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|  | **Semester Course****7.8 Robo-Advising**Student Activity PacketUNIT: INVESTING |

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### Name:

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| In this lesson, you will learn to:  * Explain what robo-advisors are and why more young people are using them today * Identify some of the advantages and disadvantages of using robo-advisors * Conduct research on some of the most popular robo-advising and investing apps that people use |

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| **RESOURCES** | QUESTIONS |
| |  |  | | --- | --- | | **1** | [**Discussion Prompts**](https://docs.google.com/presentation/d/1-znj9YQQUIXnUOIbmmxV769e2ekjPW7ozp1mYa3NuWs/edit#slide=id.p)  Discuss these questions with your classmates or with a partner. | | *Estimated time: 5 mins*   1. Would you be comfortable with a robot adjusting your investment portfolio if it came with significantly lower fees than a human financial advisor? Why or why not? |
| |  |  | | --- | --- | | **2** | [**Rise of the Robo Advisors**](https://www.youtube.com/watch?v=L90ywD3vc1s)  Robo-advisors have become more popular in the past few years, especially among young people. Watch this video to learn more about what robo-advisors are and follow your teacher's directions to answer the questions either in your student activity packet or within the EdPuzzle itself.  *NOTE: EdPuzzle videos shuffle answer choices and do not always match the order provided in the lesson here.* | | *Estimated time: 5 mins*   1. What is a robo-advisor?    1. An app on your phone that alerts you each time the market is up.    2. Artificial intelligence that accurately predicts investments that will yield positive return.    3. A weekly report that summarizes your investment strategies and results.    4. Software platforms that manage your investments for you based on your investing goals. 2. Why are more younger people using robo-advisors instead of human advisors?    1. Human financial advisors are not advertising their services enough on social media.    2. Young people lost trust in human financial advisors after the Great Recession and younger people are more comfortable with solutions involving technology.    3. Human advisors prefer to work with older people since they might have more wealth and can generate more money in fees.    4. Robo-advisors have outperformed human financial advisors every year since 2010. 3. What are 2 advantages of using a robo-advisor? (two correct answers)    1. Selects products with only positive returns    2. Requires less money to start    3. Offers lower cost investment services    4. Manages your checking and savings account as well |
| |  |  | | --- | --- | | **3** | [**RESEARCH: Online Tools and Apps**](https://docs.google.com/document/d/1wY3zHYUQ2olUy89l1j0z9JAY6MY_jPrrLg9bD8-w9Rc/edit?usp=sharing)  There are quite a few apps available that offer robo-advising services. Follow the directions on the worksheet to complete this activity and to learn more about some of these popular apps! | | *Estimated time: 25 mins* |