



Lesson 14: Increasing the Value of Your Money

BUCKET LIST

Name: _____

What are the experiences, adventures, and accomplishments you want to achieve in your life? If you had unlimited money and time, what would you do?

Write your top ten bucket list items below!

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.



Lesson 14: Increasing the Value of Your Money

INVESTMENT PRODUCTS

Name: _____

Read the scenarios below and then identify the type of investment in each story.

1. Olivia received an electronic investment gift from her grandmother through **www.TreasuryDirect.gov** that was purchased for \$25. Her grandmother told her the investment was a loan to the government and that she could collect her repayment and interest at the end of the term.

What type of investment does Olivia have?

2. Ian bought a share in his favorite company last year, and he periodically receives dividends or a portion of the company's profits.

What type of investment does Ian have?

3. Anna's new employer offers her the opportunity to set aside a percentage of pay to invest for retirement.

What type of investment does Anna have?

4. Rujul works for a company that combines money from many different investors in order to purchase numerous separate investments.

What type of investments does Rujul work with?



Lesson 14: Increasing the Value of Your Money

WHAT TYPE OF INVESTOR ARE YOU

Name: _____

You're 18 years old and you have just inherited \$5,000! What will you do with it? First, decide your risk tolerance. Select Aggressive if you can handle the ups and downs of the market or Conservative if you prefer less volatility. Use the formula for compounding interest annually and follow the prompts for your path to see what happens to your \$5,000 from age 18 to 65.

$$\text{Compound Interest Formula } FV = P (1 + r/n)^{nt}$$

	AGGRESSIVE	CONSERVATIVE
Risk Tolerance ↓	Go big, or go home! I'll invest all \$5,000 .	I'll invest some and save some. Here's how much I will invest:
Asset Allocation ↓	Put it all in stocks and let's see what happens!	Diversify me, please! Give me a mix of stocks and bonds.
Steady Growth ↓	You're 25 now, and your money is growing fast. For the past eight years, you have been earning an annual return of 8% on your investments. How much is your investment worth today?	You're 25 now, and your money is growing steadily. For the past eight years, you have been earning an annual return of 4% on your investments. How much is your investment worth today?
Holding Steady ↓	From age 25 to 30 the market holds steady and your investment is still bringing in an 8% return.	From age 25 to 30 the market holds steady and your investment is still bringing in a 4% return.
Down It Falls ↓	When you're 50, the market drops slightly and you're earning a 2% return. The market lasts five years. How much money do you have after the five years?	When you're 50, the market drops, and now you're earning 3%. The market low lasts five years. How much money do you have after the five years?
STOP AND THINK... You'll be nearing retirement soon and you just weathered a down market. Should you adjust your risk level? Why or why not?		
How Did You Do?	From age 55 to 65 you're earning a steady 8% return. How much is your balance at age 65?	From age 55 to 65 you're earning a steady 4% return. How much is your balance at age 65?



Lesson 14: Increasing the Value of Your Money

ACTION PLAN

Name: _____

Review your bucket list created in the first activity and pick your top three favorite choices. Next, consider at what age you want to achieve your bucket list item and then what investment actions you can take today to start financially planning to make your dream a reality.

WE SAVE AND INVEST TO...

- › Achieve goals
- › Have feelings of security (be prepared for financial emergencies)
- › Maintain self-esteem
- › Have control over our financial future

Bucket List Goal	Age You Want to Accomplish This Goal?	What Investment Strategies Can You Use to Reach the Goal?
------------------	---------------------------------------	---

1.

2.

3.