

Lesson 4

Savings and Investments: Your Money at Work



Key Words

bond
capital gain
compounding
diversification
earned interest
inflation
interest
invest
mutual fund
rate of return
Rule of 72
savings
stocks
time value of money

What You Will Learn to Do

- Forecast personal savings and investments

Linked Core Abilities

- Take responsibility for your actions and choices

Skills and Knowledge You Will Gain Along the Way

- Describe reasons for saving and investing
- Describe how time, money, and rate of interest relate to meeting specific financial goals
- Describe basic investment principles
- Describe various savings and investment alternatives
- Define the key words contained in this lesson

Introduction

You can earn money by working or receive money as gifts. Another way to earn money is to make your money work for you. You can earn interest on savings or receive earnings from smart investments. In this learning plan you examine different ways to put your money to work by saving and investing. You also consider saving and investing habits that will help you meet your financial goals.

Note

You will find this lesson in your NEFE High School Financial Planning Program Student Guide.

For more information go to www.nefe.org or write:

NEFE The High School Financial Planning Program
5299 DTC Blvd., Suite 1300
Greenwood Village, CO 80111