Financial Foundations

A Financial Beginnings Financial Education Program

INVESTING

Presented by

COUNTRY FINANCIAL®

INVESTING

SESSION OBJECTIVES

Investing is an excellent way to build wealth and achieve your financial goals in life. This guide will help you understand the key principles of investing.

By the end of this session you will:

- Understand what investments are and how they can help you to achieve your financial goals.
- Understand risk vs. return and diversification.
- Learn about common types of investments.
- Understand common options for retirement savings.
- Learn what kind of investor/saver you are and the pros and cons of each type.

SUBJECT INDEX

☆ WHAT ARE INVESTMENTS?

An **investment** is an asset one puts their money towards in hopes of gaining a profit in the future.

Investments include items such as stocks, bonds, and real estate, all of which have the potential to increase the future value of your assets. An option that many people don't normally think of as an investment is a retirement account. Saving for your retirement can be one of the best investments you ever make, as you are ensuring that you will accumulate enough funds to live off of after retiring from work. What makes a retirement account an investment are the types of securities that make up your account and that have potential for future earnings, such as mutual funds and bonds.

Investments are often described and compared using their **percent return**. Percent return is a common way to measure and compare the value of different investments with widely differing features (e.g., real estate, corporate bonds, and mutual funds). When analyzing the percent return on your investment it is important to take into account the rate of inflation and any fees you are paying to make the investment. You want to make sure your return minus expenses is greater than the rate of inflation.

☆ TYPES OF INVESTMENTS

Bank savings account
Cash is deposited into your bank account, the money earns interest, and cash can be withdrawn "on demand" (with no prior notice to the bank). The rate of interest you earn on a savings account is usually one of the lowest because it usually has the lowest risk, as it is insured up to $250,000 per account by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSIF).

Bank certificate of deposit (CD)
CDs are accounts where you leave a pre-determined amount of money in an account for a set period of time. CD rates are generally higher for larger balances and longer deposit periods. There is a catch though: if you withdraw your money before the term ends you may lose all of the interest earned and pay a penalty fee. Like other bank accounts, they are also insured through the FDIC and NCUSIF.

Bonds
Buying a bond is essentially loaning money to an "issuer" which is either a corporation or the government. Bonds are issued by federal, state, and local governments as well as corporations. The bond promises that the issuer will repay the investment and will pay a fixed percentage interest until it is redeemed or sold. In general, bonds pay more than insured accounts. A riskier bond must pay a higher percentage to attract investors.

Ratings are assigned to individual bonds indicating the risk related to their ability to repay interest and principal. A ratings agency assigns a grade to bonds from AAA (investment grade) to a rating of D (default). Standard & Poor's and Moody's are two such rating agencies.

The return on investment grade corporate bonds (like GE, Johnson & Johnson) is generally higher than bank CDs, but lower than stocks over the long-term.

Stocks
Buying stock makes you part owner of the company. If the company does well, the value of your shares can increase. You may also receive dividend payouts, which are profits that are paid out to stockholders. However, if the company does poorly you might lose some or all of your investment.

The overall US stock market has returned approximately 10% over the past 100 years, but individual stock results can vary widely. The stock market (as measured by the Dow Jones index) has grown from less than 100 to more than a high of 18,000 over the last 100+ years. Overall, the pattern has been long running periods of increase which are called **bull markets** alternating with extended periods of stagnation or decline called **bear markets**. While stock returns have averaged 10% for the overall 100 year period, averages can be deceptive. The market favors investors who can deal with temporary setbacks without being forced to sell their stock during a period of stagnation or decline. Long-term investing is most often best strategy when investing in stocks.

Mutual funds
Mutual funds are investments that include stocks and/or bonds of many companies. By investing in the possible future success of many companies, instead of just one, you can diversify and reduce risk. There are many types of mutual funds to choose from, such as: stock funds, bond funds, money market funds, actively managed funds, index funds, etc.

Other investments
There are other investments that you may encounter that are not included in this manual, like rental property, real estate investment trusts (REITs), direct ownership of a business, etc. Information on these potential investments is available from a wide variety of sources such as books on personal finance, brokers, financial planners, and information on the Internet.

INVESTMENT CONCEPTS

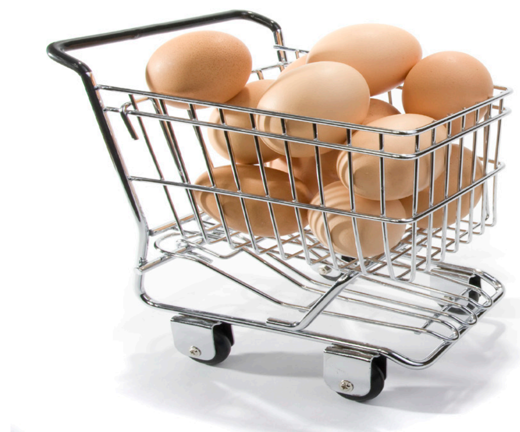
Before looking at specific investments, it's important to understand the basic concepts that apply to the majority of common investments. They are listed below:

Risk vs. return
In general, the potential for higher percent returns means greater risk of loss of some or all of the value of your investment Government insured accounts are guaranteed against loss, but pay a lower return. Putting money in a bank is considered "no-risk" because the federal government insures your account up to $250,000 through the FDIC. Stocks, bonds and other uninsured investments may have a higher return, but are not guaranteed and you can lose money if their value drops.

The risk and corresponding return for specific investments generally track in relationship to one another. What this means is that in general if you are willing to take a higher risk then you expect the potential for a higher return. An investment advertised as "low risk, high return" should be seen as a flashing caution light. If it seems too good to be true then it probably is.

Risk vs. return is described in the table below. Notice that securities that have a low percent return also have a low risk of loss in value. This is consistent throughout the table. Note that individual bonds have a lower risk of loss in value if held until maturity.

% Return & Risk of Loss in Value	Security
Low	U.S. Treasury note
	U.S. Treasury bill
	Bank savings
	Certificate of Deposit (CD)
Medium	AAA corporate bond
	AAA municipal bond
	AAA GSE bond
Moderate	Stock
	Mutual fund
High	Low-rated bond fund
	Riskier stock fund



Diversification
Holding a mix of different investment types is known as **diversification**. Diversification spreads your risk over different investments that often rise or fall in price at different times. The principle of diversification is similar to the saying, "Don't put all your eggs in one basket."

Diversification can be achieved by holding investments in various categories, such as the following:

- By type of investment (e.g., stocks, real estate, emerging-market bonds)
- By market sector (e.g., transportation, software, utilities)
- By geography (e.g., U.S., Europe, Asia)

Sale/re-sale of investments
Stocks, bonds, and mutual funds are bought and re-sold repeatedly after initial sale to the public. Buyers and sellers set the market price of each investment, and prices are then re-set continuously and vary widely over time. Pricing indices like the Dow Jones Average, are important indicators of overall economic health and value of these investments.

- Stocks are generally bought and sold through an Exchange (e.g., NYSE, London, Tokyo), where a particular stock sells to all buyers at the same price, at a given point in time.
- Bonds are generally traded in an "over the counter" (OTC) market, where individual brokers determine price and the same bond may sell for different prices when purchased from different dealers.

Compound Interest
Compound interest magnifies the future value of savings and investments. Compound interest is paid on your original deposit (investment) plus interest already earned. The effect of compounding is further magnified with regular contributions to savings, investment, or retirement accounts. When you set up your bank account to take automatic deductions from your paycheck that are transferred into a savings account you are not only paying yourself first but you are also taking advantage of compound interest.

EXAMPLE: If $100 earns 5% per year, at the end of the first year the account has $105. If left alone, the account will earn 5% on the $105 in the second year, rather than earning interest on just the $100. This compounding effect will continue indefinitely.
To estimate the impact of compounding, use the "Rule of 72", where 72 / Annual % rate = number of years to double the original investment.

Rule of 72
As listed above use the Rule of 72 to find the number of years it will take to double your original investment.

EXAMPLE: An investment that earns 7.2% per year will double in approximately 10 years (72/7.2 = 10 years). If $5,000 were invested at 7.2% return by someone age 20, by the time he or she turned 30; the account would hold $10,000.

Using the Rule of 72 calculate how much would be in the account every 10 years, for the next 50 years.

How much would be in the account at age 70 assuming you never added to it?

How much total interest did you earn in 50 years?

Age	20	30	40	50	60	70
Balance	$5,000	$10,000				

You can see how important it is to start saving early. Investing (or saving) a little bit of money now can save you a lot of hard work later. Begin saving early and avoid playing catch up!

UNDERSTANDING BASIC INVESTING TERMINOLOGY

Stocks are traded through exchanges. There are a lot of exchanges worldwide, such as:
NYSE: The New York Stock Exchange, also known as the Big Board, is the oldest of all of the organized Exchanges. To be listed on the NYSE a firm must meet very strict requirements.
AMEX: The American Stock Exchange is the second most important of the organized Exchanges and generally lists stocks from smaller companies.
NASDAQ: National Association of Securities Dealers Automated Quotations, a computerized system for trading in securities. The NASDAQ is an Over-the-Counter Market and accounts for about 15% of all of the shares traded. Several other countries have their own Exchanges in major cities such as London, Tokyo, and Hong Kong.

An individual investor cannot just go to the floor of a stock exchange and purchase stock. They have to purchase stocks through a broker. An investor has a licensed broker that s/he calls to make an 'order' to purchase stock. A trend in investing is for people to use online brokers when buying and selling stocks, mutual funds, and other financial instruments that are traded in stock exchanges. One of the biggest advantages of using an online broker is the lower cost of trading.

Indices
Indices are a measure of the compilation of company stock prices. Normally when you hear on the news that the 'market is down' they are referring to the Dow Jones Industrial Average (DOW). The DOW is widely used as an indicator of the health of the economy, yet only represents 30 companies. The Standard & Poor's 500 (S&P 500) is another index that is often quoted on the news. This index includes the top 500 companies publicly traded, and as such, provides a greater representation of the market.

There are two ways to make money in the stock market. The first is dividend income. A company pays dividends after electing to share the profits with their shareholders. Not all companies issue dividends. The second way to make money in the stock market is through capital gains. A capital gain is the amount of increased value on the stock between the price you paid at purchase and the price you received upon sale. For example, if you purchase a share of stock at $50 and sell it for $60, you have a $10 capital gain. If instead you sold the stock for $40, then you lost money on the transaction and you have a capital loss. It can be nerve-wracking watching the value of your stock fluctuate constantly, but it is important to understand that a gain or loss is not realized until you sell the stock.

☆ RETIREMENT SAVINGS

Retirement accounts are set up specifically for retirement, and often have tax advantages. However, many retirement accounts have penalties if you take money out before turning 59 ½ years old.

Even though your retirement is many years away, initial decisions about funding retirement will need to be made in the next few years. It's likely you will have the option to set up a retirement account (holding stocks, bonds, and/or mutual funds) when you start working and it is important to take advantage of this benefit by starting to invest in your retirement.

SOME OF THE MORE COMMON RETIREMENT ACCOUNTS ARE:

Individual retirement account (IRA)
There are two basic types of IRAs: Traditional and Roth

- With a **Traditional IRA** your contribution is deducted from your pre-tax income the year it is put in. The principal grows tax free, but the withdrawals are taxed when you begin to withdraw the funds.
- In a **Roth IRA**, the taxes are paid on the funds when they go in, the principal grows tax free, and there is no tax on withdrawal. This means that the interest that is earned on the funds over the years is tax free.

Remember the example above when we were talking about the Rule of 72? If you are using a Roth IRA you would pay taxes on the $5,000 you put in at age 20 and receive the $155,000 interest return tax free! With a Traditional IRA you could deduct the original $5,000 contribution from your tax return at age 20, but then have to pay taxes on the $160,000 once you started withdrawing.

If you withdraw from your IRA before age 59 ½ you can have a 10% penalty. But, you may be able to avoid the penalty if you are withdrawing for purchasing a house or to pay for higher education.

Employee Retirement Plans
Employee retirement plans include plans such as 401(k), Simple IRA, 403(b) and more. Employees are able to take funds from their paychecks and deposit them into the account and employers often match what is contributed up to a certain amount. Like IRAs, employee retirement plans have tax advantages. Many 401(k) plans give employees multiple investment choices, usually mutual funds.

It's important to maximize the benefits of a retirement plan offered by your employer. This is a great way to automatically save for your retirement because the money is automatically withdrawn from your paycheck. If your employer offers a match it is important to contribute the match amount at least, otherwise, you are refusing free money.

Retirement annuities
Retirement annuities are offered by insurance companies and provide regular, fixed payments for a designated period, often throughout all of retirement. Many annuities have tax advantages similar to IRAs.

There are pros and cons to annuities that you need to understand before investing in them. However, they are one of the more common methods for generating income in retirement. It is best to seek advice from an advisor on annuities.

Social Security
Social Security is a government program paid for by deductions from employees' paychecks and matched by the employers. Social Security is not really an "investment option," as participation is required for most W2 wage earners. However, it will be part of your retirement income and should be considered in the overall financial planning process. You can begin receiving payments at age 62, but many wait; payments are higher when you delay receiving payments until later.

Social Security should not be viewed as ones main source of income after retirement. It is up to you if you want to include social security income in your retirement planning.

☆UNDERSTANDING OPTIONS FOR RETIREMENT SAVINGS

Determine if you're saving enough

There are many different ways to figure out if you are saving enough money for retirement. The easiest way would be to use an online calculator. Online calculators make calculations easy. You input figures such as current age, annual household income and target age for retirement. The calculator figures the exact dollar amount you need to save in order to reach your target retirement age and income. You could also meet with a financial planner to discuss your own individual needs and your financial goals for the future.

EXAMPLE: Sally Saver wants to retire in 25 years. She has $50,000 and plans to save $10,000 per year, with an investment return on 8%. Will Sally have enough money to retire if she is comfortable having $1 million in retirement savings? Should Sally feel comfortable retiring with only $1 million dollars? What if she lives 30 years after retiring?

Review Your Investment Choices

Learn about widely-used investment alternatives to individual investors. Many times there are more options available to you than you think! As listed above, there are CDs, savings accounts, mutual funds, and individual stocks, just to name a few options. Weigh risk vs. return to determine the best option for you. Understand that you do not have to put together a complicated investment strategy to successfully save for retirement.

Understand the Basics!

Understanding the concepts discussed earlier can be crucial to your investment success. When investing it is important to know an array of concepts. Some common terms are:

- **Diversification**–holding a variety of different investments to spread out risk.
- **Rebalancing**–changing the percentages allocated to stocks based on current market trends and investment goals.
- **Investment/Inflation Risk**–Almost all investments have some sort of risk, which one needs to consider when deciding to invest.
- **Asset Allocation**–choosing the securities in your portfolio based on your investment goals.

☆WHAT KIND OF INVESTOR/SAVER ARE YOU?

Do it yourself

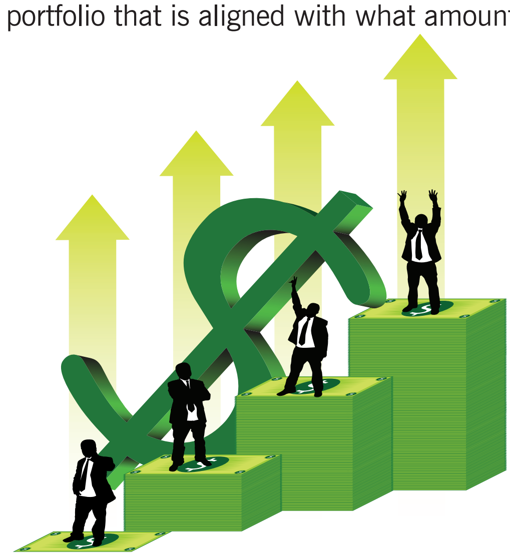
Choosing to invest on your own can be a wise option if you are well equipped to do so. One of the greatest benefits of investing on your own is that it can save a lot of money over time because you are not paying fees associated with having a professional advisor invest for you.

Some potential downfalls to investing on your own can be as simple as not having enough time to really monitor your portfolio or not having the discipline to put away as much as you should to meet your investment goals. One of the most common downfalls to managing your own portfolio is that people are emotionally connected to their investments and we may second guess ourselves, become irrational if things begin to look bad, or even regret some of our investment choices. Because of this, emotions can sometimes get in the way of smart decisions.

Have someone do it for you

Having a professional invest for you can be a smart option if you do not feel comfortable investing on your own. They can ensure that you stay on track with your financial goals and usually they design a portfolio that is aligned with what amount of risk you want to accept. A professional will also tell you how much you need to save to meet your investment goals and, if the market were to get rough, they would strategize ways to help you stay invested versus many individuals who panic and pull out of the market at the wrong time.

One of the largest hurdles to having an investment advisor is the cost associated with engaging them. Fees vary depending on your needs or demands, but can be significant over time. It is important to spend the time finding a qualified professional whom you can trust. Understand that they do need to get paid for the services they provide to you and their fees should be transparent to you.



Best practices:

- Pay yourself first!
- Maximize your employer's match.
- Rebalance your portfolio annually.

Do you like investment risks? Dare you to find out.

What's your money personality? Take our test and find out where you rank in the investment world.

This activity will help you figure out your risk tolerance—one of the best measures is seeing who you are as an investor. Risk is defined as the probability of loss. Do you like to take risks? Are you generally conservative? Do you even know? Some people easily take risks in certain aspects of their lives but when it comes to their money, it's a whole new ballgame.

So let's play ball. Take this quiz, add up your totals and you should have a good idea of the type of investor you will be.

1.You just won $10,000 in the lottery. Congratulations! What do you do?
   a. Use the funds to start up the business you and your best friend have been talking about. (3 points)
   b. You speak to your father's stockbroker and decide to invest it in the stock market. (2 points)
   c. You put it under your mattress, or in a nice, safe certificate of deposit. (1 point)

2.Your brother asks you for a $10,000 for a sure bet investment. Most of the time your brother's plans don't work out, but sometimes his plans provide great returns. Do you…
   a. Not take any chances and not give him the money. (1 point)
   b. Offer to match any funds your brother is willing to invest. (2 points)
   c. Give your brother the money, he is family after all and it might pay off. (3 points)

3.You want to get some advice on how to invest your lottery winnings, so you…
   a. Read as much as you can, watch the news, and invest based on your research. (2 points)
   b. Ask the store clerk who sold you the winning ticket. (3 points)
   c. Seek out the advice of a stockbroker. (1 point)

4.You have finally decided to invest the money. You invest in…
   a. A mutual fund that follows the stock market. (2 points)
   b. A certificate of deposit at your bank. (1 point)
   c. A stock tip given by the Mad Money guy on TV. (3 points)

5.You are now a stock market junkie, and you are watching your new investment.
   a. You're confident that the value of your investment will increase. (3 points)
   b. You worry that the value of your investment will decrease. (1 points)
   c. You understand the price of the stock will fluctuate up and down. (2 points)

6.You woke up this morning and hear the market went down 2,000 points (Arrgh!!!). What do you do?
   a. Invest more because prices are lower- if it was a good buy at the original price it is even better now. (3 points)
   b. Wait for the market to return to its previous level and leave your investment alone. (2 points)
   c. Sell everything, put the remaining money in a savings account, and sleep soundly. (1 point)

7.Well, with all of this excitement, you realize you're enjoying the stock market "thing", so you decide to ride out the storm. How long do you expect it will take for your investment to double?
   a. One year (3 points)
   b. Five years (2 points)
   c. Ten years (1 point)

8.Believe it or not, your stock is not affected by the decline in the market, and one month later, the value of your stock is up 50%. You have no information on why this is happening, but you decide to…
   a. Buy more. (3 points)
   b. Sit tight and hold on to your original position. (2 points)
   c. Sell it, put the money into your savings account and call it a day. (1 point)

If you scored between **8 and 12**, you are a more conservative investor. You are okay with smaller returns on investments that don't keep you up at night with worry.

If you scored between **13-17**, you are willing to assume moderate risk with your investments. You are comfortable investing in stocks with prices that continuously move up and down.

If you scored **18 or higher**, you are a more aggressive investor and willing to accept more risk in exchange for the potential of larger returns. You are looking for the next Google or Apple, and understand that you could either win big or lose big in the process.

INVESTMENT SESSION SUMMARY

What are investments and how can they help you to achieve your financial goals?

Investments are the commitment of money or capital to purchase financial instruments or other securities in order to gain profitable returns in the form of interest, income, or appreciation of the value of the instrument. Investments can come in many forms such as retirement savings, stocks, and real estate; however, all securities are intended to increase the future value of your savings.

How is investment performance measured?

Investments are often described and compared using their percent return (the percentage by which your money increases because you own the investment). Using percent return as a common measurement helps allow investments with widely differing features (e.g., real estate, corporate bonds, mutual funds) to be compared side by side.

What do the concepts Risk vs. Return and Diversification mean?

The relationship between risk and reward is positive; a greater risk results in a greater reward or loss. Diversification is a technique used to reduce risk while maintaining potential return. For example, if you want to invest in energy, you could diversify by investing in both fossil fuels and renewable energy.

What are some different types of investments?

There are many types of investments; each varies in terms of risk and return (the lower the risk, the lower the return). The most common investments are: bank savings accounts, Certificate of Deposits (CD), bonds, stocks, and mutual funds.

What are the different options for retirement savings?

The different types of retirement accounts are: individual retirement accounts (IRAs), employment retirement plans, retirement annuities, and Social Security. A retirement account on its own isn't considered an investment; what makes it an investment is when you select stocks, bonds, mutual funds or other types of securities to deposit into your retirement account.

What kind of investor/saver are you and what are the pros and cons to each option?

There are two options you can choose when it comes to investing and saving: doing it on your own or having a professional advisor invest for you. Choosing to invest on your own can save you a lot of money because you are cutting out the fees associated with a financial advisor. The down side to investing on your own is not allocating enough time to your investments, not being disciplined enough, and becoming too emotionally connected to your money/investments.

Choosing to have someone invest for you can help to keep you on track with your financial goals by ensuring that you are saving enough money each period. A financial planner may also customize a portfolio for you. The costs/fees associated with having an investor or financial planner, however, may add up overtime.

APPENDIX A: Financial Goals Worksheet

It is important to set goals and create plans to meet the goals. Use this worksheet to help you create short, intermediate and long-term goals and develop plans to achieve them. If you plan to save monthly towards some of your goals you will want to be sure and include the total savings amount in your budget.

Short-Term Goals (Less than 1 year)

Monthly Expense	Date To Be Achieved	Total Cost	Plan To Achieve	Monthly Amount Saved

Intermediate-Term Goals (1-10 years)

Monthly Expense	Date To Be Achieved	Total Cost	Plan To Achieve	Monthly Amount Saved

Long-Term Goals (More than 10 years)

Monthly Expense	Date To Be Achieved	Total Cost	Plan To Achieve	Monthly Amount Saved

APPENDIX B: Choosing an investment professional

Financial professionals can be a strong partner by helping you to manage your assets. It is important to find a qualified professional that can help you make investment decisions that align with your goals and risk tolerance. Below is a suggested list of questions to ask as your are interviewing potential candidates.

- **What are your credentials?**
- **What licenses or certifications do you hold?**
- **How long have you been working as an investment professional?**
- **How long have you been with this firm?**
- **How are you paid for your services?**
- **Are you compensated any other way for handling my account? If so, how and how much?**
- **Are you restricted in the fund families your firm invests in?**
- **Is there a minimum account balance I have to have?**
- **How will you communicate with me?**
- **How often will you meet with me?**
- **Is there anyone else at your firm I will be working with?**
- **Have you or your firm ever been disciplined by the SEC, FINRA, a state securities regulator, or another regulator?**
- **Have you ever had any of your professional licenses revoked?**

ACTIVITY: Lifeline

Where do your goals fit into your lifeline? The line shows your life from 20-100 years of age. How old will you live to be? There are many common life goals listed. Draw a line from those you wish to achieve to the approximate age you plan to achieve it on the lifeline. Write in any additional goals you have and when you wish to attain them.

Expire

100

90

Travel the world

80

Have a kid (draw multiple lines for multiple)

Retire

Care for parents

70

Family

60

Send kid(s) to college

Get married

50

Buy a vacation house

Start a business

Buy a house

Major purchase

Career

40

Buy a car

Get a job

30

Law/ Doctorate

Associates

Education

Trade School

Masters

20

Bachelors

ACTIVITY: Lifeline

20's	30's	40's	50's	Golden years

ACTIVITY: Pay Off Debt or Invest in 401k?

Is it better to pay my credit card bill off (20%) and then add to my 401K (50% company match first 6%), or just get started? Why? Assume you make $35,000 annually and will invest 6% of your salary, get a 10% return on your 401k and you are in a 25% marginal tax rate.

Answer the questions below to help determine your answer.

401k

How much will you be contributing to your 401k annually?
(Annual salary * contribution %)

How much will your employer be matching annually?
(Annual salary * (50% of your contribution %))

What is the total amount you and your employer will contribute to your 401k annually?
(your contribution + employer contribution)

What would the annual return be on the 401k?
(total contribution * rate of return)

Credit Card

Taking the same amount as you personally contributed to your 401k, calculate the after tax amount you will have available to pay on the credit card.
(your contribution to 401k * (1- marginal tax rate)

By paying down the credit card with the amount above how much will you be saving in interest on the credit card?
(After tax amount available to pay on credit card * credit card interest rate)
So what do you do?

What will the difference in your net worth be for each option?
401k?
Paying off credit card?

ACTIVITY: The Rule of 72

Fill in the table below using The Rule of 72.

Initial Investment: $1,000
Interest Rate: 8%

How many years will it take for the investment to double? _9_

Age	30	39					
Amount	$1,000						

Initial Investment: $5,000
Interest Rate: 6%

How many years will it take for the investment to double? ______

Age	40						
Amount							

Initial Investment: $10,000
Interest Rate: 12%

How many years will it take for the investment to double? ______

Age	20						
Amount							

What impact does the interest rate have on the number of years it takes your investment to double?

Why is it important to start saving at a young age?

SURVEY: INVESTING

School ______________________________ Teacher ______________________________

Date ______________________ Class Time ______________________________

Please rate how much you agree with the following statements:

	Strongly Disagree	Disagree	Agree	Strongly Agree
After participating in the Investing program, I know how investments can help me achieve my financial goals.				
After participating in the Investing program, I know some different types of available investments.				
After participating in the Investing program, I know the concept of risk versus return.				
After participating in the Investing program, I know my options for retirement savings.				
Before participating in the Investing program, I knew how investments could help me achieve my financial goals.				
Before participating in the Investing program, I knew some different types of available investments.				
Before participating in the Investing program, I knew the concept of risk versus return.				
Before participating in the Investing program, I knew my options for retirement savings.				

How often do your parents/guardians discuss investing with you?

- Never
- Rarely
- Sometimes
- Frequently
- Very frequently

Before today's program, I learned about investing in school:

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

Learn More

Financial Foundations	The Financial Foundations program is divided into five distinct modules that include specific activities and learning objectives:
Banking	Banking is important to understand because participation in banking services is typically one's first exposure to the financial world. Having a strong relationship with a financial institution and properly managing a bank account can provide a strong foundation for future financial transactions one might require. In this section, we introduce financial institutions, how they work, and how you can utilize them.
Budgeting	Budgeting is the foundation of personal financial planning. Budgeting allows us to manage our money by tracking our income and expenses. Since every person is different, it is important to know how to create a budget to use for our own specific needs.
Credit	In today's economy, it would be rare not to use credit to pay for large purchases, such as car repairs or any type of emergency situation. Credit can be an overwhelming topic, but understanding credit is critical for managing one's finances responsibly, as credit can affect many aspects of your life.
Investing	Investing is an excellent way to build wealth and achieve your financial goals in life. Understanding risk versus return, time value of money and how to navigate the financial system helps individuals to meet their long term goals.
Risk Management	Many times, individuals feel that they are paying money into insurance policies but not getting their fair share back. This is not how insurance should be viewed. Purchasing insurance is a way to manage risk. With insurance, you are paying for the protection of your assets and should hope that you do not have to use it, since using insurance sometimes means something bad happened.

Financial Beginnings

Our Mission

Financial Beginnings was founded in 2005 with the following mission:

Financial Beginnings empowers youth and adults to take control of their financial future. We provide educational programs that incorporate all aspects of personal finance to give individuals the foundation they need to make informed financial decisions.

Our Model

We have a simple and full-service approach to program delivery:

Learning Materials	Students and hosts receive a resource guide full of valuable and applicable financial lessons.
State Standards	Our curricula meet state content standards for both Oregon and Washington.
Trained Volunteers	We train industry professionals to deliver our programs as volunteers at no cost to schools or community groups.
Simple Registration	Schools and community groups register online. We take care of the rest.

Our Programs

FINANCIAL FOOTINGS	FINANCIAL FRAMINGS	FINANCIAL FOUNDATIONS
This program is an introduction to money and personal finances or elementary students.	This program relates personal finance to the global economy for middle school students.	This program provides personal finance education for high school students and adults.
PATHWAYS	Unraveling the Mysteries of YOUR MONEY	FINANCIAL LITERACY CONFERENCE
This program provides lessons for high school and college students on career, college, and money management.	This program is a series of public forums about relevant and timely personal finance topics.	This annual conference is provided for educators to learn more about personal finance education, pedagogy, and resources.