

4. MODULE - RISK ASSESSMENT CASE STUDIES

Financial Literacy Curriculum for Deaf Youth



Version 1.0

4. MODULE PLAN AND CONTENT

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1. MODULE PLAN: Advanced Investments and Risk Management

Module Plan	Partner Contribution
Partner	Fondazione Istituto dei Sordi di Torino ONLUS
Module Title	Advanced Investments and Risk Management.
Duration	4 hours
Learning Objectives	<p>By the end of this module, participants will be able to:</p> <ul style="list-style-type: none"> ▪ Understand basic concepts in investments and risk management. ▪ Explore the impact of economic variables on investment decisions. ▪ Learn how to assess investment risks using different strategies and tools.
Key Topics	<ul style="list-style-type: none"> ▪ Fundamental principles of investment. ▪ Types of investments and associated risks. ▪ Risk management strategies and their applications.
Lesson Plan	<p>1. Introduction (30 minutes)</p> <ul style="list-style-type: none"> • Brief Overview of the Module: This module will introduce participants to advanced concepts of investments and risk management, focusing on making informed financial decisions. • Icebreaker Activity: "Investment Bingo": Participants receive a bingo card with investment terms. They mingle to find peers matching definitions/terms, promoting engagement and fostering a conversational atmosphere. • Teaching Methodology: Presentation & Group discussions to engage all participants.

Module Plan	Partner Contribution
	<p>2. Topic 1: Understanding Investments (60 minutes)</p> <ul style="list-style-type: none"> • Main Points to Cover: <ol style="list-style-type: none"> 1. Definition of investments and their purposes. 2. Overview of different asset classes (e.g., stocks, bonds, real estate). 3. The principle of risk versus return. • Activity: "Investment Class Simulation": Divide participants into groups, and each group is assigned an asset class to research and present a brief overview, focusing on risk levels and potential returns. • Materials: Use the financial signs map and glossary to assist in the group presentations. Participants can use signs related to their asset class to aid in understanding and communication. • Teaching Methodology: Group presentations combined with visual aids and practical exercises. <p>3. Topic 2: Risk Assessment in Investments (60 minutes)</p> <ul style="list-style-type: none"> • Main Points to Cover: <ol style="list-style-type: none"> 1. Types of investment risks (market risk, credit risk, liquidity risk). 2. The importance of risk assessment in investment strategies. 3. Tools and methods for risk analysis. • Activity: "Risk Assessment Case Study": Groups will analyse a real investment scenario, identifying risks and potential impacts, then present findings to the class.

Module Plan	Partner Contribution
	<ul style="list-style-type: none"> • Reference: Reference the provided video to illustrate risk types and analysis methods, encouraging participants to interpret key points visually and through discussion. • Teaching Methodology: Group work and guided analysis, supplemented by visual resources. <p>4. Topic 3: Risk Management Strategies (60 minutes)</p> <ul style="list-style-type: none"> • Main Points to Cover: <ul style="list-style-type: none"> ▪ Strategies for mitigating investment risks. ▪ Diversification and its significance. ▪ Developing a personalized risk management plan. • Activity: "Create Your Risk Management Plan": Each participant will develop a simple investment portfolio and detail how they would manage risks related to their choices. • Materials: Participants will utilize the financial signs glossary to present their ideas and plans to the class, incorporating sign language to enhance understanding. • Teaching Methodology: Peer teaching through presentations, critical discussion, and application of concepts learned. <p>5. Wrap-up and Assessment (30 minutes)</p> <ul style="list-style-type: none"> • Review Key Points: The trainers will re-emphasize the key learning outcomes of the module. • Assessment Activity: "Investment and Risk Quiz": A short quiz focusing on key concepts covered in the module to gauge understanding. Trainers can use Kahoot or any other platform.

Module Plan	Partner Contribution
	<ul style="list-style-type: none"> • Teaching Methodology: Group reflection and individual assessments to affirm knowledge retention and engagement.
Materials Needed	<ul style="list-style-type: none"> ▪ Projector and screen for presentations. ▪ Financial signs map (available online). ▪ Financial signs glossary. ▪ Access to the YouTube video: "Investments". ▪ Whiteboard and markers for brainstorming.
Deaf Role Model Integration	Including a deaf financial advisor or a deaf with experience in investment as a guest speaker or role model can inspire participants. They can share personal investment experiences, conveying principles in a relatable manner, enhancing the learning atmosphere and showcasing potential success in investment fields.
Adaptations for Different Delivery Formats	<ul style="list-style-type: none"> ▪ Online: utilize tools like Zoom or Google Classroom. Adapt the icebreaker to a virtual "Investment Trivia" game, and ensure all materials, like the video and maps, are accessible digitally. Visual presentations should be enhanced with captions or interpreters. ▪ In-person: The training base is set in an online modality.
Additional Resources	<ul style="list-style-type: none"> ▪ "Investopedia" for detailed articles on investments and risk management. ▪ https://www.youtube.com/watch?v=ziGFyjMqcQ4&list=PLobPUpwB7x3POotxBnZKIk0kBKCHdTTn0&index=9

2. MODULE CONTENT: Advanced Investments and Risk Management

Content	Description	Content
Lesson Content	Fundamentals of investing	<p>1. Understanding Investments</p> <p>What is Investing?</p> <ul style="list-style-type: none"> • Definition: Investing = putting resources (like money) into assets with the hope of making profit. <p>Asset Classes</p> <ul style="list-style-type: none"> • Types of Assets: <ul style="list-style-type: none"> ○ Stocks (ownership in companies) ○ Bonds (loans to companies/government) <p>Key Concept:</p> <ul style="list-style-type: none"> • Risk vs. Return <ul style="list-style-type: none"> ○ Graphic: A scale balancing risk (fire symbol) and return (money symbol). ○ Explanation: Higher returns usually mean higher risks. <p>2. Risk Assessment in Investments</p> <p>Types of Risks</p> <ul style="list-style-type: none"> • Market Risks: Value goes down when market fluctuates (stock market). • Credit Risks: Borrowers may not pay back (loans).

Content	Description	Content
		<p>Understanding Risks:</p> <ul style="list-style-type: none"> • Graphic: A checklist showing key factors to evaluate: <ul style="list-style-type: none"> ○ Personal risk comfort level (smiley face for comfort, frown for discomfort). ○ Economic factors (money bag decreasing). <p>3. Risk Management Strategies</p> <p>Why Manage Risks?</p> <ul style="list-style-type: none"> • Goal: Protect investments and ensure long-term growth. <p>Effective Strategies:</p> <p>1. Diversification</p> <ul style="list-style-type: none"> ○ Definition: Spread investments across different assets or sectors. ○ Graphic: A pie chart showing different slices for various assets. <p>2. Research and Analysis</p> <ul style="list-style-type: none"> ○ Graphic: A magnifying glass over financial document. ○ Checklist: Evaluation criteria. <p>3. Custom Risk Management Plan</p> <ul style="list-style-type: none"> ○ Graphic: A roadmap leading to financial goals (with milestones).

Content	Description	Content
		<ul style="list-style-type: none"> ○ Symbols: Road signs representing different goals (retirement, buying a house).
Video summary		<p>Title: “Investments” (Duration: 5 minutes)</p> <p>Link: https://www.youtube.com/watch?v=ziGFyjMqcQ4</p> <p>Summary: “Investments video provides an engaging overview of investments and risk management concepts, illustrating how to evaluate risks associated with different investment strategies.”</p>
Activity	<p>Investment Class Simulation (20 minutes).</p> <p>Risk Assessment Case Study (30 minutes).</p> <p>Create Your Risk Management Plan (30 minutes).</p>	<ol style="list-style-type: none"> 1. <i>Investment Class Simulation:</i> Each group researches their assigned asset class, then presents using the financial signs map for key terms. 2. <i>Risk Assessment Case Study:</i> Groups analyse a provided scenario, discussing risks and creating a group presentation using visuals. 3. <i>Create Your Risk Management Plan:</i> Develop a portfolio and present it to classmates using the signs from the financial map and glossary to communicate their strategies.

Content	Description	Content
Assessment	Multiple choice	<p>1. What are the three main types of investment vehicles discussed?</p> <ul style="list-style-type: none"> A. Real estate, options, and futures B. Stocks, bonds, and mutual funds C. Commodities, cryptocurrencies, and ETFs D. Savings accounts, certificates of deposit, and treasury bills <p>2. Define the term 'diversification' in the context of investing.</p> <ul style="list-style-type: none"> A. Investing all funds in a single asset B. Spreading investments across different asset categories to reduce risk C. Using leverage to increase investment returns D. Investing in only high-risk assets to maximize gains <p>3. What is one major risk factor in investing?</p> <ul style="list-style-type: none"> A. Interest rate risk B. Market risk (or credit risk, liquidity risk, etc.) C. Inflation risk D. All of the above

Risk Assessment Case Studies

Case Study 1: Stock Market Investment

Scenario: A young investor, Alex, is interested in investing in shares of a tech company that has recently been in the news for its innovative products. Alex has 1,000€ to invest.

Questions to Consider:

1. **Market Risk:** What might happen to Alex's investment if the stock market crashes?
 - Discuss how the market's overall performance can affect individual stocks, and the potential losses Alex might face if the tech sector declines.
2. **Liquidity Risk:** How easy will it be for Alex to sell his shares if he needs cash quickly?
 - Explore whether tech stocks are usually liquid and what the consequences of low liquidity might be for Alex.
3. **Credit Risk:** Does the tech company have a good credit rating?
 - Discuss how the company's creditworthiness could affect Alex's investment and whether he should consider that before investing.

Case Study 2: Real Estate Investment

Scenario: Taylor is considering purchasing a small rental property in their town for 150,000€. They believe that renting it out will generate income.

Questions to Consider:

1. **Market Risk:** What could happen if the real estate market declines?
 - Discuss how a decrease in property values could impact Taylor's investment when they want to sell or rent the property.
2. **Credit Risk:** If Taylor takes out a loan to buy the property, what factors should they consider about the lender's reputation?
 - Talk about the importance of understanding loan terms and the lender's stability.
3. **Liquidity Risk:** How easily can Taylor sell the property if they decide to move?
 - Consider the factors that can affect property sales and the potential long duration it might take to find a buyer.

Case Study 3: Cryptocurrency Investment

Scenario: Jordan is excited about investing 500€ in a popular cryptocurrency that has been rapidly increasing in price.

Questions to Consider:

1. **Market Risk:** What volatility should Jordan expect from investing in cryptocurrency?
 - Explain how cryptocurrencies can be highly unstable and can experience rapid price changes.
2. **Liquidity Risk:** How quickly can Jordan sell their cryptocurrency if they need cash?
 - Discuss whether cryptocurrency exchanges have enough buyers at any time and the potential delays in selling.
3. **Credit Risk:** What are the risks associated with the cryptocurrency's network and its providers?
 - Talk about the importance of the operational security of the blockchain and the risk of hacking or fraud.

Case Study 4: Mutual Funds Investment

Scenario: Sam wants to invest 1,200€ into a mutual fund that focuses on sustainable energy. They are interested in how this investment might grow.

Questions to Consider:

1. **Market Risk:** How might changes in government policies impact the value of Sam's mutual fund?
 - Discuss how market fluctuations and regulatory changes could affect sustainable energy companies.
2. **Liquidity Risk:** Are mutual funds easily redeemable, and what might that mean for Sam?
 - Explain how mutual fund redemption works and any possible delays or fees involved.
3. **Credit Risk:** What happens if companies within the mutual fund fail to repay their debts?
 - Explore the implications of credit risk on the overall performance of the mutual fund and how it impacts Sam's investment.

Teaching Tips

- Encourage visual discussions by using charts or graphs related to each case study.
- Have participants work in groups to discuss potential risks and solutions for each scenario.
- Use the provided video to emphasize the types of investment risks and the importance of risk assessment visually.
- Allow time for groups to present their findings, promoting engagement and discussion.