

## Investors Club: January 2023 Challenge

*This lesson is intended to be a short, engaging activity for students to dig deeper into the world of finance and investing. It is meant as a way to keep students engaged in their learning around the Investors Club, especially when they are not making daily trades within their portfolio.*

Lesson objectives:		
<ul style="list-style-type: none"> <li>• Students will explore reasons why many people don't invest</li> <li>• Students will analyze investment trends by income, race, and investing experience</li> <li>• Students will reflect on why younger and more diverse groups are investing and how this might affect the investment and wealth gaps in the U.S.</li> </ul>		
Assessment:		
<ul style="list-style-type: none"> <li>• Classwork</li> <li>• Class Discussion</li> </ul>		
Key Points:		
<ul style="list-style-type: none"> <li>• Students will analyze graphs and data to understand inequalities in investing based on race and class</li> </ul>		
Component:	Teacher & Student Actions	Materials
Do Now [5 min]	<ul style="list-style-type: none"> <li>• Do Now: What percentage of Americans do you think invest in the stock market? <ul style="list-style-type: none"> <li>○ Ask students to think to themselves or write down on a piece of paper their response to the above questions</li> </ul> </li> </ul>	Student journal or piece of paper
Introduction [5 min]	<ul style="list-style-type: none"> <li>• Introducing the investment gap <ul style="list-style-type: none"> <li>○ Explain to students that financial wealth is not evenly distributed in the United States, especially when compared by race. This is known as the racial wealth gap. Similarly, there is an investment gap, where racial minorities invest at lower rates than white Americans, reducing minority Americans' opportunity to build wealth. <ul style="list-style-type: none"> <li>■ Optional: Show students <a href="#">this infographic</a> to demonstrate the wealth gap</li> </ul> </li> </ul> </li> </ul>	<a href="#">Video</a>

	<ul style="list-style-type: none"> <li>○ Tell students that they are about to look into why this investment gap exists, and how things are changing for the gap to close</li> <li>○ Show students this <a href="#">brief video</a> on how the gap is closing             <ul style="list-style-type: none"> <li>■ Ask: Which reasons do you think contributed the most to younger and more diverse investors joining the stock market in the past few years? Why?</li> </ul> </li> </ul>	
<p>Student Activity [20 min]</p>	<ul style="list-style-type: none"> <li>● Distribute the handout to students</li> <li>● As a class, or in small groups, ask students to work through the handout, analyzing the graphs and completing the questions</li> <li>● Allow a few minutes for any follow-up questions from students in between the three parts</li> </ul>	<p>Handout (see below)</p>
<p>Closing [2 min]</p>	<ul style="list-style-type: none"> <li>● Collect student work and wrap up the lesson</li> <li>● NOTE: <a href="#">Submit</a> student work for a chance to win the monthly challenge and win prizes! <b>Submissions due by Thursday March 31, 2022 at 11:59pm</b></li> </ul>	<p><a href="#">Submission Portal</a></p>

\*Lesson adapted from NextGen Personal Finance, available here: <https://www.ngpf.org/curriculum/investing/>

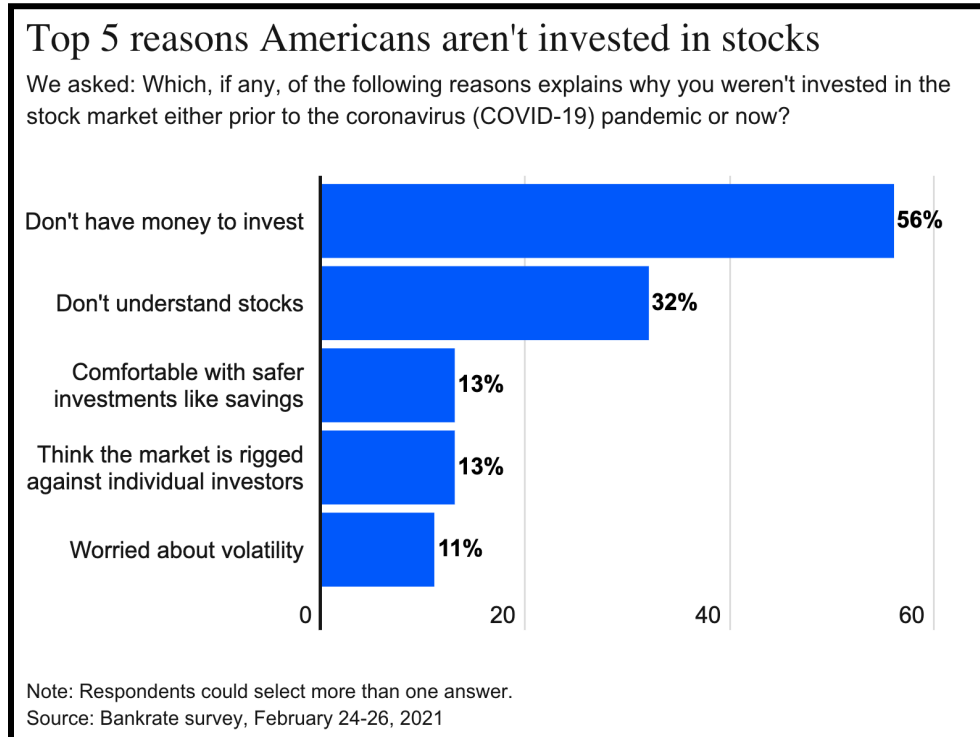
Name: \_\_\_\_\_

## Investors Club

### Inequalities in Investing

Investing is the foundation for building wealth. Unfortunately, not everyone has access to the money or systems needed to invest. In this activity, you'll explore who's invested in the stock market, what impact that has, and how it might shift.

#### Part I: Why People Don't Invest

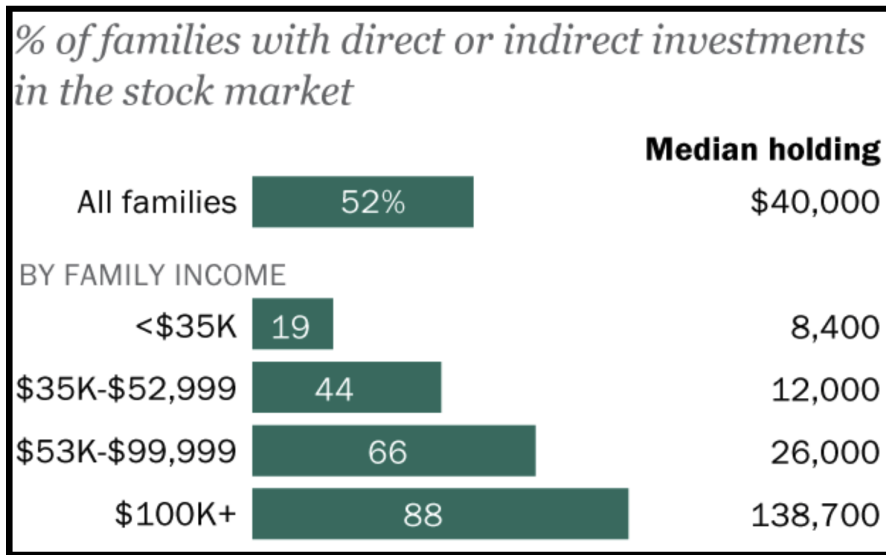


1. According to the survey, what is the most common reason people are not invested in the stock market? Does that surprise you? Why or why not?

2. How would you generalize the overarching idea that explains reasons 3, 4, and 5?

3. The graph illustrates the factors that prevent many people from investing. Hypothesize - what policies or changes might encourage more Americans to invest? Why?

**Part II: Investments by Income**



Notes:

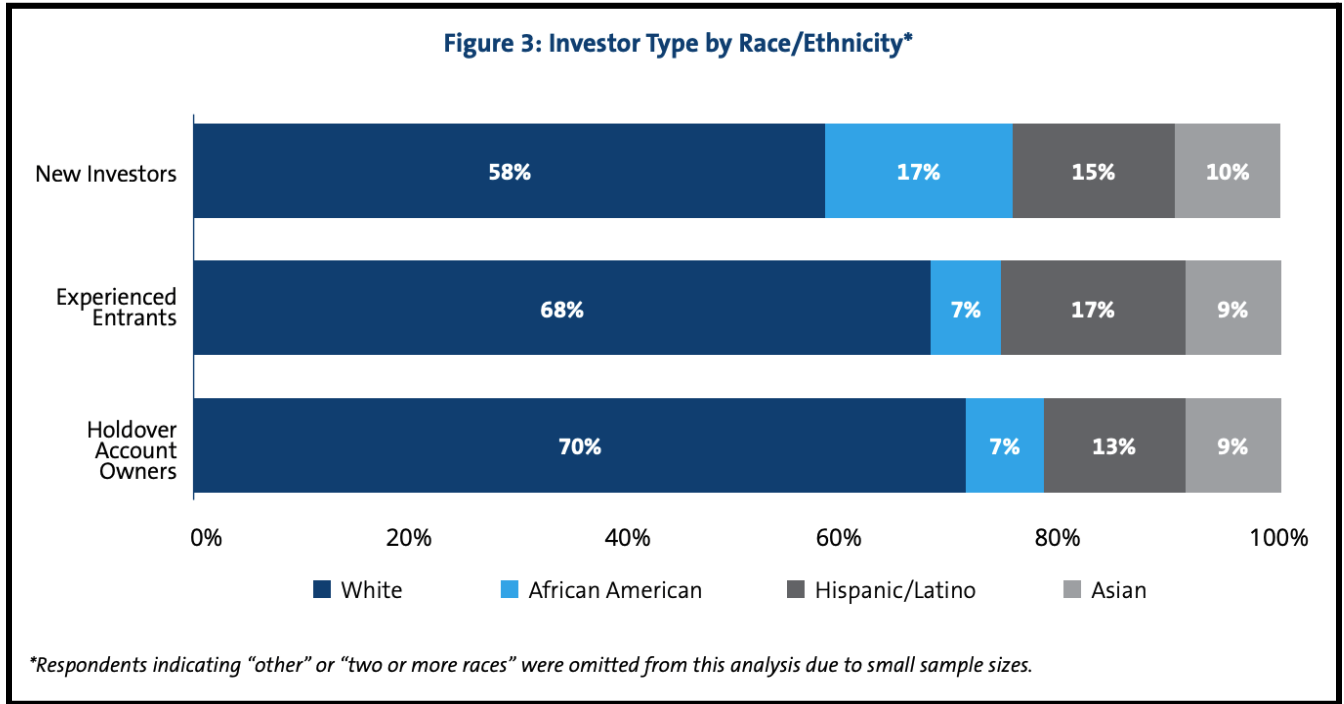
- The graph represents families owning any type of investment in the stock market.

- "Median holding" refers to how much the median investment is worth in that category.

5. What percent of all families own investments? Does this surprise you?

6. How does income level correlate to the likelihood of having investments? Why do you think that's the case?

### Part III: Investments by Race, Ethnicity, and Market Experience



Notes:

- *New Investors*: People who opened investment accounts in 2020 for the first time ever.
- *Experienced Entrants*: People who opened investments accounts in 2020 and had accounts previously
- *Holdover Account Owners*: People who did not open a new account in 2020 but had previous accounts
- This FINRA chart focuses on investors who opened taxable investment accounts in 2020. It does not include accounts for retirement or education.

7. How do the demographics of new investors compare to the demographics of "holdover account owners" who were already invested in the market?

8. Make a prediction: How do you think the overall demographics of investors will change over time? Why? You may wish to consider information from all three graphs.

9. Hypothesize: Do you think these changing demographics will decrease wealth inequality in the U.S.? Why or why not? Consider what you've learned in all three graphs.

