

# Getting Started with Investing

JA Dollars with Sense

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

Date: \_\_\_\_\_

## Investing Basics Worksheet

Becoming investment wise is an important part of improving your financial health. Complete the activities below in tandem with the [Investing Basics: JA Dollars with Sense video](#) to help you get started.

[View video here](#)

### Segment 1: Interest

Learning to invest starts with understanding interest and compound interest. Take a look at Table 1.1 and notice how the interest amount increases each year despite no deposits being made. That's because the interest is based on an increasing principal amount. As interest compounds, your money grows faster and faster. Complete the table year 3 and 4.

Year	Principal	Interest: 3%	Principal + Interest
		[principal x 0.03 = interest earned]	[becomes next year's principal]
1	\$150.00	\$4.50	\$154.50
2	\$154.50	\$4.64	\$159.14
3	\$159.14	\$ _____	\$ _____
4	\$ _____	\$ _____	\$ _____

Table 1.1

**Guaranteed Investment Certificate (GIC)**

+ \_\_\_\_\_

+ \_\_\_\_\_

- \_\_\_\_\_

- \_\_\_\_\_

**Mutual Funds**

+ \_\_\_\_\_

+ \_\_\_\_\_

- \_\_\_\_\_

- \_\_\_\_\_

**Stocks**

+ \_\_\_\_\_

+ \_\_\_\_\_

- \_\_\_\_\_

- \_\_\_\_\_

Table 1.2

### Segment 2: Investment Vehicles

In Table 1.2, list 2 benefits and 2 limitations of each investment vehicle. Once completed, read the information about Rahim and Sawyer below and identify the investment vehicle that best suits their goals.

#### Scenario 1

Rahim is saving for a car. He doesn't want to buy a car until he graduates from university in 4 years. Rahim is very busy between school and his part-time job at a local coffee shop, so he doesn't have the time to manage his own investments. If possible, he wants to let a financial professional manage his money.

- GIC
- Balanced Mutual Fund
- Stocks

#### Scenario 2

- GIC
- Balanced Mutual Fund
- Stocks

Sawyer is saving for college. Their grandmother gave Sawyer \$2,000 to help pay for tuition. They plan on investing the \$2,000 and won't need it for 3 years. Sawyer is not a big risk taker and is willing to get a lower return if it means their money is safe.

## Segment 3: Investor Profile

Now that you have a better understanding of what investment options are out there, it is time to consider your personal goals. To create your investment profile, answer the questions below and place an 'X' next to the risk tolerance you most identify with.

1. What are you saving for?  
(e.g.: post-secondary education, a car, a home, retirement, etc.)

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2. How much money do you want to save?

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3. What is the time horizon of your goal?

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4. What information do you want to know before you invest?  
(e.g.: does the company give back to the community, are they environmentally conscious, etc.)

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**LOW**

You have a low tolerance for risk. You have a short investment time horizon (1–3 years). You want to know that your money is safe, and you are willing to accept lower returns on your investments as a result.

**MEDIUM**

You have a medium tolerance for risk. You are willing to accept that your investments will see small fluctuations, but nothing crazy. You have a medium investment time horizon (3–6 years).

**HIGH**

You have high tolerance for risk. You have extensive investment knowledge and have a long investment time horizon (at least 5–10 years). You are willing to accept large losses in exchange for potential long-term gains.

## Segment 4: Responsible Investing

Now that you have considered your goals, the next step is to do your research. Complete Table 1.3 using [ca.finance.yahoo.com](http://ca.finance.yahoo.com) to complete columns 1–4 and [csrhub.com](http://csrhub.com) to complete column 5. For both websites, use the search bar to help find information on a specific company. Start with the two examples provided before identifying and researching two companies of your choice

Company Name	Ticker	Sector	Past Performance Is the price rising, falling, or staying stable	ESG Rating	Reason to Buy
1	2	3	4	5	6
Microsoft Enterprise	MSFT	Com. services	_____	99	_____
Telus Corporation	T.TO	Tech.	_____	98	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Table 1.3