

LINX EDUCATIONAL INSTRUCTOR'S GUIDE

MAKE YOUR MONEY GROW! AN INTRODUCTION TO SAVING & INVESTING

Activity 1: MAKE YOUR MONEY GROW!

Complete the sentences with the correct words or phrases.

1. _____ percent of your earnings should go into a savings account. If you can't save that much then save _____!
2. _____ is the amount of interest paid annually on your deposit.
3. _____ is the amount of interest added monthly; that is, interest earning interest.
4. If an account is liquid it means:
 - a. money is invested in beverages.
 - b. money is immediately accessible as cash
 - c. money goes through your fingers like water
5. "Pay yourself first" is dollar-cost averaging. This means _____
_____.
6. A CD is a/an:
 - a. compact disc
 - b. credit card debt
 - c. certificate of deposit

Activity 2: GET STARTED! THE MATCH GAME

Match the letter of the answer with the term that it describes.

- | | |
|--------------------------------|---|
| ____ 1. Diversify | a. share of earnings paid to stockholders |
| ____ 2. Mutual Funds | b. stocks of established companies |
| ____ 3. Certificate of Deposit | c. loans investors make to governments or companies |
| ____ 4. Blue Chip Stocks | d. penalty for early withdrawal of funds. |
| ____ 5. Bonds | e. professionally managed pool of stocks |
| ____ 6. Dividend | f. don't put "all your eggs in one basket" |

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Optional Activity:

Invite a financial planner or investment advisor to visit the class and discuss the variety of investment options available. They often provide brochures and other sources of information that help make decision making easier.

Optional Activity:

Have students/viewers, individually or in teams, go online to investigate what investment options are available. Use local bank sites and other sites such as:

www.vanguard.com

www.janus.com

www.timewarner.com

www.generalelectric.com

ANSWER KEY

Activity 1: MAKE YOUR MONEY GROW!

1. 10%, "something"
2. Simple interest
3. Compound interest
4. b. money is immediately accessible as cash
5. make saving a habit: save a specific amount each month before making any other payments
6. c. certificate of deposit.

Activity 2: GET STARTED!

1. F (don't put "all your eggs in one basket")
2. E (professionally managed pool of stocks)
3. D (penalty for early withdrawal of funds)
4. B (stocks of established companies)
5. C (loans investors make to governments & companies)
6. A (share of earnings paid to stockholders)