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|  | **Semester Course****7.1 Why Should I Invest?**Student Activity PacketUNIT: INVESTING |

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### Name:

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| In this lesson, you will learn to:  * Recognize the value of young people investing early, regularly, and long-term to extract maximum earnings from their investments * Explain how compound interest works and how to harness its power when saving and investing * Understand the importance of estimating how much you will need for retirement |

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| **RESOURCES** | QUESTIONS |
| |  |  | | --- | --- | | **1** | [**Discussion Prompts**](https://docs.google.com/presentation/d/1TerGIzGBwYsBCRSDr8YAfWvV9eGTG3WSi9YQTCO3Byw/edit#slide=id.p)  Discuss these questions with your classmates or with a partner. | | *Estimated time: 5 mins*   1. What do you know about investing, and where have you learned about it? 2. Is investing something you plan to do? |
| |  |  | | --- | --- | | **2** | [**A Simple Introduction to Investing**](https://wealth.visualcapitalist.com/simple-introduction-investing/)  Investing is a powerful tool you can use to build your wealth in the long run. So, how does it work? Read through this infographic and then answer the questions to find out! | | *Estimated time: 10 mins*   1. Your friend says, “I have some extra money, but I’m not sure if I should save or invest it.” What key questions would you ask your friend to help them figure out what to do? 2. What is the advantage of investing *early* for retirement? 3. If investing can bring higher returns, why should you put money in a savings account at all? 4. What 3 tips would you give someone who is about to invest their money for the first time? |
| |  |  | | --- | --- | | **3** | [**Compound Interest Explained**](https://www.youtube.com/watch?v=wf91rEGw88Q&feature=youtube_gdata)  In the previous resource, you learned that compound interest is one of the key factors that can help your money grow. Let’s take a deeper look at how compound interest works in this video. Then, answer the questions. | | *Estimated time: 5 mins*   1. Why do you earn more money using compound interest than you would using simple interest? 2. Does compound interest have more of an impact for short-term investments or long-term investments? Why? |
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