

NAME: \_\_\_\_\_

DATE: \_\_\_\_\_

## ACTIVITY

## Financially Me: Personal Investment Pyramid

**What + Why:** Put your financial knowledge to work by designing a \$500 plan that reflects your goals and risk comfort.



You just received \$500 as a graduation gift from a family member! Rather than spend it, you decide to make a thoughtful long-term financial decision instead. How will you use your \$500 to help support your long-term financial goals? Showcase your plans by placing your own allocation on the investment pyramid and reflecting on what those choices reveal about your risk tolerance.

Your **Investment Pyramid** will become the Financially Me component of your FinanceFolio for this topic.

**Instructions:****Part 1: Build Your Investment Pyramid**

1. Using the investment pyramid, decide how to use your \$500 to build your financial future.
2. Enter the dollar amount for the levels of the pyramid you choose to fund.
3. For each level you chose to fund, write 1–2 sentences explaining your reasoning. (In your explanation, address at least two of the following: your time horizon, your risk tolerance, your liquidity needs, or how your choices reflect diversification.)

A long-term goal I'd use this \$500 to build toward: \_\_\_\_\_

The diagram shows an investment pyramid divided into three horizontal sections. The top section is a small triangle with a red border, the middle is a trapezoid with an orange border, and the bottom is a large trapezoid with a green border. Each section contains a dollar sign followed by a blank line for a dollar amount. To the right of each section is a rectangular box with a matching border (red, orange, and green respectively) containing the text '1-2 sentences for this level:' followed by a blank space for writing.

| Pyramid Level   | Amount (\$) | Explanation (1-2 sentences)         |
|-----------------|-------------|-------------------------------------|
| Top (Red)       | \$ _____    | 1-2 sentences for this level: _____ |
| Middle (Orange) | \$ _____    | 1-2 sentences for this level: _____ |
| Bottom (Green)  | \$ _____    | 1-2 sentences for this level: _____ |

## Part 2: Apply the Rule of 72

Remember, the Rule of 72 provides an estimate using simplified average growth assumptions.

- Using one of the interest rates provided below, apply the Rule of 72 to estimate how long it will take one of your investments to double.

| Interest Rates              |
|-----------------------------|
| High-Growth Investments: 8% |
| Moderate Investments: 5%    |
| Low-Growth Investment: 2%   |

## Submission:

Turn in your completed work as directed by your teacher.