

Lesson 5

Chapter 1: Investing concepts

Recommended course: Building an entrepreneurial mindset

Recommended course code: BEM10

Previous course: Introduction to business, Grade 9 or 10, Open

Previous course code: BBI10/20

Focus: Personal finance

Time: One 75-minute period

Topic: Setting time goals and time horizons



Curriculum Connections

OVERALL EXPECTATIONS:

- Develop skills in managing personal income effectively, such as skills in budgeting, planning, saving and investing.

Curriculum expectations:

A1.2

Use a project management process to manage the main aspects of a business project, including goals, key performance indicators, resources, delegation of tasks and responsibilities, progress of tasks, deadlines and risks, while demonstrating a leadership style appropriate to each situation.

A1.3

Evaluate tasks and projects on a regular basis in terms of goals, key performance indicators and outcomes, taking into account feedback gathered from a variety of sources.

A2.1

Identify a variety of existing and emerging digital technologies, tools and applications designed to support the completion of various business-related tasks and projects.

A2.3

Select and use the most appropriate digital technologies, tools and applications to complete a variety of business-related tasks and projects.

A3.1

Describe ways in which problem solving and creative and critical thinking can be applied to address local and global real-world opportunities and challenges.

A3.4

Create and maintain a portfolio that illustrates business competencies and growth as an entrepreneur.

C1.2

Research, synthesize and organize information from a variety of sources to support the topic and purpose of various business texts and to provide accurate and credible communication.

BBI10/20 EXPECTATIONS:

- Identify various types of investment alternatives (e.g., GICs, stocks, bonds, mutual funds).
- Demonstrate an understanding of the factors that will affect the value of money over time (e.g., compounding interest, rate of inflation, saving, investment decisions).

21ST CENTURY/GLOBAL COMPETENCIES:

- Critical thinking and problem solving: The ability to analyze information, think critically and develop creative solutions to complex problems.
- Communication: Effectively conveying ideas, information and data through various mediums, including written, oral and visual communication.
- Collaboration and teamwork: Working effectively with diverse groups of people, recognizing the value of different perspectives, and achieving common goals.
- Financial literacy: Understanding basic financial concepts and the ability to make informed financial decisions.



Assessment and evaluation

Assessment/success criteria:

- Students will categorize financial goals as short term, medium term or long term.
- Students will classify different savings and investing vehicles as low risk, medium risk, or high risk.
- Students will explore appropriate savings and investment options for different time horizons, by analyzing case studies

Assessment tools: (Assessment FOR/AS learning)

- Questioning
- Conversation
- Observation
- Presentation

Prior learning

Prior to this lesson, students will have an understanding of

- the difference between saving and investing
- traditional and alternative asset classes

Instructional strategies

- Direct instruction.
- Teacher modelling.
- Small group work.
- Class discussion.
- Presentation.
- Scaffolding.
- Questioning.
- Case studies.

Materials and resources

- Computer, speakers, classroom digital video projector, internet access.
- Video: "Risk and return expectation."
- Whiteboard and markers, chalk and chalkboard or equivalent.
- PowerPoint presentation: "Setting goals and time horizons."
- Student handout: PowerPoint slides and/or student devices, classroom computers or shared computers, tablets, laptops, etc.



MINDS ON (15 minutes)

1. Review the importance of saving and investing money, and the asset classes.
2. Think, pair, share: Students share two financial goals with a partner, one with a time horizon of less than one year, and one with a time horizon of more than one year. After five minutes, each group shares one of their partner's goals with the class.

ACTION (30 minutes)

1. Distribute copy of slide deck to students (printed 4 or 6 slides per page).
2. Introduce the concept of investment timelines, explaining that they refer to the duration for which an individual plans to invest money (slide #3).
3. Classify some of the students goals as short term, medium term or long term (slide #4).
4. Ask students to hypothesize what type of investment risk would be advisable for each timeline.
5. Watch Money Gains: "Setting goals and time horizons."
6. Discuss: Ask students if their hypotheses were correct.
7. Discuss the importance of matching investment timelines with financial goals.
8. Explain that short-term goals require more liquid and less risky investments, while long-term goals can tolerate higher-risk investments.
9. Emphasize that medium-term goals fall somewhere in between in terms of risk and liquidity.
10. Introduce the idea that different investment vehicles are better suited for different timelines.
11. Go over slide with basic investment options (e.g., stocks, bonds, savings accounts, real estate).



CONSOLIDATION AND CONNECTION (30 minutes)

1. Refer students to the slide with case studies involving different investment timelines.
2. In pairs or small groups, have students:
 - a. categorize each investment as suitable for short-term, medium-term, or long-term goals
 - b. suggest an investment option for each of the case studies and provide a rationale (fill in charts on slide)
3. Discuss their findings as a class, and summarize finding on the PowerPoint.

Investment options:

1. High-interest savings account.
2. One-year certificate of deposit (GIC).
3. Bond funds.
4. Diversified stock portfolio.
5. Keeping money locked in a safe at home.
6. Real estate investment.

Case studies:

1. Short term: Student saving for a car (one to two years)

Case study: Yousef's first car

Yousef is a Grade 10 student who is determined to buy a car to use for commuting to school and part-time work. He currently has \$800 saved from his part-time job and hopes to purchase a used car priced at \$3,500 within the next 18 months. Yousef wants to explore short-term investment options to help him reach his goal faster.

2. Medium term: Saving for a school trip (two to three years)

Case study: Jing's dream school trip

Jing is a Grade 10 student who dreams of going on an international school trip during her senior year. The trip is expected to cost around \$3,000. She currently has \$500 saved and plans to save the remaining funds over the next two to three years.

3. Medium term: College savings fund (four to six years)

Case study: David's college fund

David's parents have started a university savings fund for him, targeting the cost of his future education. He is currently in Grade 10 and plans to attend university in four to six years. The estimated cost of tuition and expenses is \$30,000. They have saved \$7,000 and want to explore investment options to grow the university fund.

4. Long term: Planning for post-graduation (ten-plus years)

Case study: Maya's future career investment

Maya is a Grade 10 student with ambitions to become a doctor and open her own private practice. She envisions going to university and then graduate school. She estimates that her education and career preparation may take a total of ten years after graduating high school. She currently has \$2,000 saved.

5. Long term: Preparing for retirement (30-plus years)

Case study: Tola's early retirement goal

Tola is a forward-thinking Grade 10 student who has big dreams of retiring by age 40 and travelling the world. He recognizes that early retirement requires careful planning. He recently inherited \$80,000.

Homework

Reflection: Students should choose one of their personal financial goals and

1. Describe the goal
2. Categorize it as short term, medium term or long term
3. Explain how they would invest their money now in order to achieve their goal

Accommodations

- Scaffolding.
- Providing notes.
- Strategic heterogeneous grouping.
- Visual aids.
- Multi-modal presentation of material (orally, visually, video).
- Teacher may provide additional information about each savings and investment option.



References

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