HIGH SCHOOL FINANCIAL LITERACY

Investing Basics

for Teens

A 2-Week Mini-Unit

Stocks • Bonds • Mutual Funds • Risk

- 10 Detailed Lesson Plans
- 5-Day Stock Market Simulation Game
- Compound Interest Visual Notes
- Printable & Google Sheets Game Tracker
- Vocabulary Cards & Unit Quiz + Key

UM Printables

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Digital Integration

This resource includes a printable stock tracker AND setup instructions for a Google Sheets version. The Google Sheet automatically calculates portfolio value, making the 5-day simulation seamless and engaging for students!

UNIT OVERVIEW

Mini-Unit at a Glance

A 2-week introductory unit designed to demystify investing for high school students. Through interactive visual notes and a thrilling 5-day stock market simulation, students learn how to build wealth over time.

Detail	Description
Unit Title	Investing Basics for Teens
Target Grade	9–12 (High School)
Duration	2 Weeks (10 Class Periods)
Focus	Stocks, Bonds, Mutual Funds, Compound Interest, Risk

Pacing Guide

Day	Lesson	Focus
1	Saving vs. Investing	Why invest? Inflation & Wealth
2	Compound Interest	The 8th Wonder of the World
3	Stocks	Owning a Piece of the Pie
4	Bonds	Lending Your Money
5	Mutual Funds & ETFs	Basket of Investments
6	Risk vs. Reward	Assessing Investment Risk
7	Simulation Setup	Game Rules & Initial Buy
8	Simulation Days 1-2	Market Volatility
9	Simulation Days 3-4	News & Diversification
10	Simulation Day 5 & Quiz	Final Valuation & Assessment

LESSON PLANS

LESSON 1

Saving vs. Investing

Objective: Students will differentiate between saving and investing, and explain how inflation impacts purchasing power.

Opener:

Ask: 'If you hide $100 under your mattress today, will it buy more, less, or the same in 10 years?' Discuss inflation.

Main Activity:

1) Define saving (low risk, liquid) vs. investing (higher risk, potential for growth). 2) Discuss the 'Rule of 72' as an intro to growth. 3) Analyze a graph showing inflation's effect on purchasing power over 30 years. 4) Students complete a 'Save or Invest?' scenario sort.

Closure:

Exit Ticket: Name one reason saving is important, and one reason investing is important.

LESSON 2

The Magic of Compound Interest

Objective: Students will calculate compound interest and explain how it accelerates wealth building over time.

Opener:

The Penny Doubling Question: 'Would you rather have $1M today, or a penny that doubles every day for 30 days?'

Main Activity:

1) Complete the Compound Interest Visual Notes (see Section 3). 2) Model the formula A=P(1+r/n)^(nt) on the board. 3) Calculate returns for a $1,000 investment at 8% over 10, 20, and 30 years. 4) Discuss the opportunity cost of waiting to invest.

Closure:

3-2-1: 3 things about compound interest, 2 reasons to start early, 1 question you still have.

LESSON 3

Stocks: Owning a Piece of the Pie

Objective: Students will define stocks, explain how money is made (capital gains & dividends), and read a basic stock quote.

Opener:

Show logos of popular companies (Apple, Nike, McDonald's). Ask: 'If you owned a piece of this company, how would you make money?'

Main Activity:

1) Define stocks as partial ownership in a corporation. 2) Explain Capital Gains (buy low, sell high) vs. Dividends (profit sharing). 3) Project a real-time stock quote; explain ticker symbol, price, and volume. 4) Students practice reading fictional stock quotes.

Closure:

If a company has 1,000 shares and you own 10, what percentage of the company do you own?

LESSON 4

Bonds: Lending Your Money

Objective: Students will define bonds, explain the relationship between interest rates and bond prices, and compare bonds to stocks.

Opener:

Ask: 'Has anyone ever borrowed money from you? Did they pay you back with a little extra? That's a bond!'

Main Activity:

1) Define bonds as an 'I-Owe-You' (debt). Explain issuer (gov/corp), face value, coupon rate, maturity. 2) Contrast stocks (ownership/equity) vs. bonds (lending/debt). 3) Discuss risk: Treasury bonds vs. Corporate junk bonds. 4) Scenario analysis: Which is safer in a market crash?

Closure:

Explain in your own words: Why might an older person prefer bonds over stocks?

LESSON 5

Mutual Funds & ETFs

Objective: Students will explain how mutual funds and ETFs pool money to buy a basket of stocks/bonds, providing instant diversification.

Opener:

Show a picture of an egg basket. Ask: 'Why do we say don't put all your eggs in one basket?' How does this apply to investing?

Main Activity:

1) Define Mutual Funds (actively/passively managed pools of money) and ETFs (traded like stocks). 2) Introduce Index Funds (tracking the S&P; 500). 3) Discuss fees (Expense Ratios). 4) Students calculate the cost of a 1% fee over 20 years vs a 0.1% fee.

Closure:

Why might a beginner investor choose an ETF instead of buying individual stocks?

LESSON 6

ANSWER KEY

TEACHER USE ONLY
Do not distribute to students.

Part A: Multiple Choice

1. c 2. b 3. b 4. b 5. d

Part B: Matching

6. B 7. C 8. A 9. E 10. D

Part C: Short Answer

11. A stock represents ownership (equity) in a company, offering potential capital gains and dividends, but carries higher risk. A bond represents a loan (debt) to a company or government, offering regular interest payments and return of principal at maturity, but lower potential returns. An investor might choose stocks for long-term growth and bonds for stability and income.

12. Diversification reduces risk by spreading investments across different assets so that a loss in one area can be offset by gains in another. Example: If you only invest in a tech company and the tech sector crashes, you lose heavily. If you invest across tech, healthcare, and energy, a tech crash won't wipe out your entire portfolio.

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