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The Journey of Unemployed Adults from Financial Literacy to Entrepreneurship

Financial Literacy Curriculum Content

2021-1-TR01-KA220-ADU-000033446

MODULE 1: Finance For All

Lesson 7: Investment

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Lesson 1: Investment

Investing is a broad term indicating that your savings generate income. Similarly, to how there is no investment without saving, there is no investment without saving. Investing entails putting your money to work in one or more types of investment vehicles in the hopes that it will grow over time. Simply put, in order for your money to increase in value, you must invest.

Investment is the evaluation and application of savings to gain value. Even though there are various investment instruments, the profit and loss returns of investment instruments vary.

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Lesson 1: Investment

Humans have traded, bought, sold, saved, and evaluated their savings since ancient times. Everywhere there are people and business, new financial needs arise. Over time, many financial instruments have been developed for individuals and institutions. You may think investing increases your wealth while preserving it. Your money will lose worth if it's idle; like a working iron, it must work.

As an employee, you undoubtedly set aside some of your monthly salary. If you own a stationery store, you probably save your autumn profits for future expenses. Your money should be working rather than lying dormant till needed. Also, financial instruments meet this criteria.

Financial goods all started with a need.

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"To ensure that your savings grow, do not depreciate, and do not lose purchasing power due to inflation, you must view them as investment instruments."

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What are the investment instruments?

There are numerous opportunities for investment, including stocks, time deposits, BES, gold, foreign exchange, bonds, mutual funds, real estate, and even starting a business. The manner in which you evaluate which of these is dependent on your risk profile and expected return. While no investment vehicle provides a money-making guarantee, you can increase your chances of becoming a successful investor by doing some work.

When making investments analysis, research & consultation will be your greatest assets.

Some investment instruments necessitate in-depth knowledge, constant monitoring, and close attention, whereas others are simpler to comprehend and encourage forgetfulness. You should base your investment decisions on your risk tolerance and the amount of time you are willing to devote to research.

What are the investment instruments?

Time deposit is one of the least risky forms of investment.

Stocks are the valuable papers that capital companies give to their partners to certify their capital shares. The person or persons who purchase a company's shares become its partners.

Foreign exchange involves the purchase of one country's currency and the sale of another.

Numerous types of investments exist, including **gold**, **real estate**, **mutual funds**, and **virtual currencies**.

It is worth noting that the choice to be made among investment instruments is extremely personal. You can make better investment plans by improving your financial literacy and taking stable and solid steps.

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Why is investment so important?

Investment is an extremely important concept not only for high-income individuals, but also for those just beginning their financial lives.

Everyone is now aware that in the face of ever-increasing inflation, money held in reserve loses value. Because of this, it is essential for everyone to evaluate their savings through investing.

Low risk and high return are the most important investment considerations. Obviously, no investment instrument can guarantee this ideal balance, but rational investments can provide the desired risk profile and return.

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Goals & Risks

- What are your goals for the money you will invest?
- Is the security of your principal sufficient as well as some earnings?
- Are you trying to save money for a long-term goal, like a good education for your children or a comfortable retirement for yourself?

It is extremely important to set goals in your investments, as well as in your savings, in order to manage your money correctly.

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Goals & Risks

You may even have different investments for different goals.

The point is, before you decide to put money into any investment, you must understand why you're investing and the outcome you're looking for. Risk can mean many things, but in the context of investing it can also mean the risk of losing money for you.

In other words, there is always a risk that the amount of money invested will probably fall in value to zero.

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