



## Finance

*A Note on Teamwork and Presentations to Further Connect WRS to the Activity:*

- Identify the competency or unit in your program that would be most appropriate for teaching this activity synchronously. Students learn best in context.
- Divide the class into competitive teams (at least two).
- Have the teams brainstorm ideas and establish rules for brainstorming: all ideas are accepted.
- Have teams arrive at consensus and choose their best idea to propose.
- Teams should establish norms, roles, and expectations for team members.
- Teams will clearly define their mission and the idea of their proposals.
- The teacher should act as the judge of the quality and feasibility of the ideas.
- Teacher should also provide enough background to get students started and monitor student behavior along the way, providing helpful feedback when necessary.
- Students should share work and reflect on how well the team worked together.

## Introduction

This Career Cluster groups career titles that focus on planning, services for financial and investment planning, banking, insurance, and business financial management.

*Note:* Ask students to list careers in the Finance Cluster that require mastery of technical skills. Where will your program lead them?

The use of AI is expected to be a major influence on all aspects of finance and decision making.

*Note:* Teachers may ask the students what they think the top job trends are before revealing the following list. This makes for a nice ice breaker activity.

## Finance Rapidly Growing Job Opportunities (2024)

1. Accountants and Auditors
2. Financial Managers
3. Treasurers and Controllers
4. Actuaries
5. Insurance Sales Agents
6. Financial and Investment Analysts
7. Financial Quantitative Analysts



8. Financial Risk Specialists
9. Financial Specialists, All Other
10. Fraud Examiners, Investigators and Analysts

—[O\\*Net Online](#)

## Scenario

### Context

You are partner at a newly established financial investment firm. The other partners are your classmates.

*Note: This activity works best if you have two competing firms.*

Your team has \$20 million in investable funds. These funds are supplied by clients. Your firm plans on staying in business for many years, growing its assets and client base, and must manage risk accordingly.

### Create a Class Presentation or Report

- a. Work with your team to choose the best investment strategy across possible asset classes. Identify what percentage of your \$20 million goes where.
- b. How do you break down or diversify investment within asset classes?
- c. If stocks are a part of your investment strategy, choose only five current stocks, and justify their selection.
- d. Justify all decisions. Part of your justification should include how you manage risk and what you anticipate will have higher rates of return.
- e. Add to your strategy at least one question and answer from each of the five WRS areas which follow in the WRS Connection section.

**Diversification** is a crucial strategy for financial firms to manage risk and optimize returns. Here are some ways to achieve diversification:

1. **Asset Class Diversification:**
  - Financial firms invest across different **asset classes**, such as **stocks, bonds, cash, real estate, and commodities**.
  - By spreading investments across various asset types, they reduce the impact of poor performance in any single category.
2. **Within-Asset-Class Diversification:**
  - Even within an asset class (e.g., stocks), firms diversify by investing in **different sectors** (e.g., technology, healthcare, finance).
  - They may also choose **large-cap, mid-cap, and small-cap** stocks to balance risk.
3. **Geographic Diversification:**



- Financial firms invest globally to reduce reliance on any specific country's economy.
- They allocate funds across regions, considering factors like economic stability, growth prospects, and political risks.
- 4. **Industry Diversification:**
  - Firms avoid concentrating investments in a single industry.
  - By diversifying across industries (e.g., tech, energy, consumer goods), they mitigate sector-specific risks.
- 5. **Currency Diversification:**
  - Investing in different currencies helps firms hedge against exchange rate fluctuations.
  - Currency diversification reduces the impact of currency depreciation.
- 6. **Time Horizon Diversification:**
  - Firms manage portfolios with varying investment horizons (short-term, medium-term, long-term).
  - This ensures liquidity while allowing for growth over time.
- 7. **Alternative Investments:**
  - Firms explore non-traditional assets like **private equity, venture capital, and hedge funds**.
  - These provide diversification beyond stocks and bonds.

[Remember, diversification doesn't eliminate risk entirely, but it helps financial firms navigate market volatility and achieve more stable returns.](#)

Once reports are submitted, measure results over time. However, students should understand differences between short-term and long-term risk and returns.

## WRS Connection

Each of the following Workplace Readiness Skills with their definitions is followed by a series of process questions that students may pull from and answer to include within their presentations. Choose the most relevant questions in each of the five skill areas.

1. Creativity and Innovation—We define creativity and innovation as:

- Discussing the importance of creativity and innovation in the workplace
- Brainstorming and contributing ideas, strategies, and solutions
- Developing and/or improving products, services, or processes
- Identifying and allocating available resources.

### Process Questions



- a) Sometimes, creative ideas represent a disruption or change to the same pattern or way of doing things. In what way is your investment strategy creative and innovative?
- b) When deciding how to arrange your team and start your proposal, what was your creative process?
- c) What might be an innovation in investment strategy?
- d) How might you change your proposal to make it even more innovative?
- e) How might you make your trend into a more widespread accepted practice?
- f) How would you summarize your proposal as a quick pitch?
- g) What resources are needed to execute your proposal: time, people, technology? Finding and applying resources effectively is creative.
- h) There are two ways of seeing and thinking about the future: pessimistically and optimistically. In investing, either option can be particularly creative? How can you take advantage if you predict a negative market downturn or recession?

2. Critical Thinking and Problem Solving—We define critical thinking and problem solving as:

- Recognizing and analyzing problems
- Evaluating potential solutions and resources
- Using a logical approach to make decisions and solve problems
- Implementing effective courses of action.

**Process Questions**

- a) What is the main problem you are trying to solve when considering investment strategies?
- b) How do investors manage their risk?
- c) What are unknown variables that could negatively affect or change your investment strategies?
- d) What problems arise when managing your team?
- e) How did you get your team to agree with the strategy?
- f) What resources, if any, did you consult to help you create your investment strategy?
- g) How important do you think critical thinking is when creating an investment strategy? Explain.
- h) How is data analysis affected by critical thinking? What types of data analysis did you complete for this project?
- i) What was the main problem(s) you encountered when creating your report, and how did you resolve them?



3. Initiative and Self-Direction—We define initiative and self-direction as:

- recognizing the importance of proactive, independent, decision-making
- identifying workplace needs
- completing tasks with minimal direct supervision
- applying solutions.

**Process Questions**

- a) Who on your team took a leadership role? Describe.
- b) Did team members complete their tasks without being managed? Describe.
- c) What does initiative have to do with creativity and this project?
- d) How do you measure success in investing?
- e) Did competing with another team motivate you to succeed? Why or why not? What additional forms of competition might have been motivation to act in a certain way?

4. Integrity—We define integrity as:

- recognizing the importance of having integrity in the workplace
- complying with local, state, and federal laws
- adhering to workplace policies and procedures
- exhibiting honesty, fairness, and respect toward self, others, and property.

**Process Questions**

- a) What ethical guidelines restrict the investment industry?
- b) How can some investment strategies be more ethical than others? Think about how your investment might be beneficial to the environment or to underserved populations.
- c) How much did your team borrow from current investment models or strategies? Did you use AI?
- d) Did any ethical/fairness issues arise when working with your team? If so, how did you resolve them?

5. Work Ethic—We define work ethic as:

- demonstrating diligence (e.g., working with persistence to accomplish a task)
- maintaining dependability (e.g., being reliable)
- accounting for one’s decisions and actions
- accepting the consequences of decisions and actions.



## Process Questions

- a) Did you disagree with any of your team's investment decisions? How did you react? Did it affect your work?
- b) What setbacks did you encounter and how did you resolve to work through them?
- c) How did you show resilience and drive and a positive mindset as you worked with persistence to create a good proposal? Is there a correlation between having a good attitude and creating a good final product?
- d) Were your contributions overlooked, underpraised, or rejected? Did that affect your work ethic?
- e) How did you do your part or perhaps more than your fair share? Did you help others complete their tasks?

We strongly encourage teacher feedback on these activities, if implemented, as well as success stories and examples of your completed work. Reviews may be sent to Darren Morris, Instructional Designer, CTECS, [dmorris@ctecs.org](mailto:dmorris@ctecs.org).

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**For teachers who wish to expand the activity into a larger project, the following PBL Design Principles and Teaching Practices are provided**

### **PBL Project Design Principles**

1. **A Challenging Problem or Question:** The project is framed by a meaningful problem to be solved or a question to answer, at the appropriate level of challenge
2. **Sustained Inquiry:** Students engage in a rigorous, extended process of posing questions, finding resources, and applying information.
3. **Authenticity:** The project involves real-world context, tasks and tools, quality standards, or impact, or the project speaks to personal concerns, interests, and issues in the students' lives.
4. **Student Voice & Choice:** Students make some decisions about the project, including how they work and what they create, and express their own ideas in their own voice.
5. **Reflection:** Students and teachers reflect on the learning, the effectiveness of their inquiry and project activities, the quality of student work, and obstacles that arise and strategies for overcoming them.
6. **Critique & Revision:** Students give, receive, and apply feedback to improve their process and products.
7. **Public Product:** Students make their project work public by sharing it with and explaining or presenting it to people beyond the classroom.



## **PBL Teaching Practices**

1. **Design & Plan:** Teachers create or adapt a project for their context and students, and plan its implementation from launch to culmination while allowing for some degree of student voice and choice.
2. **Align to Standards:** Teachers use standards to plan the project and make sure it addresses key knowledge and understanding from subject areas to be included.
3. **Build the Culture:** Teachers explicitly and implicitly promote student independence and growth, open-ended inquiry, team spirit, and attention to quality.
4. **Manage Activities:** Teachers work with students to organize tasks and schedules, set checkpoints and deadlines, find and use resources, create products and make them public.
5. **Scaffold Student Learning:** Teachers employ a variety of lessons, tools, and instructional strategies to support all students in reaching project goals.
6. **Assess Student Learning:** Teachers use formative and summative assessments of knowledge, understanding, and success skills, and include self and peer assessment of team and individual work.
7. **Engage & Coach:** Teachers engage in learning and creating alongside students, and identify when they need skill-building, redirection, encouragement, and celebration.