



Moneywise
America™

INVESTING OPTIONS



*Your guide to teaching
about types of investment
accounts, asset classes,
and the benefits of
diversification.*

*Facilitator
guide*



charles
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I: MONEYWISE AMERICA PROGRAM OVERVIEW

ABOUT MONEYWISE AMERICA

Moneywise America (MWA) is an innovative new financial literacy program designed to help level the economic playing field through high-quality financial education for teens across the country, with a focus on reaching youth in under-resourced communities and schools. It encompasses four core components:

- **Training: Internal training for Schwabbies to build their skills and confidence to teach financial literacy to teens.** All MWA volunteers will complete at least 35 minutes of training; for those who are interested, there will be opportunities to complete up to three levels of certification, all at your own pace.
- **Content: Original, proprietary, standards-based financial literacy curriculum designed specifically for use with teens.** MWA content can be used on its own or as a supplement to a community organization's existing financial literacy content.
- **Volunteerism: Trained Schwabbies can utilize MWA content to teach financial literacy in the community or use their training to deliver an organization's existing financial literacy content.** While some Schwabbies may already know where they want to volunteer, we will provide resources and support to help ensure anyone who wants to can get out there and volunteer in their community.
- **Partnerships: Nonprofits and community organizations help us reach teens where they are.** National partners include Boys & Girls Clubs of America, Junior Achievement, and SIFMA Foundation. Locally, Schwabbies will also partner with schools and other teen-serving organizations in their communities.

Moneywise America builds upon Schwab's position and legacy as a national financial literacy leader. For more than three decades, Charles Schwab Foundation has worked to advance financial literacy for people of all ages. Through MWA, Schwab is doubling down on our efforts to reach as many youth as possible with high-quality financial education.

PARTICIPANT BENEFITS

Moneywise America is critical to Schwab's vision of preparing the next generation to achieve financial freedom. Financial literacy is an essential life skill, one that is especially important for teens, yet there is a stark lack of focus on financial literacy within our mainstream educational systems. Less than half of U.S. states require that students take a course in personal finance in order to graduate from high school, and only five states require that it be a standalone course.

This gap—between the need for quality financial education and access to it—is even more pronounced for teens from under-resourced communities and schools. According to the 2020–2021 [State of Financial Education Report](#), only 7.4% of Black and brown students, and 7.8% of low-income students, have access to a stand-alone personal finance course required for high school graduation.

Moneywise America is part of our effort to help fill that gap. It is designed to help teens develop both **comprehension** of key personal finance concepts and the **skills** to take informed action based on their personal goals and dreams. Participants will benefit from:

- Expertly created content designed to teach teens essential personal finance concepts including goal setting, budgeting and saving, managing money and unexpected costs, responsible credit and debt management, planning for college, and investing.

- A highly engaging and flexible program model designed to meet teens where they are.
- Interaction with impassioned and skilled Schwab volunteers, trained in delivering financial literacy content to a diverse teen audience.
- An enhanced understanding of key financial concepts and actionable takeaways, including how to apply them directly to their lives now in order to help them achieve their goals for the future.

PRIMARY AUDIENCE

- **Age Range:** MWA content is designed to appeal to teens ages 13–18.
- **Group Size:** 15–30 attendees is ideal to allow full participation in the allotted time.
- **Community Partners:** MWA is designed to be delivered in partnership with teen-facing nonprofit organizations (e.g., Boys & Girls Clubs, Junior Achievement, etc.) and/or local schools.

PROPRIETARY CONTENT

Moneywise America content includes 22 standards-based individual personal finance sessions, each designed to be used in a modular way.

- Each session* can act as a stand-alone lesson if you have only one visit with a group of teens.
- Each session can be bundled with other sessions for a more extensive learning experience if you are meeting with the same group of teens multiple times. For information on session bundle recommendations, visit the Content page at *Jumpword*. Moneywise America.

*Only one session, *Personal Goals & Decision Making*, is never used on its own.

This session, *Investing Options: Types of Investment Accounts, Asset Classes, and the Benefits of Diversification*, is the fourth session within Module 5 of the MWA framework.

Moneywise America Content at a Glance				
<i>Foundational Sessions</i>	Get Started: Intro to Money Basics			
	Personal Goals & Decision Making			
<i>Module 1: The Basics</i>	<i>Module 2: Money Management</i>	<i>Module 3: Credit & Debt</i>	<i>Module 4: College & Career Planning</i>	<i>Module 5: Investing</i>
1.0: Set Money Goals	2.0: Manage Your Money	3.0: Master Credit & Debt	4.0: Plan for the Future	5.0: Get Invested
1.1: Budgeting	2.1: Paycheck	3.1: Types of Debt	4.1: Career Path	5.1: Saving & Investing
1.2: Spending	2.2: Financial Products	3.2: Responsible Credit	4.2: Education Costs	5.2: Power of Investing
1.3: Saving	2.3: The Unexpected	3.3: Credit History		5.3: Investing Options
		3.4: Identity Protection		

II: SESSION STRUCTURE—HOW IT WORKS

Moneywise America content and sessions are developed by expert educators. They are intentionally designed to create a positive learning environment, elicit engagement and facilitate an easy flow. There is a consistency to the session structure which builds familiarity and comfort for teens when multiple sessions are used.

The *Investing Options: Types of Investment Accounts, Asset Classes, and the Benefits of Diversification* 60-minute session includes the below components, and Section V of this Facilitator Guide offers a detailed script and clear prompts for each.

- **Welcome:** This is where you welcome participants, introduce yourself and establish rapport, including a welcome exercise, reviewing expectations for working collaboratively, and participant reflection related to the learning objectives.
- **Engage:** You will share a video to introduce the main content of the session. Typically, the video will be followed by a guided discussion or an exercise. In addition to the presentation slides, there may be worksheets in the Teen Guide to support the exercises.
- **Explore:** In many cases, you will introduce a second video to further expand upon and deepen the lesson. Following the video, you will reinforce the learning through a combination of guided discussion, individual, and/or group exercises that will enable participants to apply concepts to their own lives. In addition to the presentation slides, there may be worksheets in the Teen Guide to support the exercises.
- **Wrap-Up:** You will close the session with group and individual reflection on key takeaways. Participants will revisit the same prompt from the beginning of the session and record their updated response. Finally, you will ask participants to complete a brief session evaluation and thank them for participating.

III: PREPARATION—WHAT YOU NEED TO KNOW IN ADVANCE OF YOUR SESSION

Prior to your session, work together with your Schwabbie co-volunteer(s) to confirm the **WHO**, **WHAT**, **WHERE**, **WHEN** and **WHY**. Doing so will ensure you're fully prepped and ready for a seamless program delivery.

We recommend **a total of two or three volunteers** and the roles can be shared in the following way:

- **Project lead:** delivers content as facilitator and plans the volunteer project with the community organization
- **Engagement lead:** guides the teen engagement process, works the room or monitors chat, may relay questions on behalf of teens if needed, watching for reactions or places where it looks like they are stuck or excited
- **Operations lead:** runs the technology, troubleshoots, and is there to support the overall event to make sure it runs smoothly

If you are delivering a session with two volunteers, we recommend that you combine the project and engagement lead into one role.

- **WHO:** As you're preparing for your session, you'll want to make sure you have a good understanding of who will be in the room with you. Confirm with your host the demographics of the participants, as well as their ages/grades so you can be intentional in how you're gearing the discussion to a younger or older audience. Are there any key challenges or unique aspects of the student group that you should be aware of? Since your host will be familiar with the group, you'll want to make sure they'll be available throughout the session to help keep the students engaged and paying attention.
- **WHAT:** Get comfortable with the material you'll be teaching! Take time to review this entire Facilitator Guide, prepare a few personal or current event stories to use as examples where appropriate, and determine what supplies you'll need for the session, as noted in Section IV of this Guide, and if you or the host will provide them.
- **WHERE:** You'll want to talk with your host to gain a good sense of the physical space in which you'll be delivering the lesson. Is it a classroom? Is there space for participants to work in small breakout groups? Make sure you understand the technical capabilities of your location as well, including internet availability, the required screen capabilities, connectors, and adapters to play the video(s). What equipment or resources do you need to supply? Check with your host that they (or someone else on site) will be able to assist with any technology troubleshooting on the day of. Are there other staff or teachers who will be in the room to help facilitate?
- **WHEN:** Plan to arrive at the location at least 20-30 minutes prior to the start of the session so you have plenty of time to set up and prepare, including testing the tech, making sure the video sound is working, acquainting yourself with the space, and identifying an area for breakout groups. Confirm with your host the dynamics of when you are presenting and where the teens are coming from/going to on either end of the session. Understanding these details will provide some helpful insight into the mindset of your participants.
- **WHY:** To best meet the participants where they are, it's important to understand why they're here. Did they self-select to take this course, or are you delivering to a group with mixed interests? Is this part of a larger curricula, or are you being viewed as more of a one-time guest speaker or someone who is introducing the topic that will be explored further over time? Knowing the "why" behind the teens' attendance will help you estimate their potential engagement level, and prep accordingly.

IV: HOW TO USE THIS FACILITATOR GUIDE

This Facilitator Guide is your step-by-step outline for how to facilitate the *Investing Options: Types of Investment Accounts, Asset Classes, and the Benefits of Diversification* session, and includes a script, directions for delivery, and helpful tips and reminders. This Guide is for your own use when preparing for and presenting the session; it is not to be shared with program participants. Before diving into the Facilitator Script (Section V), read the key information below.

WHAT YOU WILL NEED FOR THE *INVESTING OPTIONS: TYPES OF INVESTMENT ACCOUNTS, ASSET CLASSES, AND THE BENEFITS OF DIVERSIFICATION* SESSION:

- **Facilitator Guide:** Read through this full Guide prior to volunteering so you are prepared and confident before your session. Print out this Guide and bring it with you for reference and in case of technical difficulties.
- **Presentation Slides:** You will walk program participants through these slides during the session. They work hand in hand with the session outlined in the Facilitator Guide and are key to engaging program participants. In case of technical difficulties, download the presentation slides to your computer and send them to the host beforehand.
- **Video:** Each session has at least one video that corresponds with the lesson. The video(s) are embedded in the presentation and can also be found by visiting the Content page at *Jumpword*: Moneywise America. As with the presentation slides, download the video(s) to your computer and send them to the host as separate file(s) beforehand. Details on when to play the video(s) are included in the Facilitator Script (Section V).
- **Teen Guide:** Session worksheets and handouts should be distributed to program participants prior to the start of the session, either by you or your host. Teens will complete the worksheets during the lesson and keep them as a helpful takeaway. You can find the Teen Guide for this session (including the handouts below) by visiting the Content page at *Jumpword*: Moneywise America.
 - Pre/Post Session Self-Reflection Form
 - Investment Portfolio Case Study Worksheet
 - My Investment Portfolio Worksheet
 - Session Evaluation Survey (Note: Teens may complete the survey online using the link at the top of the form and in the presentation. For those who complete hard copies, please collect the surveys at the completion of the session and email responses to SchwabCommunityServices@Schwab.com)

PRE-SESSION CHECKLIST

Details of each session (the **WHO**, **WHAT**, **WHERE**, **WHEN**, and **WHY**) will vary for each facilitator. For a seamless delivery, work together with your host and Schwabbie volunteer partner(s) to make sure you've confirmed the following details. If you have any questions prior to your event, please email SchwabCommunityServices@Schwab.com.

<input type="checkbox"/> Confirm Attendees (Ages/Grades of Teens)	<input type="checkbox"/> Confirm Role of Each Volunteer
<input type="checkbox"/> Confirm Interest/Experience Level of Teens	<input type="checkbox"/> Confirm if Laptop is Provided (Or if You Will Bring)
<input type="checkbox"/> Confirm Role of Host; Exchange Contact Information with Host	<input type="checkbox"/> Confirm Who Will Run the Presentation Slides and Video(s) (You or Host)
<input type="checkbox"/> Confirm Who Will Provide Any Other Needed Materials Such as Sticky Notes or Markers (You or Host)	<input type="checkbox"/> Confirm Required Screen Capabilities and Tech to Play Video(s)
<input type="checkbox"/> Confirm Who Will Print Teen Guide materials (You or Host)	<input type="checkbox"/> Review Facilitator Guide and Video Script(s); Print Copies to Bring
<input type="checkbox"/> Confirm Internet Access at Location	<input type="checkbox"/> Brainstorm Personal Examples or Relevant Current Events to Share with Teens
<input type="checkbox"/> Confirm Space for Breakout Groups	<input type="checkbox"/> Arrive 20-30 Minutes Early for Prep

☐ Remember to Have Your Cell Phone Handy to Help Track Time

VOLUNTEER GUIDANCE—ENGAGING YOUR TEEN AUDIENCE

This Guide includes a script for your session and ideas for introductions. For more comprehensive information on working with teens of different backgrounds and abilities, and group facilitation techniques, refer back to your Employee Training Modules.

- **Personalize the Session:** Personalize the session by including real-life examples and stories. Try to make examples relatable to the teens; for example, speaking about retirement or goals 20 years from now may not resonate as much as saving \$100 a week from a summer job. It may be hard for teens to conceptualize past a few years in the future.
- **Don't Move Too Quickly:** Leave teens enough time to properly think through questions by taking pauses and stopping the video where necessary. Take breaks and allow for questions to ensure teens are following along with the session. And remember, silence in the group doesn't necessarily signal disengagement—participants may be processing the information/concepts they're hearing about.
- **Gauge the Personality of the Group:** For example, if the group is energetic, calling on people may be appropriate and an efficient way to encourage participation, but if the group is shy this may seem intimidating.
- **Engage the Host:** Allow the host to assist, as they may know methods for engaging their groups.
- **Meet Teens Where They Are:** Remember, teens aren't used to talking about financial concepts the way you and your colleagues, or even other adults might be. Use basic language and avoid complex financial, educational and/or Schwab-specific terminology that may confuse participants. Also be sure to present financial services and concepts objectively—do not “sell” Schwab to teens.
- **Use Proper Pronouns:** To personalize the experience and avoid accidentally offending someone by assuming gender identity, ask for teens to use name tags with their preferred pronouns. Consider including your pronouns on your nametag as well to show inclusiveness.

Most importantly, remember to smile, use eye contact, and be friendly and conversational throughout the activity.

SESSION ADAPTATIONS

We all know that technology isn't foolproof; things happen! If challenges arise while facilitating, try not to stress. Be flexible and adapt, as best you can, by continuing to deliver the session. Here are some ideas for addressing potential hiccups:

- **Video Issues:** As noted above, it is best to bring the video(s) in a few formats. While the video(s) will be embedded in the presentation, also download them to your computer before the event and send them to the host ahead of time. If the video(s) do not play on the device you're delivering the program on, try a different format or have the host try to play the video(s). Prepare for the worst by coming with the session's video script(s)

printed out (Section VI of this Guide) so you can summarize the concepts if needed. Don't spend too much time fussing with the video(s); if they don't work, read the script(s) and move on to the next activity.

- **No Internet:** Familiarize yourself with the lesson ahead of time and think through your action plan if tech is unavailable. Bring a printed copy of this Facilitator Guide to the session so you will still have all the presentation information and the teens will be able to do the activities.
- **No Room for Breakout Groups:** If there is no space for teens to work in small groups, have them work in pairs, or do all the activities together as one big group, encouraging participation from everyone. Or, get creative! Choose a way to “split” the group into teams while keeping everyone in the same space. For example, “if your birthday is between January–March, you’re team A. What would everyone on team A choose for this question?”

SHARE YOUR EXPERIENCE

We are proud of our Schwab volunteers for empowering the next generation with financial literacy skills through Moneywise America. As we continuously enhance this program, we want to hear from you about your volunteer experience. Following your session, please consider doing the following:

- Share your volunteer feedback by visiting *Jumpword*: Moneywise America and navigating to the Quicklinks section
- Join the conversation on the Moneywise America Teams channel
- Post on social media (*Jumpword*: Schwab4Good)



Investing Options: Your guide to teaching about types of investment accounts, asset classes, and the benefits of diversification.

Session Overview

The purpose of this session is to create a bridge for participants into the world of investing. This includes the concept of risk vs. reward and the benefits of diversification. Teens will also be presented with types of accounts along with asset classes to choose when making investment selections in a mock portfolio.

This session includes two videos, the first of which is set in the future with our teen characters Maya and Eddie meeting for coffee to catch up. Eddie knows that Maya has taken the time to learn about investing to meet her future goals and is curious about how to start. Their conversation introduces the concept of investing in stocks and how diversification is an important part of helping navigate fluctuations in the market. Most importantly, the conversation ends with the notion that keeping goals in mind when deciding when and how to invest should be a key consideration.

The second video provides a familiar example of risk vs. reward and then applies the example to investing. Additional information is provided about investment accounts such as 401k, 403b, IRAs, and 529 plans. The video emphasizes diversification as a way to decrease risk, and explains investment classes such as stocks, bonds, and cash. It also gives an overview of mutual funds and ETFs as investment choices.

Take Away:

As a result of taking this session, participants should understand the types of investment accounts that exist and the difference between stocks, bonds, and mutual funds/ETFs. They will also understand that diversification is the key to mitigate risk to impact returns and be able to create a mock portfolio.

Session Outline: In-Person Delivery



Notes to the Facilitator:

- Remember this is a guide, personalize your talking points so it doesn't feel like you're just reading to the participants.
- Be relatable! You're talking to teens so try not to use too much "industry" language.
- Remember not to push Schwab on the participants when talking about financial institutions or brokerage firms. Always say "through Schwab or similar companies, you can do XYZ."
- If you're meeting with the same group of teens multiple times, you can skip the "Collaborate" section after your first session.

Welcome

- Welcome: Thumbs Up or Down Exercise 5 minutes
- Collaborate 2 minutes
- Pre-Session Self-Reflection 4 minutes
- Objectives 2 minutes

Engage

- Investing Options: Video 1 5 minutes
- Discuss 2 minutes

Explore

- Investing Options: Video 2 8 minutes
- Discuss 2 minutes
- Practice: Investment Portfolio Case Study Worksheet 10 minutes
- Create: My Investment Portfolio Worksheet 12 minutes

Wrap-Up

- Discuss: Overall Session 3 minutes
- Post-Session Self-Reflection & Evaluation 4 minutes
- Close 1 minute

Total:
60 minutes

Materials Needed

Facilitator

- **Presentation slides** (PPT)
- **Facilitator Guide** (PDF); printed copy of this document, includes:
 - Video Scripts 1&2
- **Videos 1&2** (these are embedded in the presentation slides, but you may want to download as back-up)

For Participants

- **Teen Guide** (PDF), includes:
 - Pre/Post Session Self-Reflection Form
 - Investment Portfolio Case Study Worksheet
 - My Investment Portfolio Worksheet
 - Session Evaluation Survey



WELCOME

Notes to the Facilitator:

"Thumbs Up or Down" is a cooperative learning strategy that invites participants to express their opinions and take a position while incorporating movement and discussion. Participants are able to express their opinions when presented the following options:

- *Thumbs Up: Agree*
- *Thumbs Down: Disagree*

To begin, read a statement. Afterwards, give participants a chance to express their position. You can call on a volunteer from each position to explain the reason for their selection. This helps the group understand each other's perspectives.



Facilitation: **Welcome**
5 minutes (Slides 2-7)

Greet participants by introducing yourself. Take 5 minutes to guide participants through "Thumbs Up or Down." Provide participants the following directions:

- *"Good morning/afternoon. My name is _____. I'm from Charles Schwab and I'm a Moneywise America volunteer. My job is _____ and I'm here today to start the conversation about investing, risk vs. reward, and something called diversification. (ADVANCE TO SLIDE 3) To begin, I'm going to make a statement and depending on your position, use your hand to give me a Thumbs Up if you Agree, or a Thumbs Down if you Disagree." (ADVANCE TO SLIDE 4)*

Share the following statements. Ask one participant from each position to explain the reason for their opinion.

- *I'm not afraid to take risks. (SLIDE 4)*
- *I think it's better to be safe than sorry. (SLIDE 5)*
- *I believe good things come to those who wait. (SLIDE 6)*
- *I'm willing to put a lot of effort into something now if I think there will be a payoff later. (SLIDE 7)*

Thank participants and transition to Collaborate, SLIDE 8



Collaborate

Notes to the Facilitator:

Setting norms within a group is essential to establish the expected behaviors of group members. As participants will be working collaboratively and cooperatively with both you and each other, the “4 Ps” are designed to promote the development of mutual respect and a collaborative spirit.



Facilitation: **Collaborate**
2 minutes (Slide 8)

Present participants with the group norms of collaboration, elaborating if needed.

- *“We will be working together as a group, so here are some guidelines that we can follow to help us succeed in our work together. Can I get a volunteer to help me read through the ‘4 Ps’?”*
 1. *Posing questions–If you’re unsure, ask! It’s the best way to learn.*
 2. *Putting ideas on the table–Sharing your ideas helps us all learn.*
 3. *Paying attention to self and others–Being attentive shows respect and encourages curiosity.*
 4. *Presuming positive intentions–Start with the assumption that people mean well–it will make us better listeners and communicators.”*

Thank the participants who volunteered, by name, and transition to the Pre-Session Self-Reflection, SLIDE 9



Pre-Session Self-Reflection

Notes to the Facilitator:

Participants will use the Pre/Post Self-Reflection Form (found in their Teen Guide) twice during the session. Here, they will be asked to respond briefly to a prompt before the lesson begins. Towards the end of the session, they will be asked to respond to the same prompt. This will help reinforce key lessons and how they apply to their lives.



Facilitation: **Pre-Session Self-Reflection**
4 minutes (Slides 9-10)

Have participants access the **Pre/Post Self-Reflection Form** and give directions for completion:

- “Before we get started, I have a question that I’d like you to respond to. Once you access the Pre/Post Self-Reflection Form, please write a sentence or two to respond to this question. Don’t worry about writing a long paragraph, just focus on getting your general thoughts or ideas down in 1 to 2 sentences.
- **(ADVANCE TO SLIDE 10)** *How can creating a diversified portfolio help me reach my future goals? Take a moment to think about this question and let me know if you have any questions. Hold on to this form, as we will revisit this same question at the end of today’s learning experience.”*

Transition to Objectives, SLIDE 11



Objectives

Notes to the Facilitator:

Learning objectives help provide a roadmap for the participants and give purpose to the learning.



Facilitation: **Objectives**
2 minutes (Slide 11)

Explain learning objectives to participants:

- “Today during our session, you will be able to:
 - Know the difference between stocks, bonds, and cash
 - Know the types of investment accounts to open when you’re ready
 - Understand how risk and return are related (including the concept of diversification)
 - Explain how to create a diversified portfolio
 - Be able to create a mock portfolio based on goals”

Transition to show Investing Options: Video 1, SLIDE 12



ENGAGE:

Investing Options:

Video 1

Notes to the Facilitator:

Providing participants with a short introduction to the video will help set the stage for how they view the video.

This video begins with future Maya and Eddie meeting for coffee. Eddie wants to start investing but needs Maya's help to know where to start.

The premise of this video is to get participants thinking about more than just investing in a single stock or company, rather that diversification is key to having a balanced portfolio.

When presenting the discussion questions, keep the following in mind:

- *Diversifying investments is important to help manage risk.*
- *Markets can go up or down but holding on to a stock over time can help you ride out market fluctuations.*



Facilitation: **Engage: Video 1**
7 minutes (Slides 12-14)

Before showing **Investing Options: Video 1**, prompt participants with the following:

- *"We're going to jump into the future with Eddie and Maya as they catch up over coffee. Catching up with old friends is great, but Eddie does have an ulterior motive for meeting with Maya, knowing that over the years she has become knowledgeable about investing for her future. Let's see if Maya can help Eddie understand more about investing."*

(ADVANCE TO SLIDE 13, play Investing Options: Video 1)

After the video plays, **ADVANCE TO SLIDE 14**. Ask the participants the following questions, calling on one or two participants for answers:

- *"What can you take away from Maya's investing experience?"*
- *What questions do you have about investing?"*

Transition to Investing Options: Video 2, SLIDE 15



EXPLORE: Investing Options: Video 2

Notes to the Facilitator:

This video is designed to elaborate on the foundational elements of investing. Below are the key takeaways from the video:

Account Types:

- A brokerage account allows you to invest and access your money.
- Retirement accounts include 401(k), 403(b), and IRA accounts.
- A 529 plan is for education saving.

Investment Vehicle Types:

- Mutual funds are a mix of stocks, bonds, cash, and other investments.
- Exchange-Traded Funds (ETFs) are a basket of assets that allow for a mix of investment types.

Diversification:

- Having a mix of asset types is the best way to reduce financial risk.

Low-cost stock funds and ETFs can be a cost-effective way to manage risk and achieve diversification. After the video, give participants the opportunity to ask any questions they may have about the concepts that were presented. Then, move on to the next part of the session.



Facilitation: **Explore: Video 2**
10 minutes (Slides 15-17)

Introduce the informational video to participants:

- *“Now let’s take a closer look at what it means to invest. Having a basic understanding of the building blocks of investing can give you the confidence to try it when the time is right. While you watch, think about why having a variety of investments is important to helping your money grow.”*

(ADVANCE TO SLIDE 16, play Investing Options: Video 2)

After showing the video, solicit questions from participants and provide clarifying answers to check for understanding. **(ADVANCE TO SLIDE 17)**

Transition to Practice, SLIDE 18



Practice: Investment Portfolio Case Study

Notes to the Facilitator:

This activity is intended to have participants analyze the performance of 3 investment portfolios over 20 years. The portfolios consist of stocks, bonds, and cash savings. Note the following information for each:

Portfolio 1 (+185%): stock only portfolio with a gain of ~\$27k over 20 years from an original \$15k investment.

Portfolio 2 (+401%): diversified portfolio of stocks, bonds, and cash with a gain of ~\$60k over 20 years from an original \$15k investment.

Portfolio 3 (+28%): all cash portfolio with a gain of ~\$4k over 20 years from an original \$15k investment.

How diversification affects the amount of money earned over time:

Over 20 years, all the portfolios increased in value (though that's not always the case). The diversified portfolio increased the most, as growth in certain investments exceeded that of others. By diversifying, the investor was able to benefit from the higher growth without knowing in advance where gains might come from. The investor was also able to manage risk in down markets.



Facilitation: **Practice: Investment Portfolio Case Study**

10 minutes (Slide 18)

Have participants access the **Investment Portfolio Case Study Worksheet** from the Teen Guide and introduce the activity. As a whole group, review **PART A**, walking participants through the types of investments and their level of risk.

- “You’re going to review three investment portfolios over time, but first, let’s go over some basic types of investments and the risk associated with each.”

(Read through PART A, elaborating and/or explaining if needed.)

Review the directions for **PART B** and **PART C** and have participants work in small groups. If group work is not available, have participants work independently before coming together as a whole group to review:

- “Now take some time in **PART B** to examine investment portfolios 1, 2, and 3 at three different points in time. Look at the type of investments in each, and how they change after 10 and 20 years. Then answer the question set in **PART C**.”
(Provide participants with 7 minutes of work time. Bring participants back together as a whole group and review the answers by calling on volunteers to share.)
 - “What do you notice about each account over time?”
 - How did diversification affect the amount of money earned over time? What are the pros and cons of diversifying?
 - Why do you think the portfolios performed differently?”

Transition to Create, SLIDE 19



Create: My Investment Portfolio

Notes to the Facilitator:

Participants will work on selecting an investment portfolio with an allotment of \$15,000.

PART A:

- Participants should review the allocation between stocks, bonds, and cash savings.
- Their choice will depend on the amount of risk they are willing to take, and the types of companies they choose to invest in.
- Remind participants risk is not inherently bad. The more risk you take, the greater the potential for return AS WELL AS loss.

PART B:

- Participants will look at the previous worksheet to note the details for each investment portfolio as a reference to draw conclusions about their investment choices.
- Participants should understand the importance of diversification in their portfolio and explore their understanding of risk vs. reward.

Final Values:

Conservative: \$62,543

Moderate: \$92,124

Aggressive: \$106,562



Facilitation: **Create: My Investment Portfolio**
12 minutes (Slide 19-20)

Have participants access the **My Investment Portfolio Worksheet** from the Teen Guide and introduce the application task.

- “It’s your turn to create an investment portfolio. If you had \$15,000, how would you invest your money? What asset types would you invest in? What types of companies or industries would you choose? In **PART A**, look at your goals and the portfolio options available to you.”
(Provide participants with 7 minutes of work time, answering questions as needed. Then, introduce PART B.)
ADVANCE TO SLIDE 20
- “Now move to **PART B** and answer the reflection questions.”
(Provide participants with 3-5 minutes of work time, asking participants to share how much they think the value of their portfolio is after 20 years. **ADVANCE TO SLIDE 21** to provide them with the estimated 20-year returns.)

Transition by calling the group to attention for the Wrap-Up, **SLIDE 22**



WRAP-UP:

Discuss: Overall Session

Notes to the Facilitator:

These questions are designed to be reflective of the overall session and review the main concepts and skills presented. While there are responses that are generally stronger than others, it is important to validate the participants by using neutral language to avoid value judgements that may impact participants.

Be sure to share the following points:

- *Achieving a higher return would involve higher risk and the portfolio would have also been likely to lose value at different points in time.*
- *Diversification and the ability to invest over the long term helps to mitigate risk.*
- *If they chose a timeframe of < 5 years, saving would be a better option due to the ups and downs of the market.*

If participants are reluctant to contribute to the conversation, it can be helpful to share personal anecdotes about investing for the first time, and the misconceptions/lessons learned along the way.



Facilitation: **Discuss: Overall Session**
3 minutes (Slide 22-23)

Advance from SLIDE 22 to SLIDE 23. After participants have completed their **My Investment Portfolio Worksheet** come back together as a whole group to discuss and reflect. Ask participants the following questions:

- *“We’ve done some good work together today. Before we finish up, I have a couple of last questions for you related to the session overall:*
 - *“What surprised you about this process?”*
 - *In the future, how likely are you to invest? Why or why not?”*

Transition to the Post-Session Self-Reflection & Evaluation, SLIDE 24



Post-Session Self-Reflection & Evaluation

Notes to the Facilitator:

Participants will complete the rest of the Pre/Post Self-Reflection Form by answering the same question posed in the beginning of the session. If participants ask why they are answering the same question, prompt them by asking if there are any new understandings or perspectives they could add to their original response.

After completing the Self-Reflection, participants should complete the Session Evaluation Survey found in their Teen Guide, or follow the link provided to complete it online. Remember to collect any surveys completed in-person.



Facilitation: **Post Session Self-Reflection & Evaluation**
4 minutes (Slide 24)

Have participants access their **Pre/Post Self Reflection Form**.

- “Before we end our time together, I want you to go back to the very first question you asked yourself: **How can creating a diversified investment portfolio help me reach my future goals?** Take a moment to think about how you would respond to this question with the information and activities from this session. You can write a sentence or two to respond to this question.
- When you are finished, please go to the Session Evaluation Survey in your Teen Guide, or use the evaluation link provided, to complete a very brief survey on your experience with this session.”

Collect any hard-copies of the completed survey. Transition to Close, SLIDE 25



Close

Notes to the Facilitator:

This part of the session provides closure to participants' learning experience. It gives a last opportunity to connect the participants to the content through a personal reason or anecdote from the facilitator related to how investing has helped with long-term goals, or an important lesson learned about diversification. This example will help participants understand the practical application of the session.



Facilitation: **Close**
1 minute (Slide 25)

Thank participants for their time, attention, and engagement.

- *“Before we end, I want to thank you for your time today. Being here to talk with you about creating a diversified investment portfolio is important to me because... [offer a personal reason here, e.g., ‘I wish I’d had this information when I was your age,’ or ‘investing has really helped me in my life to reach my goals,’ or ‘I hope you can avoid some of the pitfalls I’ve had.’]”*
- *I appreciated the way we worked together to understand more about investing, how to allocate your own investments, and even how risk and return are related. So once again, thank you.”*

Alternate Closing, if coming back for additional sessions:

- *“Before we end, I want to thank you for your time today. Being here to talk with you about creating a diversified investment portfolio is important to me because... [offer a personal reason here, e.g., ‘I wish I’d had this information when I was your age,’ or ‘investing has really helped me in my life to reach my goals,’ or ‘I hope you can avoid some of the pitfalls I’ve had.’]”*
- *I appreciated the way we worked together to understand more about investing, how to allocate your own investments, and even how risk and return are related. I look forward to seeing you again to continue the conversation. So once again, thank you.”*

VI: VIDEO SCRIPTS (1&2)

Investing Options: Video 1 Talking Points

- Video 1 is set 20 years in the future, with Maya and Eddie in their mid-thirties sitting at a coffee shop. They haven't seen each other in five years, but Eddie asked Maya to get coffee because he needs advice. He is starting to think about investing in the stock market, and knows Maya has some experience with that.
- Maya begins to give Eddie a mini lesson on the stock market. She says: the first thing you need to know is that there are many ways to invest and all different kinds of investments available. You can invest through a regular brokerage account or in specific accounts for things like retirement or education.
- Regarding the stock market, there are many ways to buy stocks—either individual companies or “baskets” of stocks called mutual funds, or exchange traded funds (ETFs), to name a few. When you purchase stocks, you're buying shares of a company and you become a shareholder of that company.
- Maya continues, saying that as a stock owner she can benefit from the success of the company that she invests in as the price of the stock increases (if it does). She can also benefit from potential profits from the company that are sometimes paid out to shareholders, called “dividends.” Last year Maya bought 100 shares of ZTechno for \$20 each, so now she's a shareholder of ZTechno.
- Eddie then asks Maya how she buys stocks. Maya replies that she uses her phone. There are lots of online stockbrokers and most have apps that you can use.
- Maya shows Eddie the current stock price of ZTechno through her online app. Eddie notices that the price is different – it is a lot more expensive than what Maya bought it for.
- Maya notes this is good for her. The more people that want shares of a certain company, the more the company's stock is worth, and the price of the stock will increase. When the stock price increases above the price you bought it for, your investment grows. That said, if the stock price goes down you could lose money.
- Everybody knows to buy low and sell high, but no one knows exactly when those highs and lows will happen. For example, six months ago ZTechno was below where Maya had bought it. She held on because she believed in the company's innovation.
- Eddie notes that this sounds risky, and Maya replies that it is! But there are things you can do to lower the risk, such as diversifying your portfolio.
- Diversification is purchasing stocks from a variety of industries. You don't want to put all your eggs in one basket and just invest in technology stocks, for example. If you only purchase stocks in one industry and that industry suffers, it's likely that all your stock prices will suffer. Instead, purchasing stocks from a variety of industries, company sizes and countries reduces your risk and enables you to ride out the fluctuations of the market.

- In Maya's portfolio, she has stocks in the electric vehicle industry, healthcare, technology, food, and renewable energy. She's also invested in companies in the US as well as internationally.
- Eddie summarizes that, by diversifying the industries, sizes, and locations of the companies you invest in, you limit the risk.
- Maya notes that her grandma always says, "don't put all your eggs in the same basket and have more than one basket." To this point, another way to diversify is not just to buy different types of stocks but other assets as well. For example, bonds are loans to the government or companies where you earn interest on the money you loan. You could also diversify by investing in real estate or a small business. Hanging on to some cash is another way to diversify your portfolio.
- Eddie notes that there are so many ways to invest, and thanks Maya for teaching him about investing. Maya reminds him that everyone's situation is different, so it's important to keep your goals in mind when deciding how to invest to best manage risk and reward.
- Eddie agrees and says that his goals must remain his number one priority. So, the question he needs to ask himself is: how can creating a diversified investment portfolio help me reach my future goals?

Investing Options: Video 2 Talking Points

- Video 2 begins by looking at different components of investing: types of accounts, types of asset classes, and how to build the right mix of investments for your goals.
- Firstly, investing always involves taking some amount of risk to gain some amount of reward. To illustrate this concept, the video provides an example: a high school sophomore wants to go to college someday to study science. To get the eventual return of a college degree, she invests time and effort in her studies and extracurricular activities. She hopes to get a high GPA and to be eligible for merit-based scholarships to help her pay tuition. She also invests time working to save funds for tuition. Each of these steps is an investment with a risk because there is no guaranteed payoff. The sophomore hopes she can do enough in each area to ensure she gets a college degree without debt, but she cannot be certain this will happen.
- Investing focuses on helping you achieve your long-term goals by putting your money to work for you. Let's look at different components of investing that are important to know:
 - **Types of Accounts:** Not all investment accounts are the same. A brokerage account is an account that allows you to buy and sell a variety of investments such as stocks, bonds, mutual funds, and ETFs. This type of account has a lot of flexibility and can be used for a variety of savings goals.

There are other accounts which serve a specific purpose, such as saving for retirement. Some accounts have rules for how much you can invest and when you can take your money out. For example, if you're saving for retirement you can invest in an employee sponsored 401(k) or 403(b) account for employees. Your money typically goes into these accounts before you pay taxes, lowering your taxable income in the present with the understanding that when you take the money out you must pay taxes on those distributions. Similarly, there are also IRAs or individual retirement accounts that individuals can set up to save for retirement.

- **Types of Asset Classes:** An asset refers to something valuable that you own. The video focuses on three basic types of assets or asset classes that you can use to create a portfolio, which is another word for a group of assets invested for a specific purpose.
 - **Stocks:** Stocks are small pieces of a company you can purchase. When you buy a share of a company, you become a part owner of that company. You can purchase shares for companies of all different sizes and industries, and when you invest in them you are taking a risk with the hope that you will earn money if the company grows in value. With stocks, there are a couple ways you can earn money: a dividend (when companies make money, they can choose to pay some of the earnings to their shareholders) or if the stock price goes up.

You can also lose money at any point when you invest. Since stocks go up and down in value due to market fluctuations, holding onto stocks for the long-term allows you to ride out market changes.

- **Bonds:** When you purchase a bond you lend your money for a fixed interest rate to a company or the government for a set period of time. When the time expires, the bond "matures" and you receive back the

amount you loaned, plus interest. Bonds offer less risk than stocks, but in turn have lower expected returns.

- **Cash:** A cash investment is when you deposit your money into a savings account. Your money in savings may earn a small percentage of interest, but you'll get a much smaller return than with stocks and bonds. With cash, the money is "liquid," meaning you can access it easily. There is also little to no risk involved. That said, because cash has little opportunity to grow, it is not a good long-term investment.
- **Diversification:** The last piece of the investing puzzle is knowing how to achieve the right mix of assets to meet your needs. Having a health investment portfolio is similar to maintaining a healthy diet – it's about balance. Rather than owning just one type of asset class (all stocks, all bonds, all cash), which can lead to unhealthy investment returns, you want a diversity of asset classes. You also want diversity within an asset class when investing. So rather than just owning stock in one company or industry, you'd want a variety. Fortunately, there are "baskets" of investments you can buy—mutual funds or ETFs—to match your mix of stocks and bonds with your goals.
 - **Mutual funds:** a "pre-packaged" mix of stocks, bonds, cash and/or other investments for a specific investment objective that allows you to invest with less work. There can be a minimum amount required to invest in a mutual fund, and you can buy or sell at any time, with the price changing once daily. These funds are managed by professionals.
 - **ETFs:** Exchange-Traded funds are similar to mutual funds in that they are like a "basket of assets" with a variety of ways your money can be invested. You can buy or sell shares throughout the trading day, and prices change throughout the day. A low-cost stock fund or ETF can be a cost-effective way to diversify and manage risk.
- As a note, before selecting *any* investment, it's important to know if and when fees will be charged, how to get your money when you need it, and what the tax implications will be.
- The video closes with this sentiment: investing can seem complicated and like something far off in the future that might not be for you, but when you realize the potential rewards from taking calculated risks, and the advantage you have by starting early, it can be the right move. Once you start to invest, you begin to build your own path to financial freedom.