

# Unit Five - Investing

Content Area: **Business Management and Information**  
Course(s):  
Time Period: **Marking Period 2**  
Length: **4 Weeks**  
Status: **Published**

## Summary

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The Financial Literacy course is designed to provide students with a foundational understanding of fundamental financial concepts, develop students' practical and money management skills, and instill a sense of financial responsibility and sound decision-making. The course aims to equip students with the knowledge and skills needed to make informed and responsible financial decisions throughout their lives, fostering confidence in navigating real-world financial scenarios.

This unit introduces students to the fundamentals of wealth-building through informed investment strategies. Students will explore various investment options, such as stocks, bonds, and mutual funds, understanding the associated risks and potential returns. In this unit, students learn about the principles of portfolio diversification, the role of compounding, and the importance of setting investment goals. Through real-world case studies and simulations, students gain practical insights into the stock market and investment decision-making. The unit aims to equip students with the knowledge and skills needed to make informed investment choices, fostering financial literacy and empowering them to build a secure financial future.

Students in Business Management and Information Systems classes develop skills that are intended to give them a competitive advantage in the workplace. Through the study of core business topics and current events, this curriculum encourages students to refine their speaking and listening skills, collaborate with their peers, and explore and research potential career paths.

This course fulfills the 2.5 credits in financial literacy coursework required by both Cranford High School and the state of New Jersey for graduation.

Revision Date: July 2020

## Standards

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This unit is aligned to the English Language Development (ELD) standards for kindergarten through grade 12 since multilingual learners develop content and language concurrently, with academic content in a classroom where the language of instruction is English. As a result, language learning and language as a means for learning academic content are interchangeable. The following ELD standards are relevant for this unit and course of study:

- Standard 1: Language for Social and Instructional Purposes: English language learners communicate for social and instructional purposes within the school setting.

LA.WHST.11-12.4	Produce clear and coherent writing in which the development, organization, and style are appropriate to task, purpose, and audience.
LA.WHST.11-12.5	Develop and strengthen writing as needed by planning, revising, editing, rewriting, or trying a new approach, focusing on addressing what is most significant for a specific purpose and audience.
LA.WHST.11-12.6	Use technology, including the Internet, to produce, share, and update writing products in response to ongoing feedback, including new arguments or information.
PFL.9.1.12.CP.6	Explain the effect of debt on a person's net worth.
PFL.9.1.12.FI.2	Explain ways to manage your accounts that maximize benefits and provide you with the utmost protection.
PFL.9.1.12.FI.3	Develop a plan that uses the services of various financial institutions to prepare for long term personal and family goals (e.g., college, retirement).
PFL.9.1.12.FI.4	Research benefits and drawbacks of products offered by financial and non-financial companies (e.g., banks, credit unions, check-cashing stores, product warranty insurance).
PFL.9.1.12.FP.1	Create a clear long-term financial plan to ensure its alignment with your values.
PFL.9.1.12.FP.2	Explain how an individual's financial values and goals may change across a lifetime and the adjustments to the personal financial plan that may be needed.
PFL.9.1.12.FP.3	Relate the concept of delayed gratification (i.e., psychological distance) to meeting financial goals, investing and building wealth over time.
PFL.9.1.12.FP.4	Identify how unconscious beliefs like "money scripts" (money avoidant, money worship, money status, money vigilant) influence financial decision-making.
PFL.9.1.12.FP.5	Evaluate how behavioral bias (e.g., overconfidence, confirmation, recency, loss aversion, etc.) affects decision-making.
PFL.9.1.12.FP.6	Evaluate the relationship of familial patterns, cultural traditions, and historical influences on financial practice.
PFL.9.1.12.FP.7	Determine how multiple sources of objective, accurate and current financial information affect the prioritization of financial decisions (e.g., print information, prospectus, certified financial planners, internet, sales representatives, etc.).
PFL.9.1.12.PB.1	Explain the difference between saving and investing.
PFL.9.1.12.PB.2	Prioritize financial decisions by considering alternatives and possible consequences.
PFL.9.1.12.PB.6	Describe and calculate interest and fees that are applied to various forms of spending, debt and saving.
PFL.9.1.12.RM	Risk Management and Insurance
PFL.9.1.12.RM.1	Describe the importance of various sources of income in retirement, including Social Security, employer-sponsored retirement savings plans, and personal investments.
PFL.9.1.12.RM.2	Identify types of investments appropriate for different objectives such as liquidity, income, and growth.
PFL.9.1.12.CFR.3	Research companies with corporate governance policies supporting the common good

and human rights.

The ability to assess external information is a necessary skill to make informed decisions aligned to one's goals.

Debt reduces net worth.

A budget may need to be modified as an individual's career, financial goals (e.g., education, home ownership, retirement), and/or other life situations change.

There are ways to align your investments with your personal financial goals.

The potential for building and using personal wealth includes responsibility to the broader community and an understanding of the legal rights and responsibilities of being a good citizen.

A person's tolerance for investment risk can change depending on factors such as life circumstances, financial goals, and economic conditions.

Money management requires understanding of cash flow systems and business practices.

To be fiscally responsible, an individual's finances should align with his or her values and goals.

## **Essential Questions and Enduring Understandings**

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Essential Questions/Enduring Understandings:

- How do risk and reward relate to investing?
- How can I make my money work for me, rather than me work for it?

Enduring Understandings:

- Diversifying investments can be done through low risk, medium risk, or high risk methods.
- Wealth can be obtained through patience, research, and spreading money into a variety of indexes for a healthy portfolio.

## **Objectives**

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Students will know:

- How compound interest works and how to harness its power when saving and investing
- What it means to own stock and how to make money from it.
- What a bond and mutual fund are and how an investor makes money from them.
- The importance of diversifying an investment portfolio.
- The impact a brokerage fee has on investment returns.
- The various investment options available, including stocks, bonds, and mutual funds.
- The principles of risk and return associated with different types of investments.
- The concept of portfolio diversification and its role in managing risk.
- How compounding works and its impact on long-term investment growth.

- The importance of setting investment goals based on individual financial objectives.

Students will be skilled at:

- Researching specific stocks to determine if they are worthy of investment
- Analyzing and evaluating different investment options to make informed decisions.
- Constructing a diversified investment portfolio aligned with individual risk tolerance and financial goals.
- Calculating and understanding potential returns and risks associated with specific investments.
- Applying strategies for long-term wealth-building through effective investment planning.
- Setting and adjusting investment goals based on changing financial circumstances and market conditions.
- Analyzing the performance of different securities over time.

## **Learning Plan**

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The learning plan includes, but is not limited to the following:

- I. Use Next Gen Financial Literacy Question of the Day.
- II. Question and answer to introduce the topic of the purchase of stocks.
- III. Show the video, “What is the Stock Market?” <https://www.youtube.com/watch?v=F3QpgXBtDeo>
- IV. Display finance.yahoo.com. Discuss the parts of the stock table with students. Question and answer to ensure student understanding.
- V. Show four different stock tables, two that have gained over time, two that have lost over time. In small groups, have students research one of the four stocks and the reasons for the stock gainers and losers. Share with the rest of the class.
- VI. Introduce students to “How the Market Works” stock game. Have students play the game, researching and then buying and selling stocks. They must research each before purchasing, and they must have a diverse portfolio.
- VII. Show the video, “The Power of Diversification.” <https://www.youtube.com/watch?v=pNO3Rmmez0&feature=youtu.be>
- VIII. Have students complete the data crunch on the topic of asset mixes, [https://docs.google.com/document/d/1bmtuXjPisZyJTETc0bDOieV1Ah9\\_vP1p3dhEF3aMnOs/edit](https://docs.google.com/document/d/1bmtuXjPisZyJTETc0bDOieV1Ah9_vP1p3dhEF3aMnOs/edit)
- IX. In small groups, have students analyze the infographic, <https://wealth.visualcapitalist.com/tips-beginner-investors/> What are the big ideas? Pair/share.
- X. Role play: team students to play the parts of financial advisor and investor. Ensure each teammate is using the proper vocabulary.
- XI. Written activity, assign a securities case study.
- XII. Watch a YouTube segment of Suze Orman’s, “Can I Afford This.” Pause the video for Q & A to assess student understanding of her vocabulary as well as student rationale for whether or not the caller can afford the item.

Note: Other strategies to address the learning objectives may include, but are not limited to direct instruction, self and peer review, think-pair-share activities, creating visual representations film analysis, Socratic

seminars, small group discussions, simulations, jigsaw activities, gallery walks, web quests, and/or inquiry or problem based learning projects.

## **Assessments**

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When taking a Business course, students demonstrate differentiated proficiency according to their ability to answer the essential questions through formative and summative assessments. Many of the performance tasks below can be implemented as formative and/or summative assessments. As teachers strive for students to demonstrate proficiency, they will need to create additional or alternative assessments based on demonstration or absence of skill.

Formative Assessments:

- Exit tickets and follow-up questioning strategies
- Portfolio investigation/assess students' rationales for the purchase and sale of securities

Summative Assessments:

- Investing unit test
- Case study analysis
- Create a brochure about the different types of securities in which people may invest.

Alternative Assessment:

- Conduct an interview with a broker (approve questions before the interview)

Benchmark Assessments:

- Stock sheet analysis
- Risk pyramid analysis

## **Materials**

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The design of this course allows for the integration of a variety of instructional, supplemental, and intervention materials that support student learners at all levels in the school and home environments. Associated web content and media sources are infused into the unit as applicable and available. In addition to the materials below, the following link connects to district approved textbooks and resources utilized in this course: [Core](#)

## Book List

PLAY: Roll with the Market

MOVE: Let's Make a Mutual Fund

INTERACTIVE: Invest with STAX!

CALCULATE: Retirement Savings Goals

ANALYZE: Dollar Cost Averaging in Action

PROJECT: 5 Stocks on Your Birthday

PROJECT: Joining the Market

COMPARE: Types of Investment Funds

Any additional resources that are not included in this list will be presented to and reviewed by the supervisor before being included in lesson plans. This ensures resources are reviewed and vetted for relevance and appropriateness prior to implementation.

## **Accommodations**

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This link includes content specific accommodations and modifications for all populations:

<https://docs.google.com/spreadsheets/d/1g8M7CZ5VVwvFk2Ay9DZbjdewOYDyNOzpNeEBgSXPvr0/edit?usp=sharing>

These additional strategies are helpful when learning Business Management and Information Systems content and skills:

- Highlighter for close reading and annotation strategies

- Bolded terms in directions
- Reading texts aloud for students to assist in comprehension and analysis
- Providing opportunities for text-to-speech for written responses.
- Using visual presentations of all materials and including graphic organizers when possible.