

Case Study #3

Francine Alexander is 32 years old. She and her husband live in a home which they purchased two years ago and are making mortgage payments on. They both have stable jobs and share a car between them. They have no children right now but are planning to have some in the next few years. They want to start planning for their retirement now even though they don't expect to retire until they are in their late 50's. They can afford to lose some money in the short term provided that the investments grow in the long-term.

Score _____ Type of Investor _____

Case Study #4

Daniel Chan is 18 years old and is saving up for a car. He is in his last year of high school and has had a part-time job for the past 2 years. He has his dad's old car right now but wants to get a new one in the next 3 years. He can't afford to lose any money because he doesn't have much in his bank accounts right now.

Score _____ Type of Investor _____

1. Who is able to take the most risks with their investments, Francine or Daniel? Justify your choice with at least two reasons. Who: _____
Reasons _____

2. What changes might occur in the lives of Francine and her husband that would require them to make changes to their investment plans?

3. Considering your answer to question 2, why is it important for investors to review their situations and investment strategies on a regular basis?

