[RETIRED] 9-Week Course

7.3 Index Funds and TDF's

Lesson Guide

UNIT: INVESTING

Learning Objectives

Students will be able to

- Differentiate various approaches you can take towards investing and identify which one is best suited for you
- Explain what a Target Date Fund is and how it can be useful in reaching your retirement goals
- Apply everything you've learned about investing through an online interactive game

Approximate Time

- Lesson length: 45 mins

Jump$tart Standards

Investing

- 3b: Investigate the long-run average rates of returns on small-company stocks, large-company stocks, corporate bonds, and Treasury bonds
- 6c: Explain how target date retirement funds reallocate investments over time to meet their investment objective
- 14a: Discuss reasons that a person might want to hire a financial professional to manage their investments or provide investment advice

Distribute to Students

- Student Activity Packet 9WK-7.3

Plan Your Unit

- 9-Week Course Investing Unit Plan
- Customizable Parent Newsletter: Investing

❖ **Teacher Tip:** This lesson does not have Discussion Prompts or an Exit Ticket. Those 10 minutes are instead allocated towards diving into the infographic that kicks off the lesson and setting students up for playing STAX in resource 3.

LESSON PLAN

	Resources	Questions	Est. Time
1	INFOGRAPHIC • How to Start Investing: A Simple Guide • Visual Capitalist	**How to Start Investing: A Simple Guide** So far, we've learned about stocks, bonds, and mutual funds. Now, let's take a deeper look at the different strategies you can use to invest your money in this infographic. Then, answer the questions. 1. In your own words, describe what an index fund is and how it works. 2. Fast forward a few years to when you're 22 years old. Of the four options listed (picking stocks, picking managers, picking index funds, hire a financial planner) that you can use to invest, which do you think you would choose to get started in investing? Explain your reasoning. 3. Your friend is thinking of hiring a financial planner to help him manage his portfolio. What should he be on the lookout for? Why?	10 mins

2	VIDEO (3:08) • Choosing the Right Target Date Fund • Publisher: Retire Happy	**Choosing the Right Target Date Fund** Now that you've learned about Mutual Funds and Index Funds, let's learn about a special type of fund that is becoming increasingly popular - the Target Date Fund (TDF). Watch the video to learn more about what a TDF is. Then, answer the questions. 1. What are the two factors you should consider when choosing which target date fund is best for you? 2. What is one advantage of choosing a target date fund as your primary retirement investment? 3. Describe how the asset allocation in a target date fund changes as you near retirement.	5 mins
3	INTERACTIVE • Build Your Stax • Publisher: NGPF	**Build Your Stax** You've now learned about a variety of different investment options and strategies you can use to grow your wealth. Let's put all of that knowledge together in the interactive simulation, STAX. Play the simulation and then answer the question. 1. What strategies did you use to grow your wealth in the simulation? Which strategy was MOST effective? Why?	25 mins
4	EXIT TICKET ❖ **Teacher Tip:** To access this Exit Ticket, please see the Sample Completed Student Activity Packet (SSAP). You can find this on the Unit Page this resource is in.	**Exit Ticket** Follow your teacher's directions to complete the Exit Ticket.	5 mins

EXTEND THE LEARNING

DO MORE...

ACTIVITIES
- PROJECT: Build Your Portfolio
- Publisher: NGPF

- PLAY: Roll with the Market
- Publisher: NGPF

- MOVE: Organize A Stock Market Index
- Publisher: NGPF

- FINE PRINT: Target Date Fund Fact Sheet
- Publisher: NGPF

- MATH: Active vs Passive Funds
- Publisher: NGPF

LEARN MORE...

ARTICLE
- What is An Index Fund?
- Publisher: Napkin Finance

INFOGRAPHIC
- Tips for Beginner Investors
- Publisher: Wealth 101

QUESTIONS OF THE DAY
- What Percentage of Pros Beat the Market?
- Publisher: NGPF

- A recent study found that ______ of stock day traders made money over a 12 month period.
- Publisher: NGPF

FINCAP FRIDAY • When the Mean is Kinda Nice • Publisher: NGPR INTERACTIVES • Investor Questionnaire • Publisher: Vanguard • Quizlet Vocabulary | Investing • Publisher: NGPF	VIDEOS • What the Heck Is a Mutual Fund? • Publisher: TwoCents • What Are Index Funds? • Publisher: TD Ameritrade VOCABULARY • NGPF Personal Finance Dictionary • Publisher: NGPF

FAST FACTS...

- About 90% of actively managed funds underperformed passive funds (Investopedia, 2018).
- 42% of Millennials are investing conservatively, compared with 38% of Generation X investors and 23% of baby boomers (Forbers, 2018).