



# WHAT TYPE OF INVESTOR ARE YOU?

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

You're 18 years old and you have just inherited \$5,000! What will you do with it? First, decide your risk tolerance. Select Aggressive if you can handle the ups and downs of the market or Conservative if you prefer less volatility. Use the formula for compounding interest annually and follow the prompts for your path to see what happens to your \$5,000 from age 18 to 65.

**Compound Interest Formula**  
 $A = P(1 + r)n$

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## **AGGRESSIVE**

## **CONSERVATIVE**

### **RISK TOLERANCE**

Go big, or go home! I'll invest all \$5,000.

I'll invest some and save some. Here's how much I will invest: \_\_\_\_\_



### **ASSET ALLOCATION**

Put it all in stocks and let's see what happens!

Diversify me, please! Give me a mix of stocks and bonds.



### **STEADY GROWTH**

You're 25 now, and your money is growing fast. For the past eight years, you have been earning an annual return of 8% on your investments. How much is your investment worth today?

You're 25 now, and your money is growing steadily. For the past eight years, you have been earning an annual return of 4% on your investments. How much is your investment worth today?

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## **WHAT TYPE OF INVESTOR ARE YOU? (continued)**

### **HOLDING STEADY**

From age 25 to 30 the market holds steady and your investment is still bringing in an 8% return.

From age 25 to 30 the market holds steady and your investment is still bringing in a 4% return.



### **DOWN IT FALLS**

When you're 50, the market drops slightly and you're earning a 2% return. The market lasts five years. How much money do you have after the five years?

When you're 50, the market drops, and now you're earning 3%. The market low lasts five years. How much money do you have after the five-year low?

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**STOP AND THINK...YOU'LL BE NEARING RETIREMENT SOON AND YOU JUST WEATHERED A DOWN MARKET. SHOULD YOU ADJUST YOUR RISK LEVEL? WHY OR WHY NOT?**



### **HOW DID YOU DO?**

From age 50 to 65 you're earning a steady 8% return. How much is your balance at age 65?

From age 50 to 65 you're earning a steady 4% return. How much is your balance at age 65?

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# **ACTION PLAN**

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

Review your bucket list created in the first activity and pick your top three favorite choices. Next, consider at what age you want to achieve your bucket list item and then what investment actions you can take today to start financially planning to make your dream a reality.

### **WE SAVE AND INVEST TO...**

- ✓ Achieve goals
- ✓ Have feelings of security (be prepared for financial emergencies)
- ✓ Maintain self-esteem
- ✓ Have control over our financial future

<b>BUCKET LIST GOAL</b>	<b>AT WHAT AGE DO YOU WANT TO ACCOMPLISH THIS GOAL?</b>	<b>WHAT INVESTMENT STRATEGIES CAN YOU USE TO REACH THE GOAL?</b>