

## GED 2002 Teachers' Handbook of Lesson Plans

Area/Skill - Mathematics	Cognitive Skill Level - Application	Correlation to Framework - 05.01/05.03/05.16	Lesson Number - 23
<p><b>Activity Title – Investing for the Future</b></p> <p><b>Goal/Objective</b></p> <p>Students will calculate investment benefits based on return on stock market and simple interest.</p> <p><b>Lesson Outline</b></p> <p><b>Introduction</b></p> <p>Planning for the future is an important part of financial planning. It is always a good idea to put a little something aside for later life. The question is how much and how to invest your hard earned money.</p> <p>We will do some basic calculations to see the difference between some basic saving and investing strategies.</p> <p><b>Activity</b></p> <p>Each student will be given \$1,000 to invest.</p> <ul style="list-style-type: none"> <li>• Explain that they should figure how much their nest egg would be worth after one year in a savings account that pays 3% per annum (per year)</li> <li>• They should then figure out how much the \$1,000.00 we be after 5 years if the interest is paid each year (compounded).</li> <li>• Invest the same \$1,000 in a stock market mutual fund that lost 37% for the year.</li> <li>• That same mutual fund earned 12% over the course of 5 years based on the original investment of \$1,000.</li> </ul> <p>What was the best use of your retirement money?</p> <p><b>Debriefing/Evaluation Activity</b></p> <p>Discuss that there are many saving and investing strategies. The important thing is to plan.</p>			<p><b>Materials/Texts/Realia/Handouts</b></p> <ul style="list-style-type: none"> <li>• Handout - Lesson Plan Worksheet 23</li> <li>• Paper, pencils</li> <li>• Overhead and transparencies</li> <li>• Calculators</li> </ul>
			<p><b>Extension Activity</b></p> <p>Continue to compute the interest on the \$1,000 investment for longer periods of time.</p> <p>Try several different interest rates and see if the comparison runs true</p>
			<p><b>ESE/ESOL Accommodations</b></p> <ul style="list-style-type: none"> <li>• Let students use a calculator.</li> <li>• Provide a step-by-step outline.</li> <li>• Prepare a glossary of terms on investments.</li> <li>• Have students work in small groups.</li> </ul>
<p><b>Real-Life Connection</b></p> <p>Distribute newspapers to class and instruct them to find various advertisements for saving and investing opportunities. Compare and contrast various ways to save and plan for retirement.</p>			

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### Activity Title - Investing for the Future

#### Introduction

*Ask:* Have you ever thought about retirement? How will you support yourself when you are retired? One of the ways is to be knowledgeable about basic saving and investing strategies. Have you ever wondered how you could compare the different types of plans. Calculating the different percentages earned may surprise you.

#### Main Activity

*Say:* Today, you are going to be given \$1,000 to invest— at least on paper. Figure out the best use of your nest egg by calculating how much money you would have if you invested it in a saving account or a stock market mutual fund. Using the figures on the handout, you will figure how much you earned for one year and then for five years.

Have the students calculate their earnings based on the figures provided.

*Ask:* What was the best use of your money given the figures? Were you surprised. Discuss that investment strategies are generally viewed as long-term and that often short term gains are just that—short term.

#### Closure/Conclusion

Discuss the importance of comparing different plans when investing one's hard earned money.

#### Follow-Up Lessons/Activities

Have students bring different newspapers and financial magazines to class. Have them find various advertisements for saving and investing opportunities. Compare and contrast the various ways to save and plan for retirement. Discuss that there is no one right way for everyone. Saving for the future depends on the individual.