not always match the order provided in the lesson here.*

**1. Which strategy will help you save the most money?**

- a. Wait until the end of the month and add any money that you have not spent to your savings account.
- b. On the last day of each month, deposit a fixed \$10 to your savings account.
- c. As soon as you receive your paycheck, put a fixed amount or percentage of your money directly into your savings.
- d. Wait to deposit into your savings account only when you have a large lump sum of money.

**2. What is the benefit of automating your savings account contributions?**

- a. You can change the amount you deposit each month.
- b. The fees are relatively small to enroll in this service.
- c. Your money will be transferred automatically and guarantees you will be contributing to your savings.
- d. Your employer will contribute additional money to your savings account if you enroll in this service.

**3. What does it mean to "pay yourself first"?**

- a. Deposit money into your savings account before spending on anything else.
- b. Purchase an item you want before something you need.
- c. Pay all of your mandatory expenses before paying for optional expenses.
- d. Obtain an additional job to supplement your income.

**4. (Not in Eduzzle) Why might some people still prefer *manually* saving their money (e.g. manually transfer or deposit money into their savings account)?**

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**VIDEO: [3 Things You Need to Know about an Emergency Fund](#)**

Another core saving strategy is to build an emergency fund for yourself. Watch this video to learn how much you should save for your emergency fund and when to use it. Then answer the questions.

**1. Why do you think it is recommended that you save 3-6 months of expenses in your emergency fund?**

2. Why might it be better to keep your emergency fund money in a separate account?

3. Which of these is the best reason to tap into your emergency fund?:

- Pay your cell phone bill
- Buy books for college
- Pay \$500 deductible after a car accident

Explain why you made your choice.

4. You want to start building an emergency fund. What is one challenge you anticipate that could get in the way? What is a possible solution?



**ACTIVITY: CREATE: Your Savings Goals**

Now that you've learned about different strategies to save, we can look back at your Savings goals from the Intro. Follow the directions on the worksheet to complete Part II of this activity.



Follow your teacher's directions to complete the Exit Ticket.



Name:

### Students will be able to:

- Identify everyday obstacles Americans experience when trying to save money
- Recognize the impact of inflation on savings
- Experience simulated challenges of living paycheck to paycheck

**NOTE:** Vocabulary for this unit can be found in the [NGPF Personal Finance Dictionary](#)



**QUESTION OF THE DAY:** What percent of Americans would cover a \$400 emergency with cash (or an equivalent)?

Answer the question on the first slide in the space below. Then, compare your answer to the answer on the second slide. Finally, follow your teacher's directions on how to answer the follow-up questions on the last slide.

1. **What percent of Americans would cover a \$400 emergency with cash (or an equivalent)?**



**ARTICLE:** Credit Cards Can Make You Spend More, but It's Not the Full Story

**ARTICLE:** 61% of the US Population Living Paycheck to Paycheck

As you saw from the Question of the Day, many Americans are not able to cover an emergency expense! There are many factors that make it challenging to save. Follow your teacher's instructions to dig deeper into one of the above articles.

For your article, record the main idea of the saving challenge presented. When your partner shares, record the main idea of their article as well.

**1. Main idea of Credit Cards:**

**2. Main idea of Living Paycheck to Paycheck:**

**3. Brainstorm with your classmates some other challenges to saving that are not covered in these resources.**

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**VIDEO: [It's A Money Thing: How to Counter the Effects of Inflation](#)**

Another challenge to saving money is that over time, the value of money goes down due to the impact of inflation. Watch this video to learn more about how inflation can impact your savings and what you can do to counteract its effect. Then, answer the questions.

**1. In your own words, explain how inflation impacts the purchasing power of your money over time.**

**2. If inflation causes both prices *and* wages to increase over time, then why would someone need to take inflation into account at all?**

**3. How can you counteract the impact of inflation?**



**DO IT**

**ACTIVITY: [INTERACTIVE: Living Paycheck to Paycheck](#)**

Let's take a deeper look at how living paycheck to paycheck can make it challenging to save. Play Spent to experience the tough decisions that you have to make when every dollar is needed to make ends meet. Follow the directions on the worksheet to complete this activity.



## ANALYZE: Understanding Inflation

Inflation is the “change in the price of products and services from one year to the next.”<sup>1</sup> Historically, the average annual inflation rate has been 2.5%.<sup>2</sup> If you don’t account for inflation, you’re losing money.

### Part I: Inflation and Purchasing Power

1. Use [CPI's Inflation Calculator](#) to find out how much the value of a dollar has changed since you were born.
  - a. \$1 in \_\_\_\_\_ (month, year I was born) has the same buying power as \$\_\_\_\_\_ in \_\_\_\_\_ (most recent month and year the calculator has data for).
  - b. This means that a dollar today will \_\_\_\_\_ increase/decrease in value in the future.
  
2. The calculator describes the purchasing power of a dollar over time. What do you think “purchasing power” means, in your own words?

### Part II: Inflation and Prices

3. You want to purchase a North Face coat for \$350.
  - a. Compare how much this same coat would have cost the year you were born using this [Inflation Calculator](#).

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<sup>1</sup> <https://www.investopedia.com/inflation-rate-by-year-7253832#toc-what-is-the-current-inflation-rate>

<sup>2</sup> <https://www.nerdwallet.com/article/investing/inflation#historical-u.s.-inflation-rates>

b. Your aunt Julia bought the coat the year you were born. At first, it seems like Aunt Julia saved a lot of money. Why might this not have been the case?

4. What factors do you think caused the coat price to increase over time?

### **Part III: Inflation and Your Finances**

5. Imagine that, instead of buying the coat the year you were born, Aunt Julia put that money into a savings account that earned 1% interest. Would she be able to buy the coat today with those funds? Why or why not?

6. Investing in the stock market historically provides a return of 7% annually<sup>3</sup> (adjusted for inflation). How could investing in the stock market have helped Aunt Julia?

7. While we know historical inflation rates, we can't predict exactly what they will be in the future.

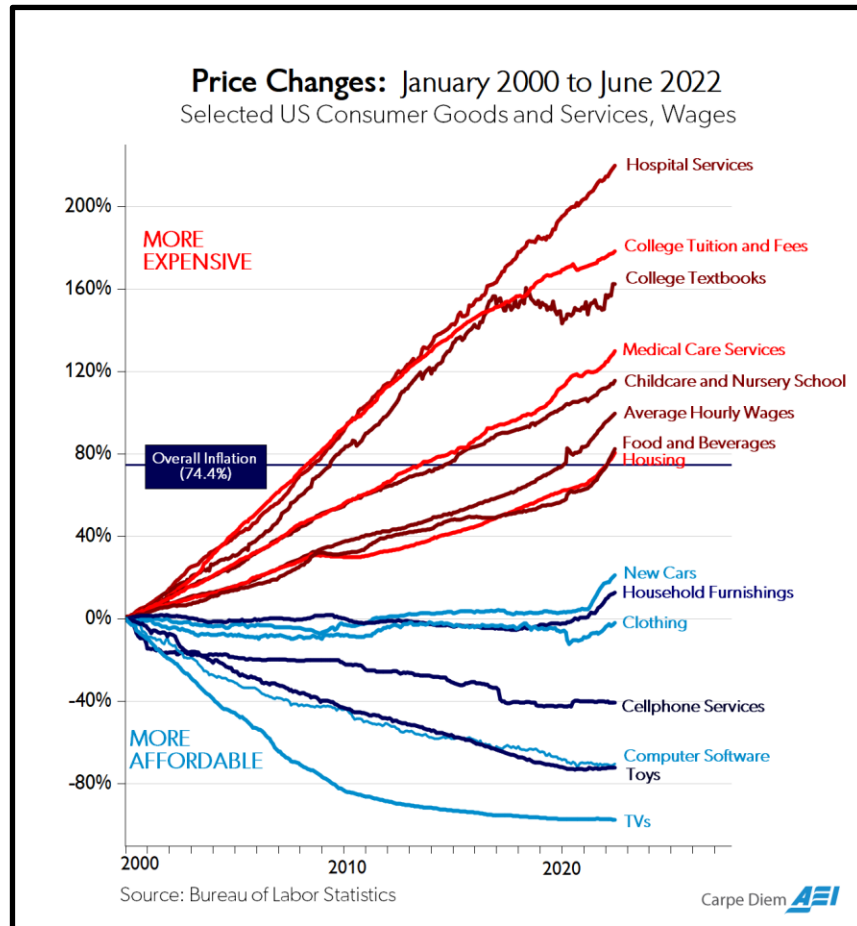
a. Hypothesize: what is one impact of having HIGHER inflation rates than expected?

b. What do you think happens if inflation rises faster than wages?

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<sup>3</sup> <https://www.sofi.com/learn/content/average-stock-market-return/>  
www.ngpf.org

8. Complete the following statement: If I want my money to grow over time, I should put it in an account that earns \_\_\_\_\_ more/less than the rate of inflation.



**1. Which item has increased the most in price?  
Decreased the most in price?**

DOK 1

**2. According to the graph, which items are priced within about 20% of their original prices in 2000?**

DOK 1

**3. How would you classify the industries in which the prices of items have increased and decreased the most?**

DOK 2

**4. Look at how this graph is constructed. Why do you think the creators of this graph chose NOT to place 0% (the starting point in 2000) at the center of the y-axis?**

DOK 2

**5. Hypothesize why prices of items like Cellphone Services and Televisions decreased so dramatically between 2000-2022.**

DOK 3

### Learning Objectives

Students will be able to

- Define investing and distinguish it from saving and trading.
- Identify reasons for investing, including outpacing inflation.
- Analyze how compounding builds wealth over time.
- Reflect on how investing contributes to wealth inequality.

### Approximate Time

- Lesson length: 90 mins

### Jump\$tart Standards

Investing

- 1b: Discuss how a person’s risk tolerance influences their investment decisions
- 2b: Compare nominal annual rates of return over time on different types of investments, including cash flows and price changes
- 4b: Describe the impact of inflation on prices over time

### Distribute to Students

- [Student Activity Packet FY-7.1](#)

### Plan Your Unit

- [Unit Plan for Investing](#)
- [Investing on www.ngpf.org](#)
- [Customizable Parent Newsletter: Investing](#)



## LESSON PLAN

	Resources	Questions	Est. Time
<b>1</b>	<a href="#">DISCUSSION PROMPTS</a>	<p><b>Discussion Prompts</b> Write your response to the question. Then, share what you wrote with your classmates or a partner.</p> <ol style="list-style-type: none"> <li>1. If you had \$10 million, what would you do with it?</li> </ol>	5 mins
<b>2</b>	<p>INFOGRAPHIC</p> <ul style="list-style-type: none"> <li>• <a href="#">A Simple Introduction to Investing</a></li> <li>• Publisher: Visual Capitalist</li> </ul>	<p><b>A Simple Introduction to Investing</b> What is investing and how is it different from saving? After reviewing the infographic, answer the questions.</p> <ol style="list-style-type: none"> <li>1. Identify whether each of the following statements describes saving (S) or investing (I). Circle or highlight your answers.</li> </ol>	5 mins

a. It is meant for short-term goals	S	I
b. It involves assets like stocks and bonds	S	I
c. It harnesses compound interest and higher average returns to grow your wealth faster.	S	I
d. It involves very little risk	S	I
e. Your account balance will be impacted by the market	S	I

2. What is the advantage of starting to invest at a young age?
3. Why is investing a more powerful tool to build long-term wealth than saving?

3

VIDEO (3:43)

- [Investing vs Trading: What's the Difference?](#)
- Publisher: TD Ameritrade

**Investing vs Trading: What's the Difference?**

Before you jump into investing, make sure you know the difference between investing and trading. Watch the video and answer the questions.

1. According to the video, investors and traders differ in terms of time frame, activity, and risk management. Complete the table below describing those differences.

	Traders	Investors
Time Frame		
Activity		
Risk Management		

2. The stock market fluctuates in the short-term but tends to increase in the long term, with an average projected growth of approximately 6% per year. Based on what you know about trading and investing, which approach is higher risk? Why?

7 mins

4

ARTICLE

- [REFERENCE: Reasons to Invest](#)
- Publisher: NGPF

**Reasons to Invest**

You've learned how investing differs from saving and trading. But how does investing help you? Review the resource to learn about the main reasons why you should invest. Then, answer the questions.

1. What are two disadvantages of putting your money into savings accounts, compared to investing?
2. Which reason to invest resonates the most with you? Why?

3 mins

5

VIDEO (3:18)

- [Understanding Inflation](#)
- Publisher: Red Canoe Credit Union

**Understanding Inflation**

What happens if you don't invest? If you leave your money in a checking or savings account, it could actually be losing value over time! Investing is key to avoiding those impacts of inflation. Watch the video to learn more about how inflation

5 mins

		<p>works, then answer the questions.</p> <p><i>NOTE: EdPuzzle videos shuffle answer choices and do not always match the order provided in the lesson here.</i></p> <ol style="list-style-type: none"> <li>When price levels increase, purchasing power _____.</li> <li>In addition to the price of goods and services, what else is impacted by inflation? (choose all correct answers) <ol style="list-style-type: none"> <li>Wages</li> <li>Savings</li> <li>Debts</li> <li>Interest</li> </ol> </li> <li>If you put money in a savings account earning a rate of return of 1% and inflation is currently at a rate of 2%, will your money be worth <ol style="list-style-type: none"> <li>More in the future</li> <li>Less in the future</li> <li>Exactly the same</li> </ol> </li> <li>Considering the impact of inflation, why is investing important?</li> </ol>	
<b>6</b>	<p>VIDEO (4:23)</p> <ul style="list-style-type: none"> <li><a href="#">Investing Basics: The Power of Compounding</a></li> <li>Publisher: TD Ameritrade</li> </ul>	<p><b>Investing Basics: The Power of Compounding</b></p> <p>In the last resource, you learned about the impacts of inflation. By investing, you can mitigate those impacts and also build your wealth. Compounding is the key to growing your money. Watch this video to explore how compounding works and can benefit you. Then, answer the questions.</p> <ol style="list-style-type: none"> <li>How can compound interest increase your investment's growth?</li> <li>Sketch a visual representation of how investments grow over time due to compounding.</li> <li>Why is it beneficial to invest over a long period of time?</li> <li>What are three ways you can harness the power of compounding?</li> </ol>	10 mins
<b>7</b>	<p>ACTIVITY</p> <ul style="list-style-type: none"> <li><a href="#">INTERACTIVE: The Power of Compounding</a></li> <li>Publisher: NGPF</li> </ul>	<p><b>INTERACTIVE: The Power of Compounding</b></p> <p>Now that you've learned how compounding works, let's look at how it impacts three different investors. Follow the instructions on the worksheet to see the power of compounding in action.</p>	20 mins
<b>8</b>	<p>ACTIVITY</p> <ul style="list-style-type: none"> <li><a href="#">ANALYZE: Inequalities in Investing</a></li> <li>Publisher: NGPF</li> </ul>	<p><b>ANALYZE: Investing and Inequality</b></p> <p>As you've learned, investing is a critical tool for building wealth. Unfortunately, not everyone has the same opportunities to take advantage of that. So, who currently benefits from investing? Follow the directions on the worksheet to complete this activity.</p>	25 mins
<b>9</b>	<p>VIDEO (1:08)</p> <ul style="list-style-type: none"> <li><a href="#">Wealth Distribution in the US</a></li> <li>Publisher: FRB of St.</li> </ul>	<p><b>Wealth Distribution in the US</b></p> <p>You've learned how investments can compound to build wealth. Now, let's examine how that wealth is distributed within the US. Watch this video and answer the questions.</p>	5 mins



	Louis	<ol style="list-style-type: none"> <li>1. What percentage of wealth is owned by the top 10% of families (those with more than \$1.22 million)?</li> <li>2. What percentage of wealth is owned by the bottom 50% of families (those with less than \$122,000)?</li> <li>3. Were you surprised by the wealth distribution in the United States? Why or why not?</li> <li>4. Do you think the wealth distribution is fair? Why or why not?</li> <li>5. How do you think investing relates to wealth inequality?</li> </ol>	
<b>10</b>	<p>EXIT TICKET</p> <p>❖ <b>Teacher Tip:</b> To access this Exit Ticket, please see the Sample Completed Student Activity Packet (SSAP). You can find this on the <a href="#">Unit Page</a> this resource is in.</p>	<p><b>Exit Ticket</b></p> <p>Follow your teacher's directions to complete the Exit Ticket.</p>	5 mins



## EXTEND THE LEARNING

### DO MORE...

#### INTERACTIVES

- [Quizlet Vocabulary | Investing](#)
- Publisher: NGPF
- [Distribution of Household Wealth in the U.S. since 1989 \\*CRE and Equity](#)
- Publisher: The Federal Reserve
- [Wealth Shown to Scale \\*CRE and Equity](#)
- Publisher: Matt Korostoff
- [Spending Elon's Money](#)
- Publisher: Leasing Options

#### ACTIVITIES

- [MATH: Rule\(72\)](#)
- Publisher: NGPF
- [MATH: Exponential Growth in Investments](#)
- Publisher: NGPF

### LEARN MORE...

#### ARTICLES

- [What Percentage of Americans Own Stock?](#)
- Publisher: USA Facts
- [Who Owns Stocks? Explaining the Rise in Inequality During the Pandemic \\*CRE and Equity](#)
- Publisher: NYTimes

#### INFOGRAPHIC

- [Should You Save or Invest?](#)
- Publisher: Job Street

#### VIDEOS

- [The Rule of 72](#)
- Publisher: It's a Money Thing
- [Racial Wealth Gap Explained \\*CRE and Equity](#)
- Publisher: Netflix

## FAST FACTS...

- Based on data for the US stock market from 1871 to 2012, if you hold stocks for two months, you have a 60% chance of making a profit. This percentage increases as your holding period increases. (The Smart Investor, 2020)
- A single \$10,000 investment at age 20 would grow to over \$70,000 by the time the investor was 60 years old (based on a 5% interest rate). (Investopedia, 2021)