

Learning Objectives

Students will be able to

- Work with your classmates to see how a Mutual Fund functions
- Understand the mix of stocks in a popular Index Fund - the S&P 500
- Explain how investing in funds can help you minimize risk and diversify your portfolio

Approximate Time

- Lesson length: 45 mins

Jump\$tart Standards

This lesson does not align to any Jump\$tart National Standards.

Distribute to Students

- [Student Activity Packet SC-7.5](#)

Plan Your Unit

- [Semester Course Investing Unit Plan](#)



LESSON PLAN

	Resources	Questions	Est. Time
1	DISCUSSION PROMPTS	<p>Discussion Prompts</p> <p>Discuss these questions with your classmates or with a partner:</p> <ol style="list-style-type: none"> 1. Let's do a quick recap from our last lesson: How are actively managed mutual funds (whose aim is to beat the market) and index funds similar? How are they different? 	5 mins
2	<p>ACTIVITY</p> <ul style="list-style-type: none"> • MOVE: Let's Make a Mutual Fund • Publisher: NGPF <p>❖ Teacher Tip: Do this activity through round 3 where students make mutual funds of 6 people. Then, instead of doing round 4, explain, "When <u>all</u> of you are put together, you make up a popular <u>Index Fund</u> called the Dow Jones! Let's now take a look at another popular Index Fund, the S&P 500". Students return to their seats and do the next activity.</p>	<p>MOVE: Let's Make a Mutual Fund</p> <p>In the previous lesson, you learned about Mutual Funds. In this activity, you'll have the chance to get out of your seats and move around - all while getting a better understanding of what a Mutual Fund is! Follow your teacher's directions to complete this activity.</p>	20 mins

3	<p>ACTIVITY</p> <ul style="list-style-type: none"> ● INTERACTIVE: What's the S&P 500? ● Publisher: NGPF <p>❖ Teacher Tip: Project the interactive in front of the whole class and explore it together so students can get familiar with the interactive. Then, students can do the worksheet individually or in pairs.</p>	<p>INTERACTIVE: What's the S&P 500?</p> <p>Let's now take a closer at Index Funds - specifically, the S&P 500, which is one of the benchmark funds used to analyze the performance of the U.S. stock market. Follow the directions on the worksheet to complete this activity.</p>	15 mins*
4	<p>EXIT TICKET</p> <p>❖ Teacher Tip: To administer this Exit Ticket using Google Forms, make your own copy here.</p>	<p>Exit Ticket</p> <ol style="list-style-type: none"> 1. Your friend Tyler doesn't know what a Mutual Fund is. How would you explain it to him so that he can clearly understand what it is? 2. Explain how investing in a mutual fund or index fund help you diversify your investments. 3. How can you make money from an index fund if some of the stocks in it actually lose money? 	5 mins



EXTEND THE LEARNING

DO MORE...

INTERACTIVE

- [Quizlet Cashcabulary | Investing](#)
- Publisher: NGPF

PROJECT

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LEARN MORE...

ARTICLES

-

QUESTION OF THE DAY

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VIDEO

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FAST FACTS...

- In the 41 years from 1957 to 1998, only 74 of the original 500 companies of the S&P 500 remain (AOL 2018)
- The S&P 500 has increased 2813% since 1979 (Google Finance 2019)
- To get into the S&P 500, companies must meet various criteria, such as having a market capitalization of at least \$6.1 billion (this threshold changes over time) and a minimum trading volume of 250,000 shares per month in each of the six months before a stock's evaluation for entry. (The Motley Fool 2017)