

Name:

IN THIS LESSON, YOU WILL:

- Compare the exponential growth of investments and savings accounts with different rates of return
- Define investing and distinguish it from saving
- Identify reasons for investing, including outpacing inflation and building wealth
- Analyze how compounding builds wealth over time
- Reflect on how investing relates to wealth inequality



INTRO

QUESTION OF THE DAY: If you invested \$1,000 in Netflix stock ten years ago, what would it be worth now?

Write your answer to the question below. Then, compare your answer to the answer on the second slide.

1. If you invested \$1,000 in Netflix stock ten years ago, what would it be worth now?



LEARN IT

INFOGRAPHIC: A Simple Introduction to Investing

What is investing? Study this infographic, stopping at “What to Invest In”, and answer the questions.

1. Identify whether each of the following statements describes saving (S) or investing (I). Circle or highlight your answers.

Statement	Saving or Investing?	
a. It is meant for short-term goals	S	I
b. It involves assets like stocks and bonds	S	I
c. It harnesses compound interest and higher average returns to grow your wealth faster.	S	I
d. It involves very little risk	S	I
e. Your account balance will be impacted by the market	S	I

2. Why is investing a more powerful tool to build long-term wealth than saving?

EDPUZZLE: [Understanding Inflation](#)

One reason you might invest is to “beat inflation,” so your money doesn’t lose purchasing power over time. Watch this video to learn more about how inflation can impact the value of your money. Then, answer the questions either in EdPuzzle or below.

1. **When price levels increase, purchasing power _____.**
 2. **In addition to the price of goods and services, what else is impacted by inflation? (choose all correct answers)**
 - a. Wages
 - b. Savings
 - c. Debts
 - d. Interest
 3. **If you put money in a savings account earning a rate of return of 1% and inflation is currently at a rate of 2%, will your money be worth**
 - e. More in the future
 - f. Less in the future
 - g. Exactly the same
-

ACTIVITY: MOVE: Inflation Over Time

Let’s dive in to learn more about inflation and investing. Follow your teacher’s instructions to complete this activity. Then, answer the reflection question.

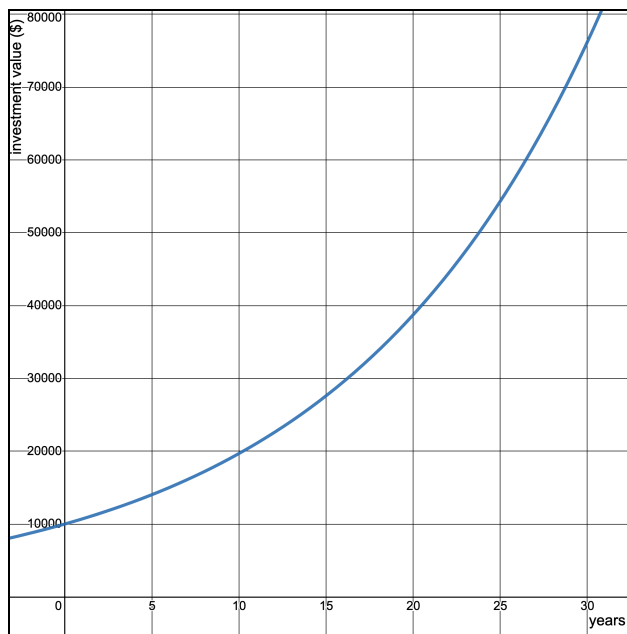
1. **Considering the impact of inflation, why is investing important?**
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VIDEO: [Investing Basics: The Power of Compounding](#)

As you’ve learned, investing can help you mitigate the impacts of inflation and build your wealth. Compounding is the key to growing your money. Watch this video to explore how compounding works and can benefit you. Then, answer the questions.

1. **How can compound interest increase your investment’s growth?**
2. **According to the video, what are three ways you can harness the power of compounding?**

3. This graph represents the first hypothetical described in the video. Imagine someone invests \$10,000 with 7% returns compounding each year for 30 years.



- Approximately how much does their investment grow in the first 15 years?
- Approximately how much does their investment grow between year 15 and 30?
- This investor started with \$10,000 and ended up with \$74,500 after 30 years, just from the growth of that initial investment. Now, imagine they tried to use savings to reach that same 30-year goal. If they start with \$10,000, how much would they need to save each year to have \$74,500 after 30 years? Assume they don't earn interest on savings.

4. What is the advantage of starting to invest early?

ACTIVITY: ANALYZE: Inequalities in Investing

As you've learned, investing is a critical tool for building wealth. Unfortunately, not everyone has the same opportunities to take advantage of that. So, who currently benefits from investing? Follow the directions on the worksheet to complete this activity.

VIDEO: [Wealth Distribution in the US](#)

You've learned how investments can compound to build wealth. Now, let's examine how that wealth is distributed within the US. Watch this video and answer the questions.

1. **What percentage of wealth is owned by the top 10% of families (those with more than \$1.22 million)?**
2. **What percentage of wealth is owned by the bottom 50% of families (those with less than \$122,000)?**
3. **Were you surprised by the wealth distribution in the United States? Why or why not?**
4. **Do you think the wealth distribution is fair? Why or why not?**
5. **How do you think investing relates to wealth inequality?**



MATH CONNECTION - EXPONENTIAL GROWTH

AMPLIFY: Growth of Savings vs Investments

Exponential functions can reveal how money will grow over time. You'll compare the growth of a savings account and investment account over 30 years. Follow your teacher's instructions to complete this activity.



EXIT TICKET

Follow your teacher's instructions to complete the Exit Ticket.

Teachers, you can find exit ticket questions on the Lesson Guide.