

Young Investor Education Teaching Concepts (Revised 4-18-06)

- Getting motivated
 - Starting early: Time value of money
 - Taking control of your finances
- Finding money to invest
 - Assess personal situation
 - Identify ways they can find money to invest
 - Employer match
- Setting goals
 - Short term
 - Emergency fund
 - Covering seasonal and major expenses
 - Debt reduction to have more money to invest
 - Long term
 - Pre-retirement goals
 - Retirement goals
- Investment options
 - Short term (emergency fund and major purchases)
 - Savings account
 - CDs
 - Money Market accounts
 - Long term
 - Options available through employer
 - Options available outside employer
- Assessing and managing risks
 - Risk tolerance
 - Relationship between risk and return
 - Diversification
 - Asset allocation over the life cycle
- Selecting the best investment option for you
 - Balancing pre-tax and post-tax investment
 - Assessing the cost of investing
 - Active vs. passive investing
- Working with a financial professional
 - Qualifications, preparation and certification
 - Selecting the best professional for you
- Protecting your investment against fraud
 - Is the representative properly licensed?
 - Is the investment registered or exempt from registration?
 - What's the firm or representative's history?

Dena Wise, Ph.D., The University of Tennessee Extension, March 2006.