

## Sample Assignment | Financial Acumen II

### Purpose:

This document provides an example assignment for a financial acumen competency.

### M8.L3 Investment Plan Assignment

#### Assignment Overview

Review your SMART goals for savings and investing. Create an investment plan for achieving one or more of these long-term goals. (Word count: 700 – 1,200 words) [...]

The rubric for this assignment is worth a total of 30 points. A 90% score is required to advance. To achieve 90%, you will need to score 27 out of 30 or better by achieving “Highly Developed” or “Developed” for each criterion. Any criterion with a “Not Yet Developed” score, even with an overall score of 27 out of 30, does not meet the standard required for passing.

#### Assignment Steps

1. **Define your primary long-term goal.** This goal can be a comfortable retirement, home ownership, education, or any goal that requires time to establish funds to accomplish that goal.
2. **Establish short and medium-term goals** that will contribute to the success of your long-term goal.
  - a. These can include anything from what you need to do today to what you need to do ten years from now.
  - b. Be specific and consider how each of your short-term goals connects to a medium-term goal and ultimately contributes to the accomplishment of your primary long-term goal.
3. **Consider your comfort level with risk.** If you aren’t sure what your financial risk tolerance is, consider taking a risk assessment like the one found on the University of Missouri website.  
[Mizzou Investment Risk Tolerance Assessment.](#)
4. **Establish your timeline.** For example, if your long-term investment goal is to have enough to retire and live comfortably at 65 years old, the amount you need will look different depending on your current age. If your long-term goal is homeownership and you need a down payment of 20% to accomplish your goal, consider when you would like to make the purchase.

- a. Consider how aggressive you need to be to accomplish your long-term goal within your timeframe.
  - b. Once you evaluate how aggressive you need to be, assess the level of risk required to accomplish your goal within your established timeframe.
  - c. Assess how your level of aggressiveness will impact your funds. As you develop your plans, consider the following questions:
    - i. What is most important to you, protecting the principal of your investment or meeting your goal within a shorter timeline? (Remember that keeping your risk low and extending your timeline are more prudent.)
    - ii. Will accomplishing your goal require a high level of risk with all your funds?
    - iii. If your plan indicates you will only place a portion of your funds in higher risk investments, what percentage will you set aside? How will you invest those funds?
5. **Be realistic about the gains you can make** by considering the long-term success of different investments.
6. **Plan your investments.**
- a. How much of your income can you invest each month?
  - b. Are you starting with a nest egg or larger sum? How does this impact your plan?

### **Sample Submission Outline**

1. **Situation/goal(s):** Describe the long-term goal you have selected (ideally from the Personal Financial Goals assignment). If this includes short and/or medium-term goals to achieve this long-term goal, discuss them here.
2. **Risk Tolerance:** Explain and discuss your financial risk tolerance
3. **Timeline:** Explain your timeline and the impact that timeline has on the achievement of your goal(s).
4. **Investment Plan:** Explain how much you can save/invest each month, if this is adding to existing savings, and how you will contribute to this going forward.
5. **Conclusion:** Explain what you have learned from this exercise.

This content should be presented in 2 to 3 pages of 1.5 line spacing which should be about 700 to 1,200 words.