



How to Invest Money

Utah Core: NUMBER AND OPERATIONS - FRACTIONS Standard 5.NF.5

Objective:

I can explain what investing is, the difference between saving and investing, and some ways people invest money.

Materials:

- Whiteboard or chart paper
- Play money or “investment cards” (stocks, bonds, savings, etc.)
- Calculators (optional)
- Scenario cards or worksheets

1. Warm-Up (5 minutes)

Ask students:

- “What do you do with money you don’t spend?”
- “What is the difference between saving and spending?”

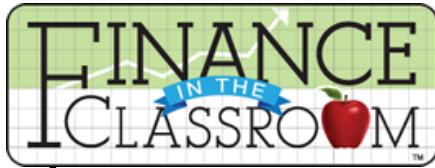
Introduce:

- **Investing** = putting money into something that could grow over time.
- **Saving** = keeping money safe, often in a bank.
- Investing can grow money **faster**, but there is **risk**.

2. Direct Instruction (10 minutes)

Key Vocabulary

- **Invest:** To use money in a way that could earn more money.
- **Stock:** Buying a small part of a company; value can go up or down.
- **Bond:** Lending money to a company or government and earning interest.
- **Risk:** The chance of losing money.
- **Return:** Money you earn from an investment.



Simple Example

- You invest \$100 in a company (buy stock).
- After one year, the value of the stock goes up to \$110 → you **earned \$10**.
- But if the stock goes down to \$90 → you lost \$10.

Explain: **Investing can make money grow faster than a savings account, but there's a risk.**

3. Guided Practice: “Investment Choices” (10 minutes)

Show 3 options:

1. **Savings account at 5% interest**
2. **Bond at 7% interest**
3. **Stock that could go up 10% or down 10%**

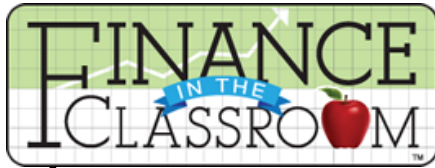
Ask students:

- “Which option is safest?”
- “Which option could earn the most?”
- “Which has the most risk?”

Use play money to simulate depositing/investing and calculating simple returns.

4. Activity: Investment Simulation (15 minutes)

- Give students \$100 in play money.
- Show 3 “investment cards” (savings, bonds, stock) with risk/return info.
- Students choose where to invest their \$100.
- Roll a die or pick cards to simulate a year passing and returns:
 - Stock: roll 1–3 → value decreases 10%, 4–6 → value increases 10%
 - Bond: gain 7%
 - Savings: gain 5%
- Students calculate new balance.
- Repeat for 2–3 rounds to show growth over time.



Discussion Prompt:

- “Which investment grew the most?”
 - “Which investment was the safest?”
 - “How does risk relate to reward?”
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5. Discussion / Reflection (5 minutes)

Ask:

- “Why do people invest money?”
- “How is investing different from saving?”
- “What are some risks and rewards of investing?”

Emphasize:

- Investments can make money grow faster than savings, but you can also lose money.
 - Diversifying (using different types of investments) can reduce risk.
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6. Exit Ticket (3 minutes)

Students answer:

1. What is investing?
2. Name one type of investment.
3. Why is it important to understand risk before investing?

Printable Scenario Cards: Investing Money

Cut these apart for student groups or individual use.

Card 1: Stock Investment

Alex invests \$100 in a company stock. The stock could go up 10% or down 10% after one year.

Students calculate:

- Potential gain or loss
 - New balance for both scenarios
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Card 2: Bond Investment

Jordan invests \$150 in a government bond that earns 7% interest after one year.

Students calculate:

- Interest earned
 - New balance
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Card 3: Savings Account

Maya deposits \$80 in a bank savings account earning 5% interest for one year.

Students calculate:

- Interest earned
 - New balance
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Card 4: Choosing Investments

Riley has \$200 and must choose between a savings account (5%), a bond (6%), or a stock (could gain or lose 10%).

Students discuss:

- Risk vs. reward
- Which investment they would choose and why

Card 5: Diversifying Investments

Sofia has \$300. She decides to put \$100 in savings, \$100 in bonds, and \$100 in stock.

Students calculate:

- Interest from savings and bonds
 - Possible gain or loss from stock
 - Total balance after one year
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Worksheet / Quiz: Investing Money

Name: _____ Date: _____

Part 1: Vocabulary (Matching)

Match the word to the correct definition.

- A. Invest
- B. Stock
- C. Bond
- D. Risk
- E. Return

1. _____ Using money in a way that could earn more money.
 2. _____ Buying a small part of a company.
 3. _____ Lending money to a company or government to earn interest.
 4. _____ The chance of losing money.
 5. _____ Money earned from an investment.
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Part 2: Simple Investment Calculations

Show your work.

6. You invest **\$100 in a stock**. After one year, it goes up 10%.
Return = _____
New balance = _____
 7. You invest **\$200 in a bond** earning 7%.
Interest = _____
New balance = _____
 8. You invest **\$50 in a savings account** at 5% interest.
Interest = _____
New balance = _____
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Part 3: Multiple Choice

9. Which investment is **safest**?
 - A. Stock
 - B. Bond
 - C. Savings account

10. Which investment has the **highest potential reward** but also risk?

- A. Stock
- B. Bond
- C. Savings account

Part 4: Short Answer

Answer