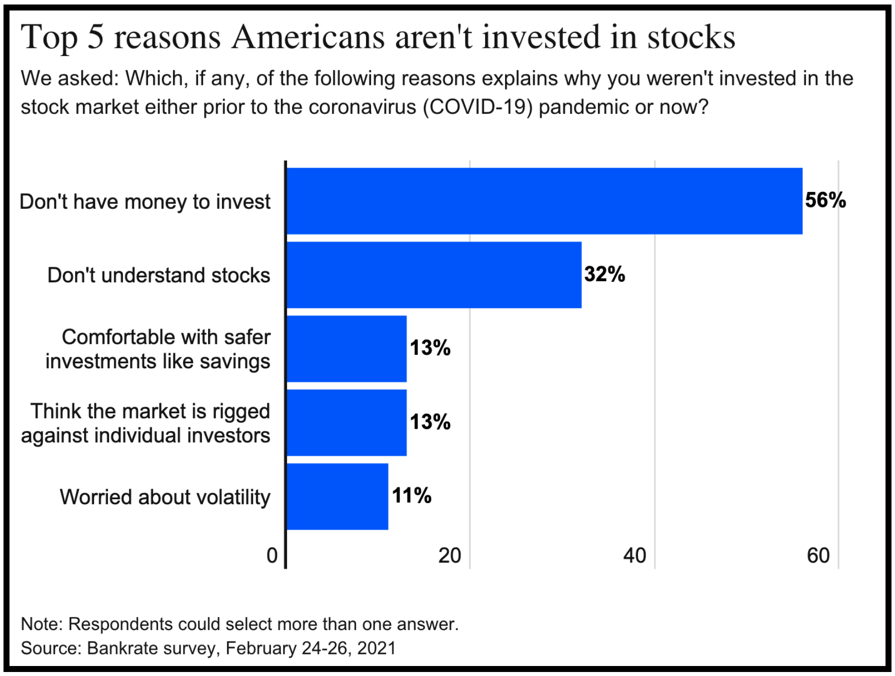
Name:________________________________

ANALYZE: Inequalities in Investing

Investing is the foundation for building wealth. Unfortunately, not everyone has had access to the money or systems needed to invest. In this activity, you'll explore who's invested in the stock market, what impact that has, and how it might shift.

Part I: Why People Don't Invest



1. According to the survey, what is the most common reason people are not invested in the stock market? Does that surprise you? Why or why not?

2. How would you generalize the overarching idea that explains reasons 3, 4, and 5?

3. Based on what you know about saving and investing, what are the disadvantages of having

your money in safer accounts, like savings?

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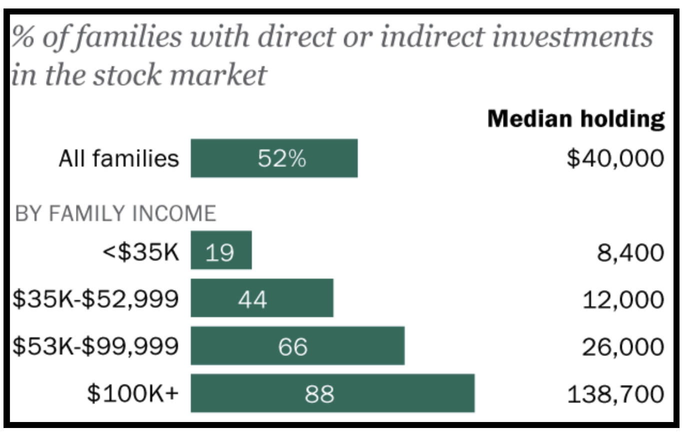
4. The graph illustrates the factors that prevent many people from investing. Hypothesize - what policies or changes might encourage more Americans to invest? Why?

Part II: Investments by Income



Notes:

- The graph represents families owning any type of investment in the stock market.
  - “Direct investments” include individual stocks and bonds
  - “Indirect investments” include mutual funds, retirement accounts, or other managed assets.
- “Median holding” refers to how much the median investment is worth in that category.

5. What percent of all families own investments?

6. What percent of families earning between $35,000 and $52,999 have investments? What is the median value of those investments?

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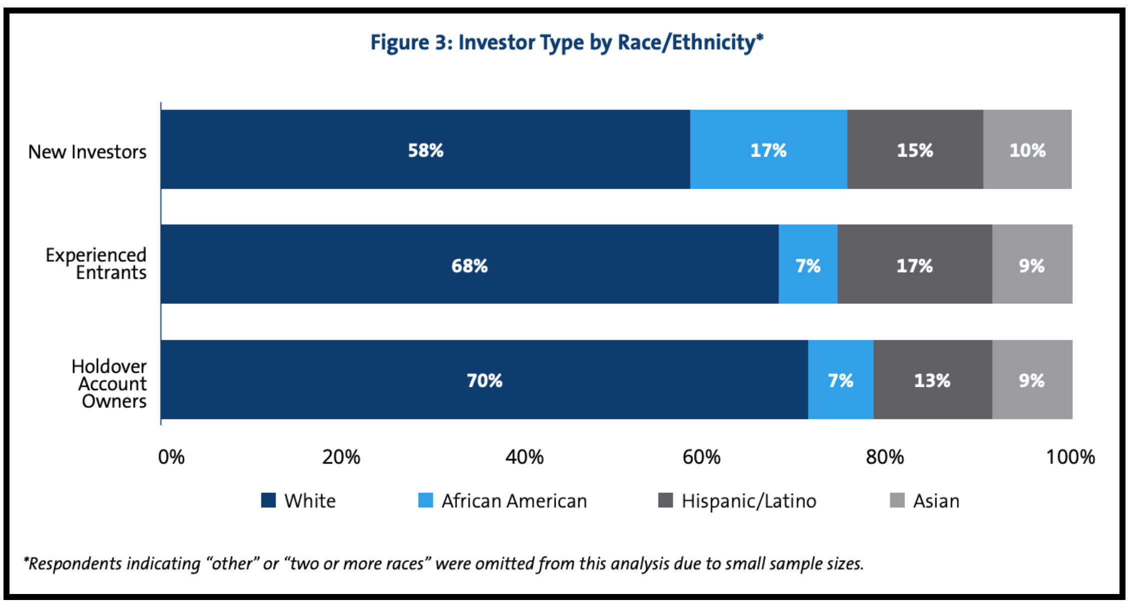
7. How does income level correlate to the likelihood of having investments? Why do you think that's the case?

8. Hypothesize - why does the median holding value jump significantly between families earning under $100,000 and families earning more than $100,000?

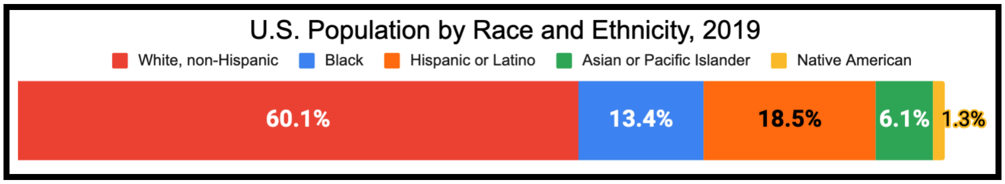
Part III: Investments by Race, Ethnicity, and Market Experience



Notes:

- *New Investors*: People who opened investment accounts in 2020 for the first time ever.
- *Experienced Entrants*: People who opened investments accounts in 2020 and had accounts previously
- *Holdover Account Owners*: People who did not open a new account in 2020 but had previous accounts
- This FINRA chart focuses on investors who opened taxable investment accounts in 2020. It does not include accounts for retirement or education.

9. How does the racial and ethnic composition of holdover account owners compare to national demographics? Refer to the chart below based on U.S. Census data.



10. How do the demographics of new investors compare to the demographics of "holdover account owners" who were already invested in the market?

11. Make a prediction: How do you think the overall demographics of investors will change over time? Why? You may wish to consider information from all three graphs.

12. Hypothesize: Do you think these changing demographics will decrease wealth inequality in the U.S.? Why or why not? Consider what you've learned in all three graphs.