

Unit 7: Bonds, Diversification & Asset Allocation

Content Area: **Business**
Course(s): **Generic Course**
Time Period: **Semester 1 & 2**
Length: **3 weeks**
Status: **Published**

Standards

PFL.9.1.12.B.1	Prioritize financial decisions by systematically considering alternatives and possible consequences.
PFL.9.1.12.B.2	Compare strategies for saving and investing and the factors that influence how much should be saved or invested to meet financial goals.
PFL.9.1.12.B.4	Analyze how income and spending plans are affected by age, needs, and resources.
PFL.9.1.12.B.5	Analyze how changes in taxes, inflation, and personal circumstances can affect a personal budget.
PFL.9.1.12.B.8	Describe and calculate interest and fees that are applied to various forms of spending, debt, and saving.
PFL.9.1.12.B.10	Develop a plan that uses the services of various financial institutions to meet personal and family financial goals.
PFL.9.1.12.C.1	Compare and contrast the financial benefits of different products and services offered by a variety of financial institutions.
PFL.9.1.12.C.2	Compare and compute interest and compound interest and develop an amortization table using business tools.
PFL.9.1.12.D	Planning, Saving, and Investing
PFL.9.1.12.D.1	Calculate short- and long-term returns on various investments (e.g., stocks, bonds, mutual funds, IRAs, deferred pension plans, and so on).
PFL.9.1.12.D.2	Assess the impact of inflation on economic decisions and lifestyles.
PFL.9.1.12.D.3	Summarize how investing builds wealth and assists in meeting long- and short-term financial goals.
PFL.9.1.12.D.4	Assess factors that influence financial planning.
PFL.9.1.12.D.5	Justify the use of savings and investment options to meet targeted goals.
PFL.9.1.12.D.8	Explain how government and independent financial services and products are used to achieve personal financial goals.
PFL.9.1.12.D.9	Relate savings and investment results to achievement of financial goals.
PFL.9.1.12.D.10	Differentiate among various investment products and savings vehicles and how to use them most effectively.
PFL.9.1.12.D.12	Compare and contrast the past and present role of government in the financial industry and in the regulation of financial markets.
PFL.9.1.12.D.13	Determine the impact of various market events on stock market prices and on other savings and investments.
PFL.9.1.12.D.14	Evaluate how taxes affect the rate of return on savings and investments.
PFL.9.1.12.D.15	Analyze how savings, retirement plans, and other investment options help to shift current income for purposes of tax reporting and filing.

Enduring Understanding

Students will understand that adding bonds to their investment portfolio will add diversity and can help during equity market downturns.

Essential Questions

- What is a bond, and how does an investor make money investing in bonds?
- What are the risks with bond investing?
- What is a bond fact sheet, and how do I read it?
- What is the importance of diversifying my investment portfolio?

Knowledge and Skills

Understand what it means to own individual bonds

Explain how investors make or lose money through owning bonds

Know the value of having an investment portfolio containing both stocks and bonds

Transfer Goal

Students will apply their knowledge of investing fundamentals to meet their future life goals.

Resources

NGPF Curriculum

St. Louis Fed Curriculum

Yahoo Finance

StockMarketGame.org

