

Spring 2021 InvestWrite Question All Grades

What do you want to save for in the short-term and in the long-term? Why are these things important and how will they benefit you and/or others? Using stocks, mutual funds, and/or bonds, how would you create a diversified, \$100,000 Stock Market Game portfolio to be successful for both time frames?

Performance Objectives

Students will be able to:

- Develop social/emotional learning skills related to self-awareness, decision-making and setting goals
- Utilize critical thinking skills to apply concepts and terminology from the Stock Market Game
- Identify the main ideas in the InvestWrite prompt
- Write an essay that informs and/or persuades its readers
- Use appropriate grammar, spelling, structure, and language to convey intent

Middle School

Student: Sam Z.

Have you ever saved money for a beneficial short-term and long-term purchase? In the short-term and long-term, I would like to save money for many important and beneficial things from daily needs, goods, and services that will help others and I in life, short-term, all the way up to a home that my future family and I can live comfortably in, long-term. When using stocks, mutual funds, and bonds, I would create a diversified, \$100,000 Stock Market Game portfolio that would be successful for both time frames by doing my research and often calculating trends, reading news articles, and analyzing graphs on the financial situation and news about companies of my financial interest to invest in.

Saving for something in the short-term means saving money by setting some aside each day, investing money, or doing both to make a purchase after saving that money for a short period of time. Saving for something in the long-term is the same process but the money for the purchase is saved over a generally long period of time. I would like to save and invest money for daily needs, goods, and services that I will share with my family and friends in the short-term. For the long-term I would like to save money for a home. People should try to save or invest their money in an organized way for both beneficial short-term and beneficial long-term purchases. An organized strategy varies for each person but usually consists of putting some money aside periodically, investing money periodically, or researching and investing a large sum of money. No matter the strategy used, just by being organized a person can surely save for their short-term and long-term purchases. Even with an organized strategy you must still have control to not break into and use your savings.

Daily needs, goods, and services, short-term, will benefit others and I because I will share all of them with my family and friends. The needs will keep us alive, the goods will help with our mental health, and the services will help us out when we are busy. All of this makes these short-term purchases beneficial to both others and me. A home, long-term, will benefit others and I because I will share it with my future family giving both them and I a good shelter. Although a home will be expensive with a well-organized saving and investing strategy this money can be saved within a long period of time. All of this makes this long-term purchase beneficial to both others and me.

When using stocks, mutual funds, and bonds to create a diversified, \$100,000 Stock Market Game portfolio that would be successful for both time frames, I do my research and often calculate trends, read news articles, and analyze graphs, on the financial situation and news about companies of my financial interest.

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This is key when trading stocks, a portion of a publicly traded company, because you do not want to purchase stocks in a company that's stocks will drop therefor leading you to losing money. You want to purchase stocks in a company whose stocks will rise therefore leading you to make money. Although the stock market is highly unpredictable, by researching the stocks you are interested in trading, looking for steadily rising stocks, and trying to "Buy low, [and] sell high" the chances of you making a profit will go up greatly. By trading stocks wisely and doing sufficient research you will be able to save for both short-term and long-term purchases. These same ideas for stocks apply to mutual funds, another way to diversify your portfolio successfully for both time frames. On investor.gov it stated, "A mutual fund is a company that pools money from many investors and invests the money in securities such as stocks, bonds, and short-term debt. The combined holdings of the mutual fund are known as its portfolio. Investors buy shares in mutual funds." One last way to diversify your portfolio successfully for both time frames is by benefiting from a somewhat different investment called bonds. On investor.vanguard.com it stated, "Bonds are issued by governments and corporations when they want to raise money. By buying a bond, you're giving the issuer a loan, and they agree to pay you back the face value of the loan on a specific date, and to pay you periodic interest payments along the way, usually twice a year. Unlike stocks, bonds issued by companies give you no ownership rights." The company's financial situation has no effect on your bonds, but only if the company still has the necessary resources to remain current the loans. You can both hold and trade bonds for both short-term and long-term savings. Like always research is important before investing in a bond. You can use just one, two, or all three of the investment strategies, stocks, mutual funds, and bonds to create a more diverse portfolio.

Overall, in both the short term and long term, I would like to save money for many beneficial and important things from daily needs, services, and goods that would help others and me in life, short-term, up to the long-term purchase of a home. When using stocks, bonds, and mutual funds, I would create a diversified, \$100,000 Stock Market Game portfolio that would be successful for both time frames by doing my research on the financial situation and news from companies of my investing interests.