

Risk and Return Trade-Offs Game

Instructions:

- **Place the seven Floor Markers (Mattress, Savings Accounts, CDs, Bonds, Stocks, Mutual Funds, and Real Estate) around the room.**
- **Tell the students that each of them has \$5,000 to invest. Ask them to stand up and show where they would put their money.**
- **When all of the students have chosen a position, ask them to explain their decisions.**
- **Explain that students may be able to make better decisions if they have more information about the situation.**
- **Give them different investment scenarios and ask them to show where they would put their money. Ask students to explain their decisions for each.**
- **Discuss how investment decisions can change depending on the circumstances.**

Investment Situations:

Where will you put your money?

- 1. You have \$5,000 to invest. No other information is available.**
- 2. You have \$4,000 that you'll need six months from now.**
- 3. You inherited \$10,000 from your great-aunt; she has suggests that you save it for use in your old age.**
- 4. You are just starting a career and can save \$50 per month for retirement.**
- 5. A new baby arrives, and Mom and Dad plan to save \$100 a month for the child's college-education.**

MATTRESS



SAVINGS ACCOUNT



CDs

3.50%
APY

6-month CD

BONDS



STOCKS



MUTUAL FUNDS



REAL ESTATE

