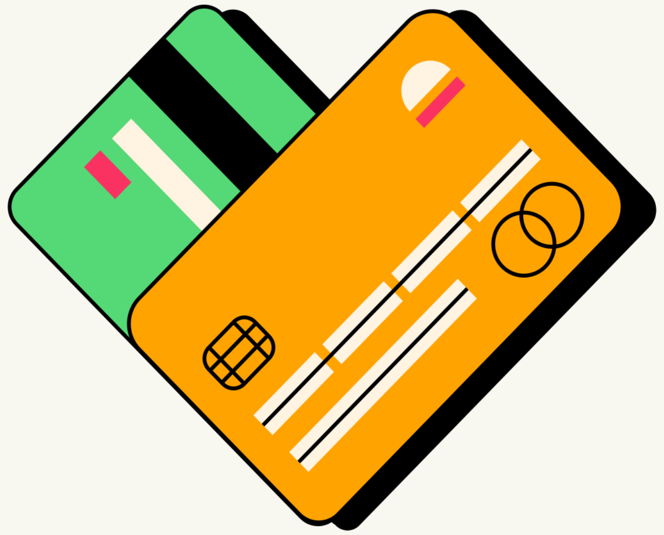
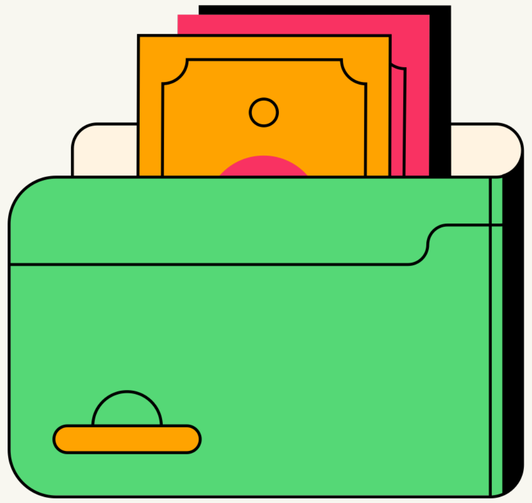
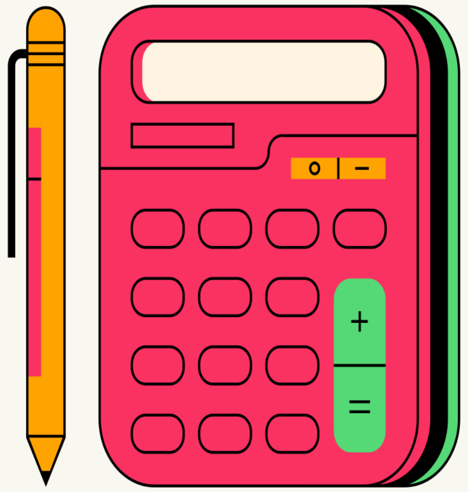
Building Financial Futures

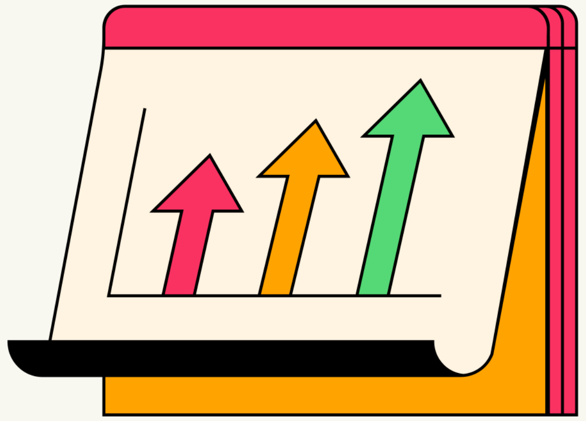




Investing Basics for Teens



ILEAD Youth Leadership Summit | March 7, 2026



Presented by Oregon Council on Problem Gambling
Contact information: glenn@oregoncpg.org

Agenda

01 INTRODUCTION

02 PRINCIPLES OF INVESTING

03 INVESTMENT TYPES

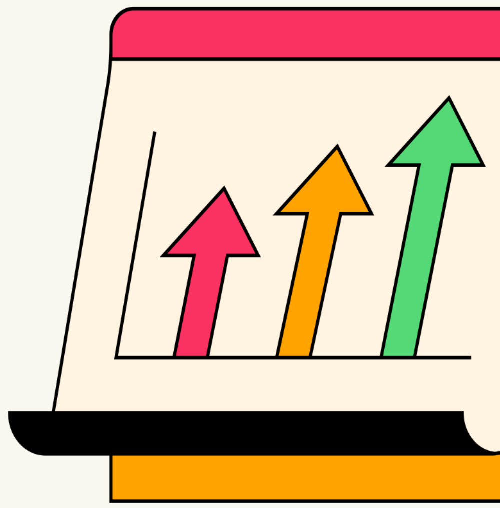
04 INVESTMENT VEHICLES

05 SAMPLE PORTFOLIOS

06 HOW TO GET STARTED

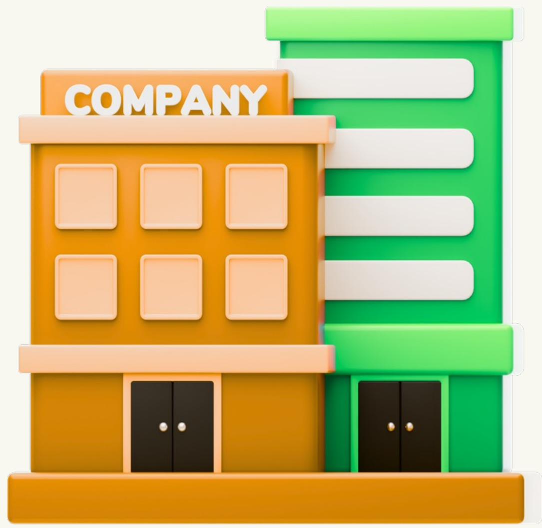
INTRODUCTION

01 What Is Investing?



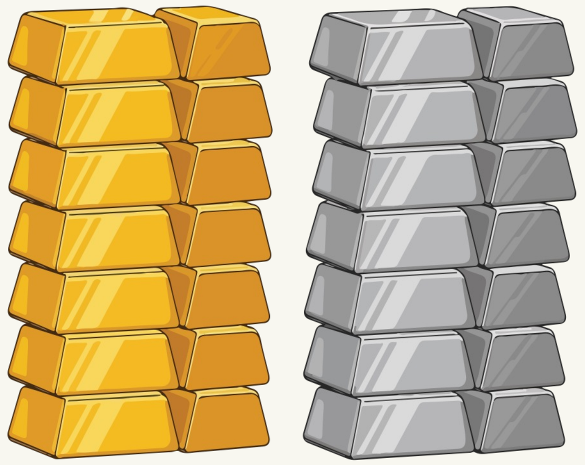
Investing is using your money to buy something that has the potential to grow in value or generate income over time, with the goal of helping you build wealth.

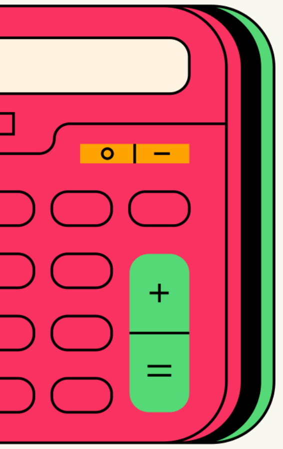
Stocks



Bonds

Metals





INTRODUCTION

01 Benefits Of Investing

Financial Empowerment

- Provide options in life, such as career flexibility
- Build long-term financial security
- Save for large purchases, like a home
- Reduce financial stress

Protect Against Rising Prices

- As prices rise over time, investing helps your money grow so you can continue to purchase the same amount of goods and services, such as food, computers, and UBER rides.

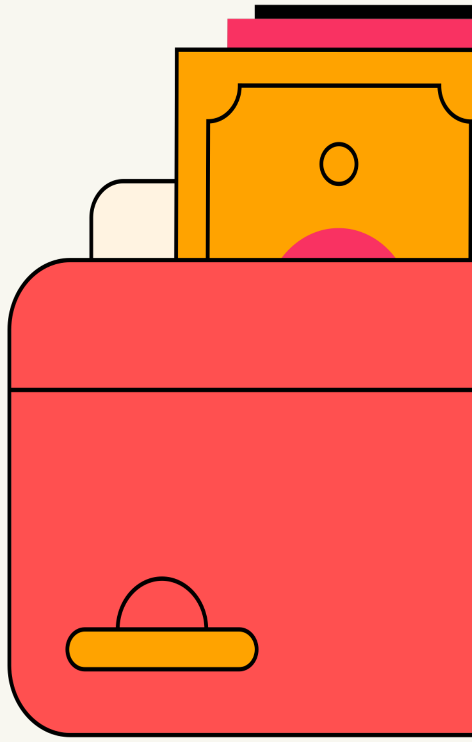
INTRODUCTION

01 Savings versus Investing

Savings means putting money aside in a safe place, such as a savings account, for short-term goals or emergencies. Common examples include saving to buy a smartphone or setting aside money from a summer job to spend during the school year.

Investing is a long-term strategy for building wealth that can create economic opportunities and provide financial security.

02 Deciding How Much To Invest



Investing is generally a long-term activity built on regular contributions of what you can afford. That means investing the money that remains after paying your bills, covering your needs, and setting aside savings.

50/20/30 RULE: A simple budgeting formula where 50% of your income goes towards things you need, 20% goes towards savings and investments, and 30% goes towards things you want.

PRINCIPLES OF INVESTING

02 Needs versus Wants

Needs are expenses that are essential for living and functioning, things you must pay for to meet basic responsibilities, like food, housing, and transportation. Wants are expenses that improve your lifestyle and enjoyment but are not necessary for survival.

Smartphone	**Car**	**Gym Membership**
Second Laptop	**Nike Air Force Sneakers**	**Eating Out with Friends**

02 Understanding Investment Return

Investment return is the money you earn (or lose) from an investment over time.

Price Change

Price change (also known as capital gain or loss) is the difference between the price you paid for an investment and the price you sell it for. If you sell the investment for more than your purchase price, you earn a gain. If you sell it for less, you suffer a loss.

Investment Income

Investment income is money you might receive while you own the investment. Common examples include interest from bonds and rental income from real estate.

Return

Return is the total gain or loss from an investment, including price changes and income payments. It is typically measured as a percentage of your original investment cost.

Simple Return Calculation

Invest in company stock

- 10 shares of stock for $100 per share
- Investment value is 10 * $100 = $1,000

Price Change

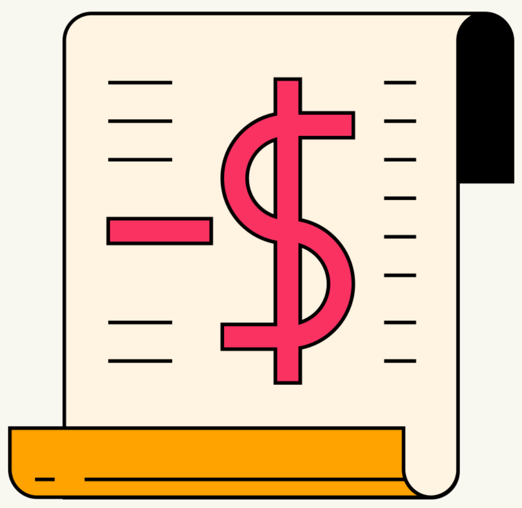
- 5 years later price of stock increases to $150
- Investment value is 10 * $150 = $1,500

Return

- Return: $1,500 - $1,000 = $500
- Return (%): ($500 / $1,000) * 100 = 50%
- Annual Return: 50% / 5 = 10%*

* This is the simple annual return, not the compound annual return (CAGR).

02 Understanding Investment Risk



Investment risk means you could lose money or earn less than you expected.

Negative Return

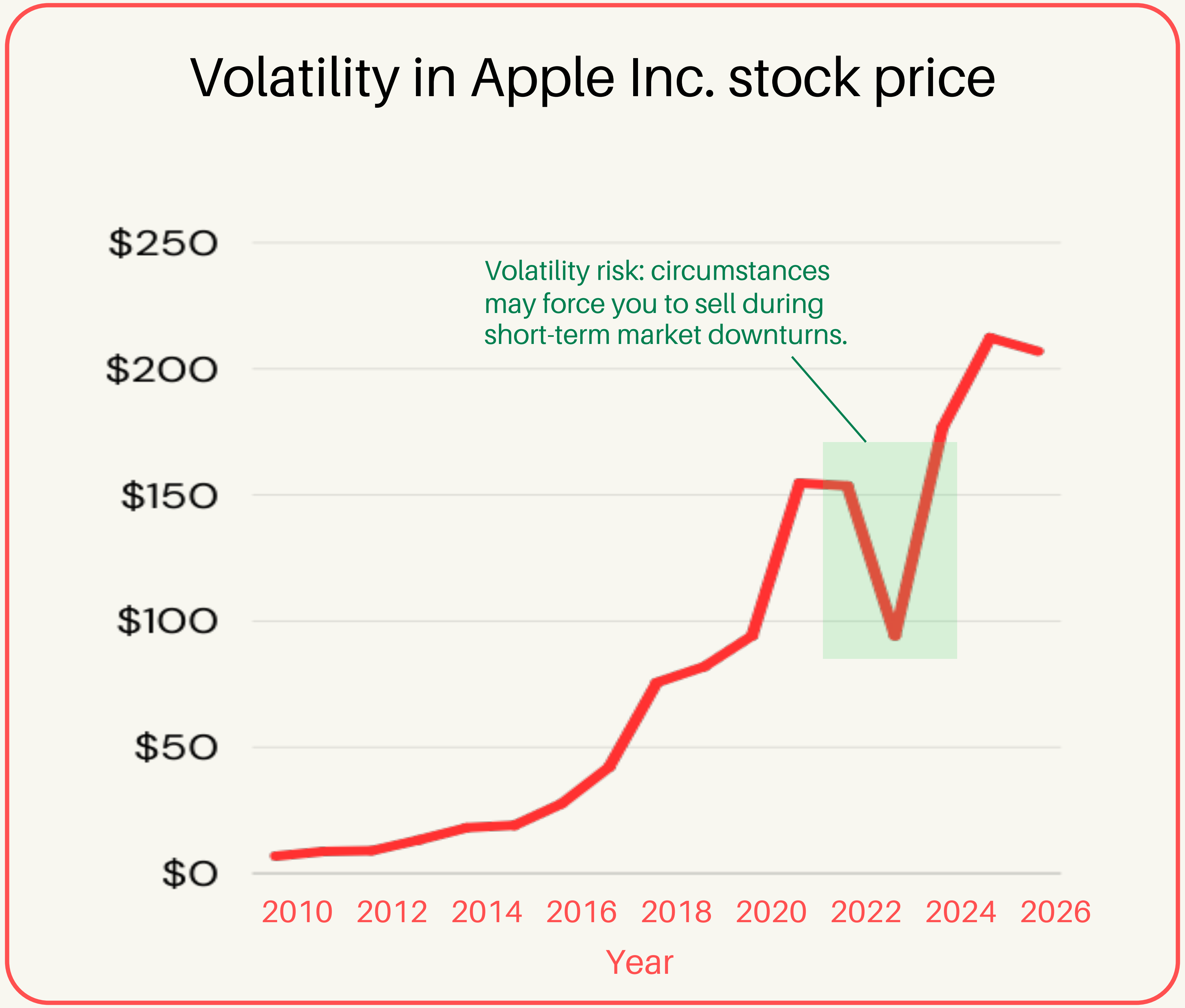
The risk that your investment will be worth less than what you paid for it, meaning you lose money rather than gain it.

Return Volatility

Investment values go up and down over time. If you need to sell during a short-term drop in value, you could end up losing money.

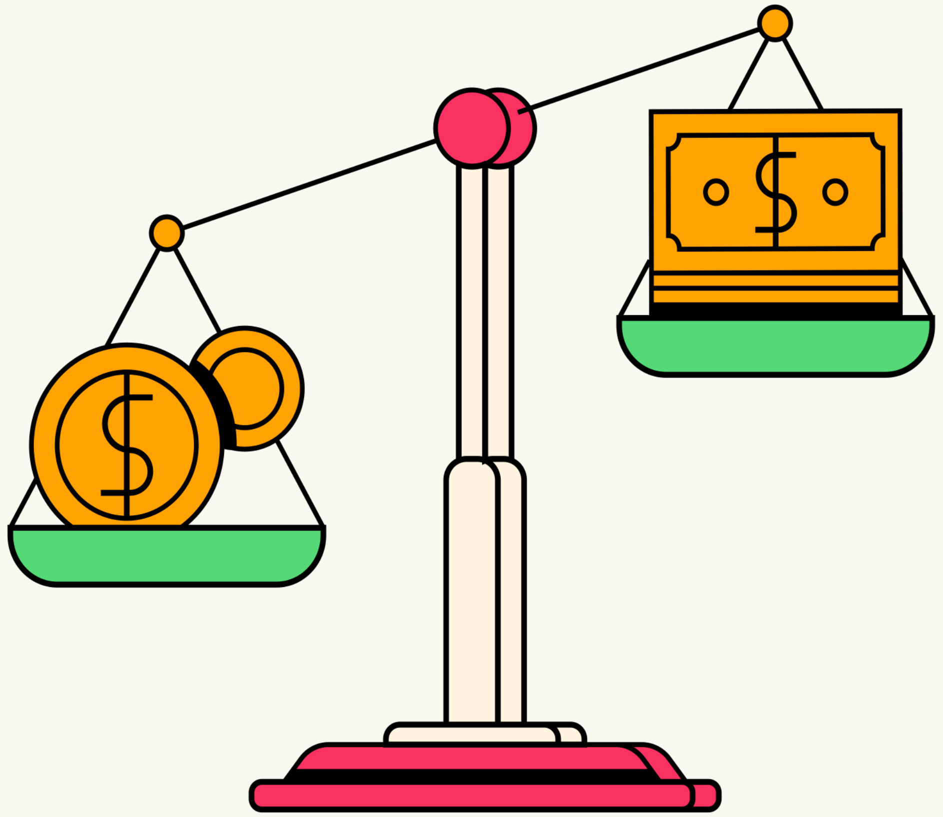
Because investments carry risk, you should only invest money that won’t jeopardize your financial stability.

Short Term Risk, Long Term Trend



PRINCIPLES OF INVESTING

02 Risk - Return Tradeoff



The risk-return tradeoff means that investments with higher potential returns usually come with higher risk. Investments with lower risk usually offer lower returns.

If you want the chance to earn more money, you typically have to accept more uncertainty and price fluctuations. If you want stability and safety, you usually accept lower returns.

PRINCIPLES OF INVESTING

02 Managing Investment Risk

Diversify

Spread money across different investments instead of putting it all into one company or asset type. This helps reduce risk because if one investment performs poorly, others may perform better.

Think Long-Term

Long-term investing gives your money time to grow and reduces the impact of normal short-term fluctuations in investment values.

Stay Consistent

Regular investment contributions over time reduces risk because they spread your investments across different market conditions instead of relying on buying at exactly the right moment.

Research Before Investing

Before you invest, make sure you understand what you’re investing in and how it works. Investing without understanding increases unnecessary risk.

Stay Informed

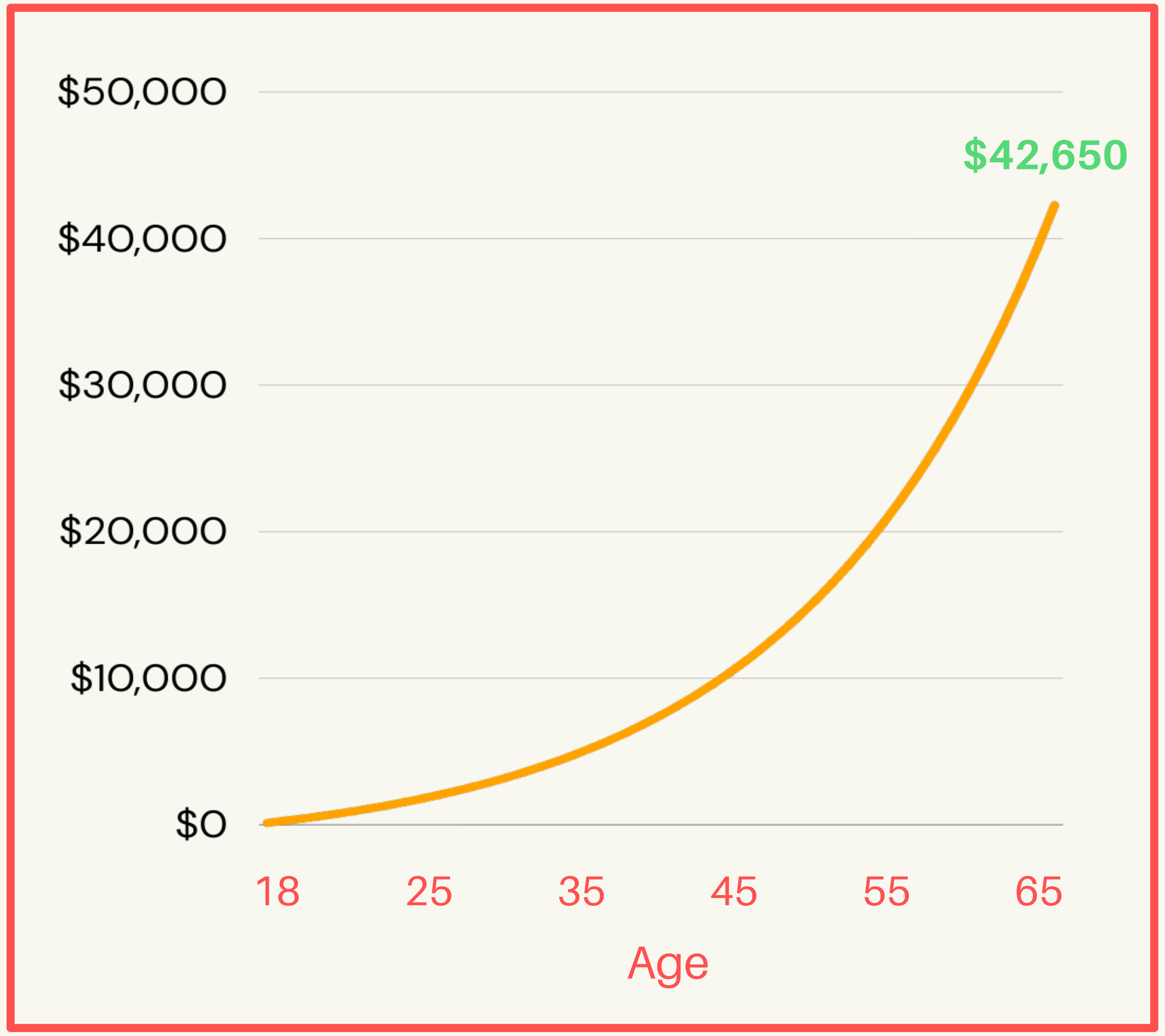
Investment opportunities and risks change over time. Staying informed helps you make thoughtful decisions.

PRINCIPLES OF INVESTING

02 Time Is Your Superpower

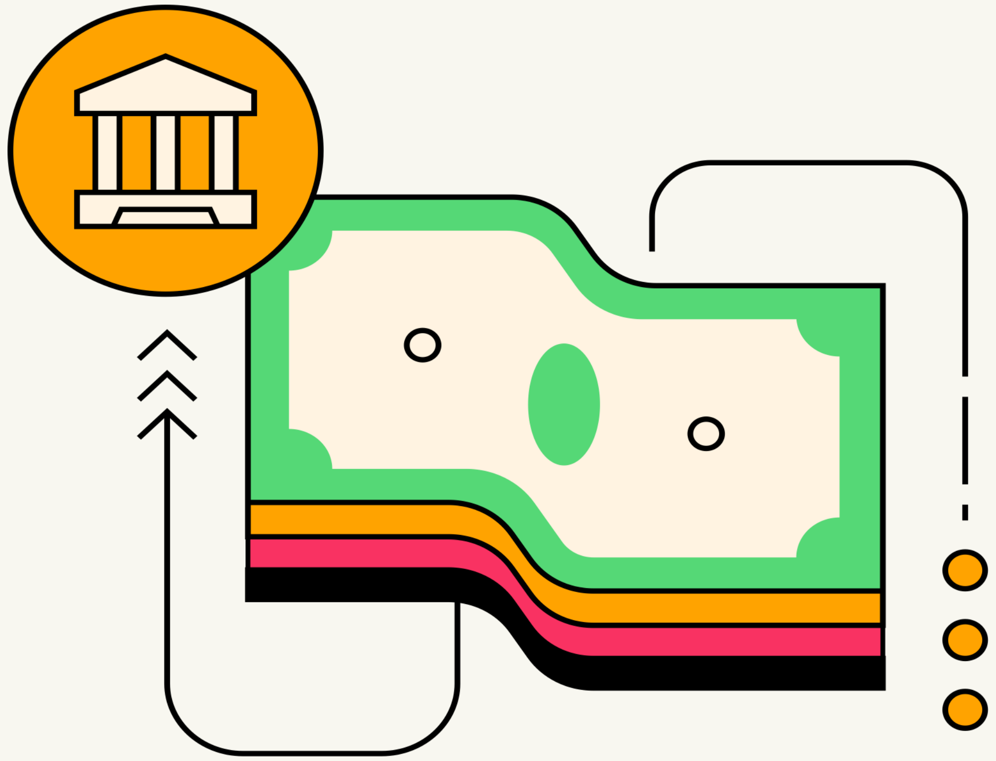
Time is one of the greatest advantages young investors have. By starting early and contributing consistently, you give your money decades to grow, which can make a dramatic difference in long-term outcomes.

Investing $10 per month from age 18 to 65 at a 7% annual growth rate.*



* Interest compounded annually

02 The Habit That Builds Millionaires



Investing $250 per month from age 18 to 65 at a 7% annual growth rate.*

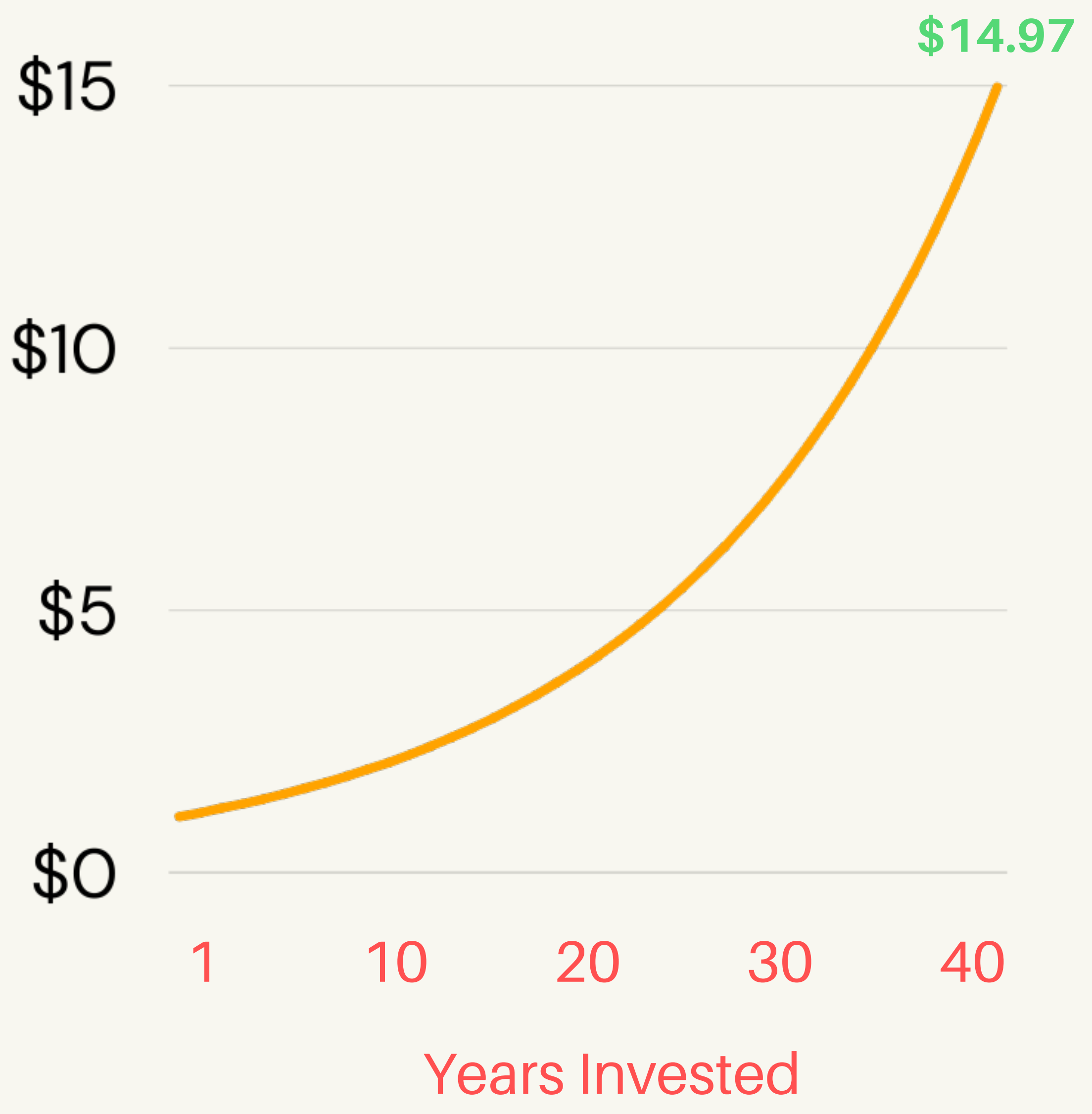
$250 / month grows to **$1,066,242**

CONSISTENCY: Millionaires usually aren't created overnight. They're built through consistent investment habits over time.

* Interest compounded annually

02 Compounding: Money That Makes Money

The value of $1 invested at a 7% annual rate over 40 years.*



* Interest compounded annually

When you invest, your money starts earning money. Then that new money earns even more money, and so on. That is the Power of Compounding. Over decades, this snowball effect can turn small contributions into large outcomes.

03 CASH EQUIVALENTS

Cash equivalents are investments such as savings accounts, money market accounts, Certificates of Deposits (CDs), and Treasury bills.

Very Low Return

- They have the lowest rates of return compared to other investment types.
- For example, an investor may receive an interest payment deposited into their money market account once a month.

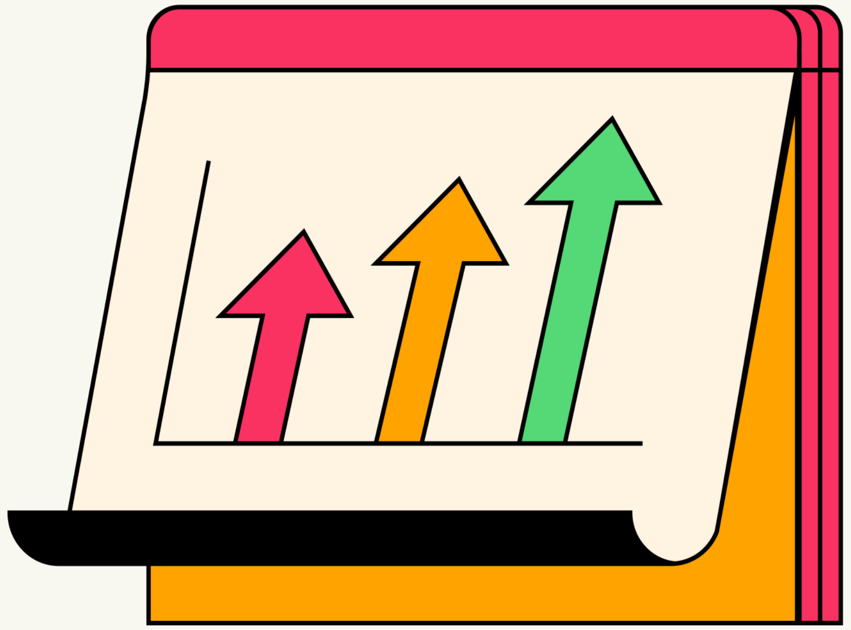
Very Low Risk

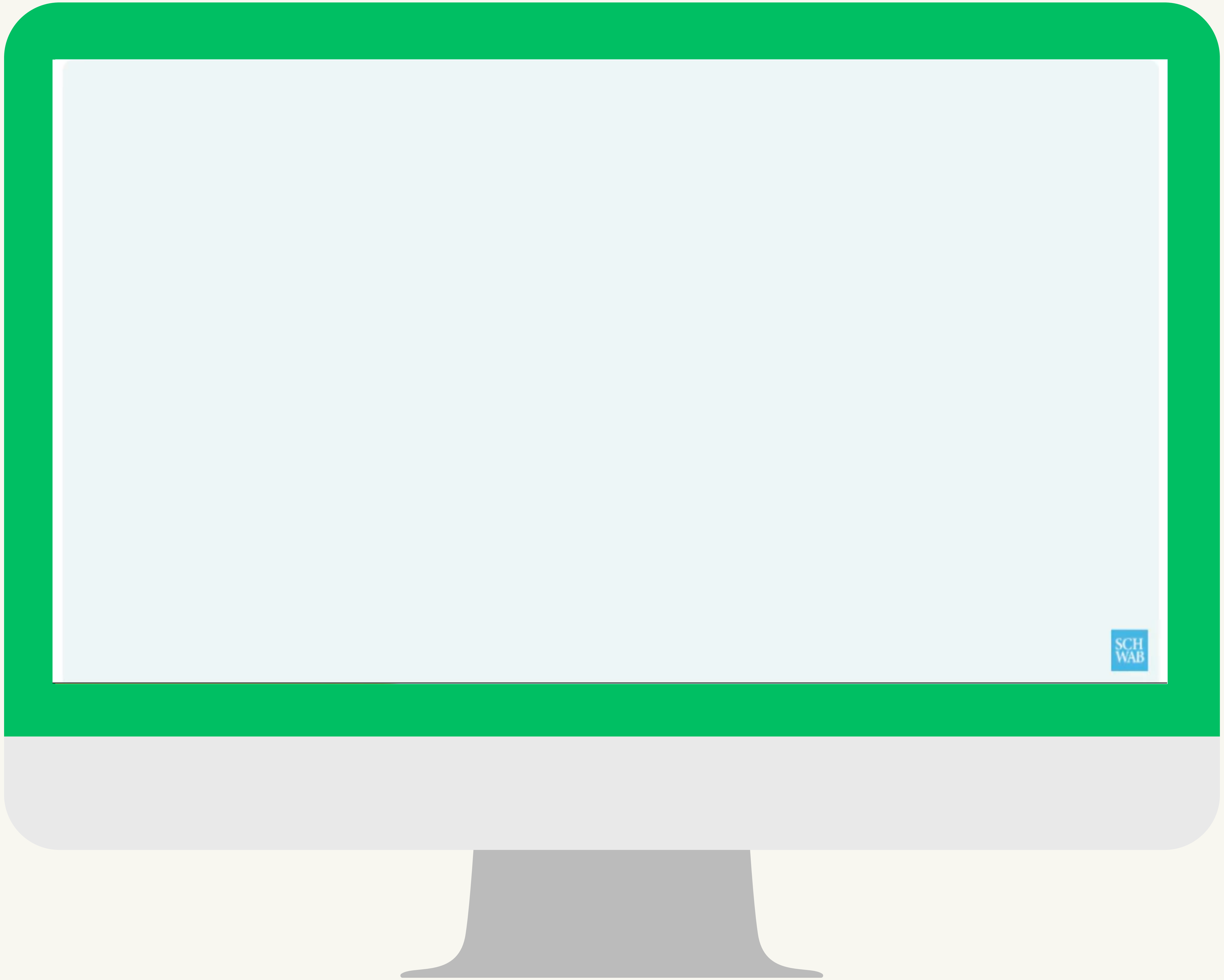
- They have the lowest level of risk compared to other investment types.
- Many of these investments are insured by the Federal Insurance Deposit Corporation.

You can invest in cash equivalents by opening a money market account or CD at a bank, or by purchasing Treasury bills through a brokerage account.

PRINCIPLES OF INVESTING

Bonds





Charles Schwab: Investing Basics – Bonds
https://www.youtube.com/watch?v=vAdn7aLHpO0

INVESTMENT TYPES

03 Bonds

A bond is a loan you make to a government or company. In return, they agree to pay regular interest payments and repay your original investment.

Low / Moderate Return

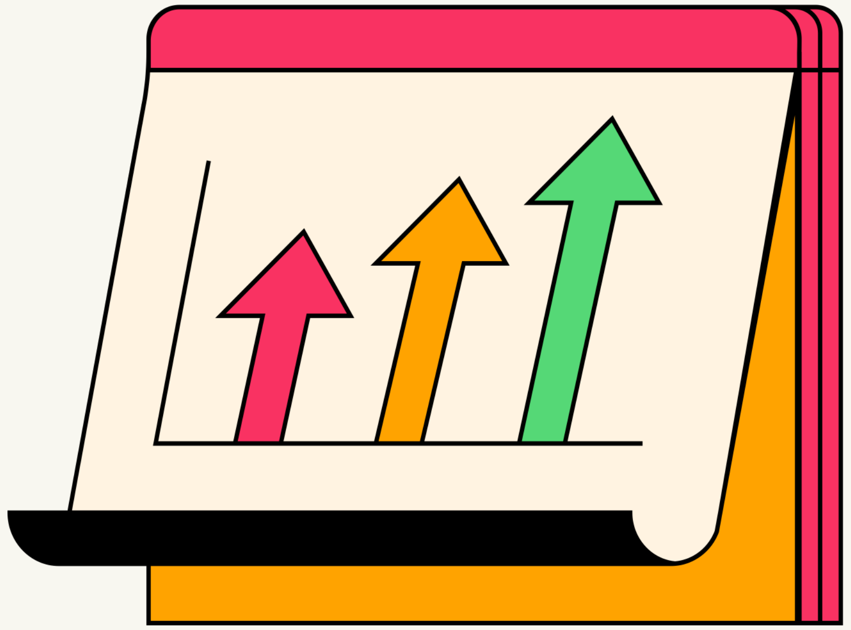
- Bonds typically offer returns that are higher than cash equivalents but lower than stocks.
- If a bond is purchased at its face value and held to maturity, the investment return comes from its interest payments.

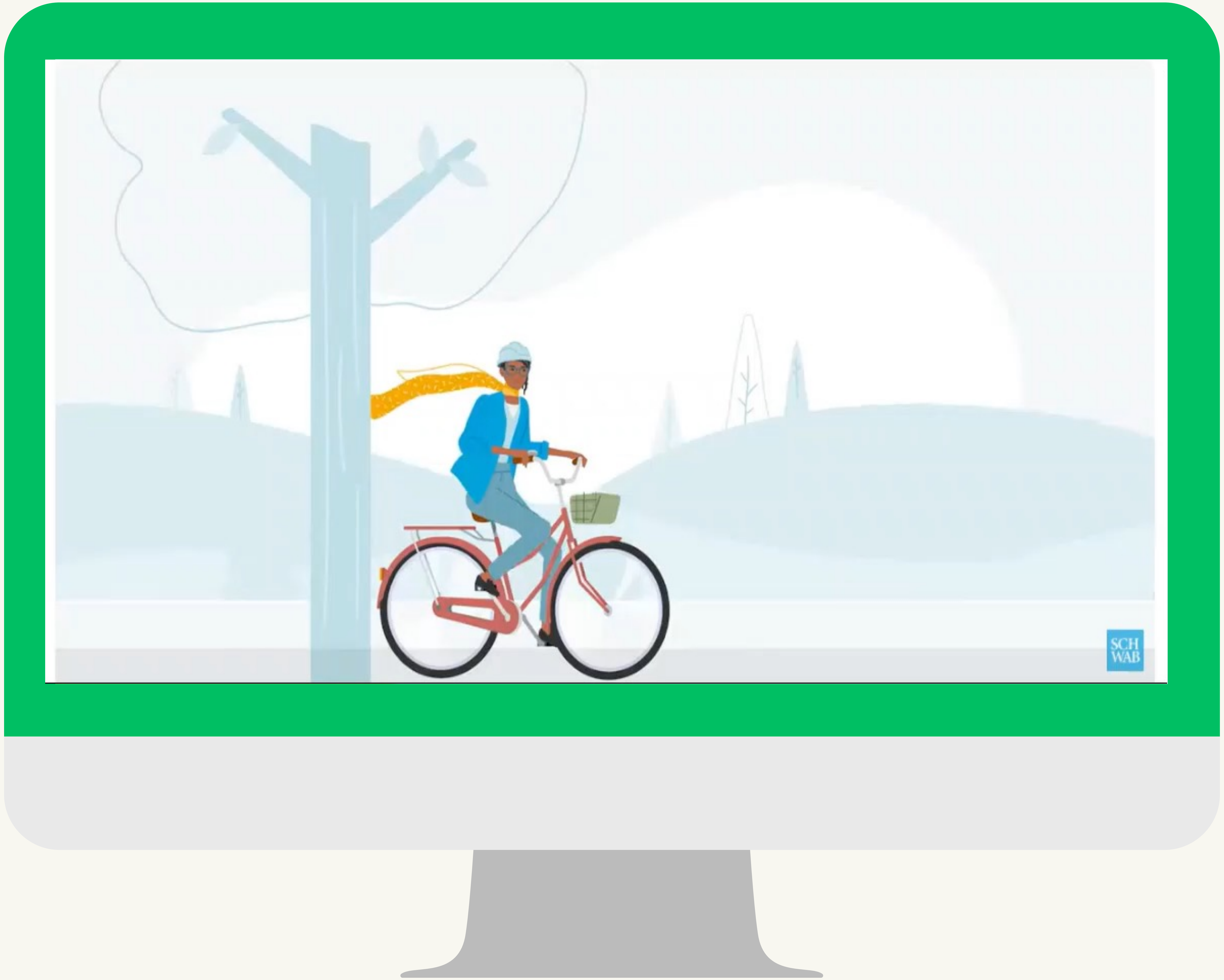
Low / Moderate Risk

- Bonds with the highest credit ratings typically offer lower interest rates, while bonds with lower credit ratings offer higher interest rates to compensate for the greater risk

You can invest in bonds by purchasing them through a brokerage account or directly from the government (such as U.S. Treasury bonds).

Stocks





Charles Schwab: Investing Basics – Stocks
https://www.youtube.com/watch?v=R4h7fyAU7GA

INVESTMENT TYPES

03 Stocks

A stock represents ownership in a company. When you buy a stock, you become a shareholder and own a small portion of that company.

Medium / High Return

- Stocks have historically offered high long-term returns compared to bonds, but returns can vary significantly from year to year.
- Stock returns comes from price growth and, in some cases, dividends (quarterly payments).

Medium / High Risk

- Stocks are generally more risky than bonds, meaning their prices can rise and fall more quickly.
- The value of a stock can decline due to 1) company-specific problems, 2) industry trends, or 3) broader economic conditions.

You can invest in stocks through a brokerage account

03 Factors Impacting A Stock Price

Company Performance

Investors look at how well a company is doing, examining metrics such as profits, revenue growth, and competitive position.

Strong performance tends to increase the price of the stock.

Expectations

Stock prices reflect what investors think will happen in the future, not just what has already happened.

If investors expect higher future profits, they may be willing to pay more for the stock.

Economic Conditions

Broader economic factors like interest rates and economic growth can influence stock prices.

Lower economic growth can put down pressure on stock prices.

Investor Sentiment

Stock prices are influenced by emotions such as optimism and fear. News headlines, trends, and social media can affect investors' sentiment.

Changes in sentiment for a company can impact its stock price.

Supply & Demand: These factors influence whether investors want to buy (demand) or sell (supply) a stock. When more people want to buy than sell, the price rises, and vice versa.

Stock Exchanges and Brokerage Accounts

- A stock exchange is a marketplace where people buy and sell shares of stock.
- In the U.S., the two main stock exchanges are the New York Stock Exchange (NYSE) and Nasdaq. The Nasdaq is concentrated with technology stocks, such as Apple, Microsoft, and Amazon.
- Collectively, all of the stock exchanges are referred to as the stock market.
- Investors don't trade directly on stock exchanges. Instead, they open a brokerage account (such as with Robinhood and E*Trade) to place orders, and the broker carries out the trade on their behalf.
- When an investor wants to buy a stock, such as Apple Inc., they place an order using the company's stock symbol (ticker symbol), which in this case is AAPL.

INVESTMENT TYPES

03 Commodities

Commodities are raw material or natural resources that are bought and sold in markets. Common examples include gold, silver, oil, and corn.

Low / Moderate Return

- Commodities are raw material or natural resources that are bought and sold in markets. Common examples include gold, silver, oil, and corn.

Moderate / High Risk

- Investing in commodities is considered a high risk investment, since prices can be highly volatile and influenced by unpredictable factors such as weather, geopolitical events, supply disruptions, and global demand.

Precious medals like gold and silver can be purchased directly from dealers or retailers. Most investors don’t buy physical commodities like oil or wheat. Instead, they invest through ETFs or mutual funds that track commodity prices.

INVESTMENT TYPES

03 Digital Assets

Digital assets exist electronically and operate on blockchain technology. Common examples include cryptocurrencies (like Bitcoin) and NFTs.

High Return

- Most returns on digital assets come from price increases. However, some cryptocurrencies offer staking rewards, which can provide income similar to interest.
- Returns vary considerably across cryptocurrencies and NFTs.

Extremely High Risk

- Blockchain-enable digital assets (such as Bitcoin) are highly volatile and speculative.
- Prices can change dramatically in short periods of time due to market sentiment, regulation, and platform risk.

Most of the largest cryptocurrencies can by purchased through brokerage firms such as Coinbase and Robinhood. NFTs can be purchased on marketplaces such as OpenSea.

INVESTMENT TYPES

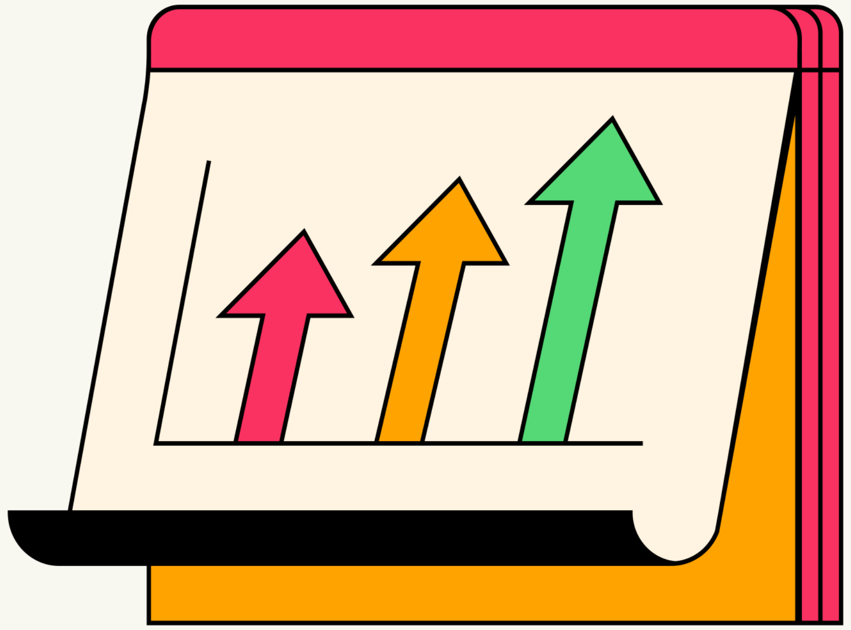
03 Other

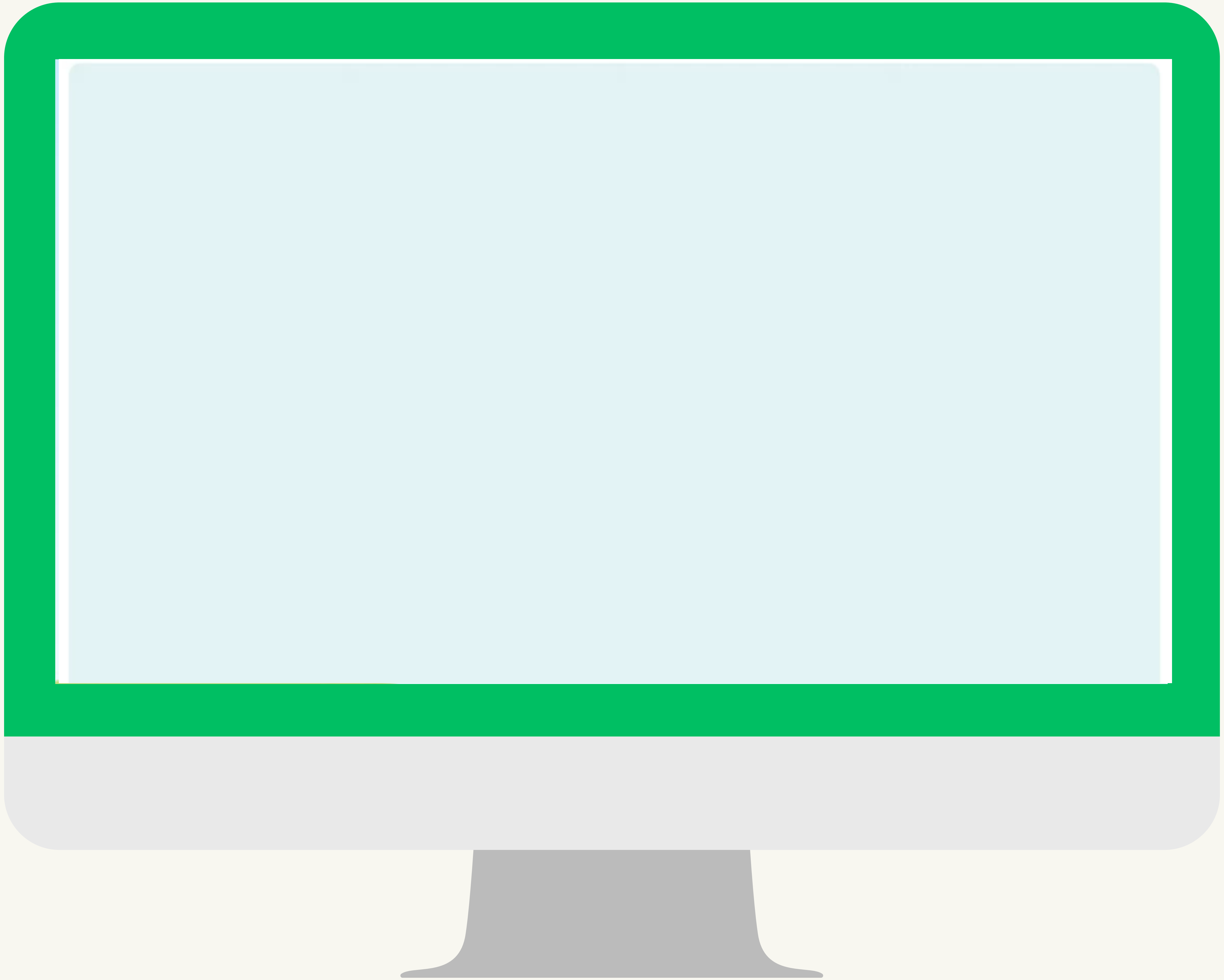
Beyond the investment types we've discussed, investors can also invest in assets like real estate, private companies, or collectibles such as art and baseball cards. These investments may offer income or long-term growth, but they often require more money, knowledge, and active management.

The Investment Landscape Is Broad And Continually Evolving

PRINCIPLES OF INVESTING

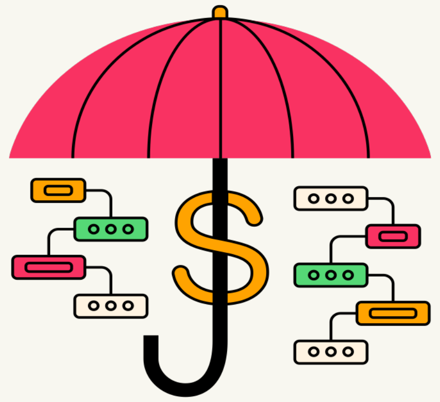
Mutual Funds





Charles Schwab: Investing Basics – Mutual Funds
https://www.youtube.com/watch?v=JUtes-k-VX4&t=75s

04 Mutual Funds



A mutual fund is an investment vehicle that pools money from many investors to buy a diversified collection of assets, such as stocks or bonds. Professional managers decide which investments to buy and sell,* and investors own shares of the overall fund rather than the individual assets.

Mutual funds can make investing easier and less risky than trying to pick individual stocks or bonds yourself. These investments can be purchased in brokerage and other accounts.

Single Asset

Invests in specific investment types, such as stocks.

Multiple Assets

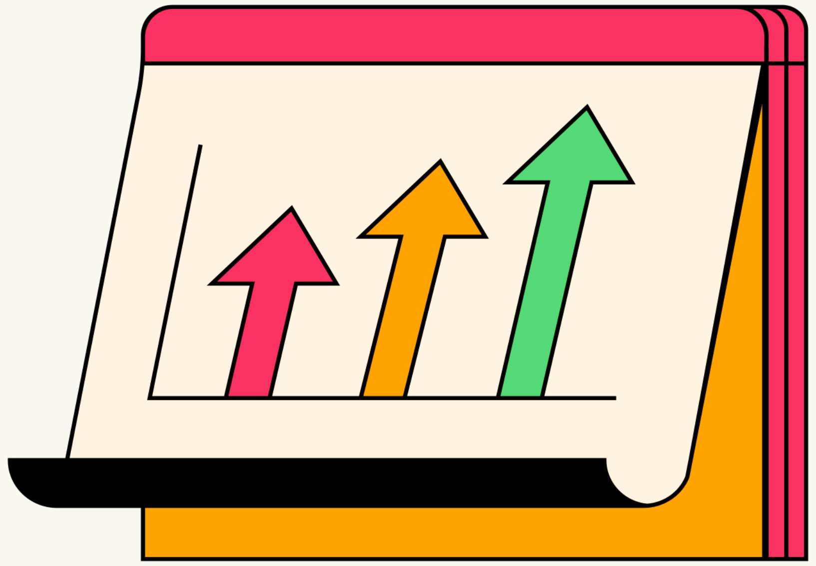
Invests in multiple investment types, such as stocks and bonds.

Target Date

Manages investments based on a specific target year.

* Some mutual funds are linked to indexes and are not actively managed.

Market Indices



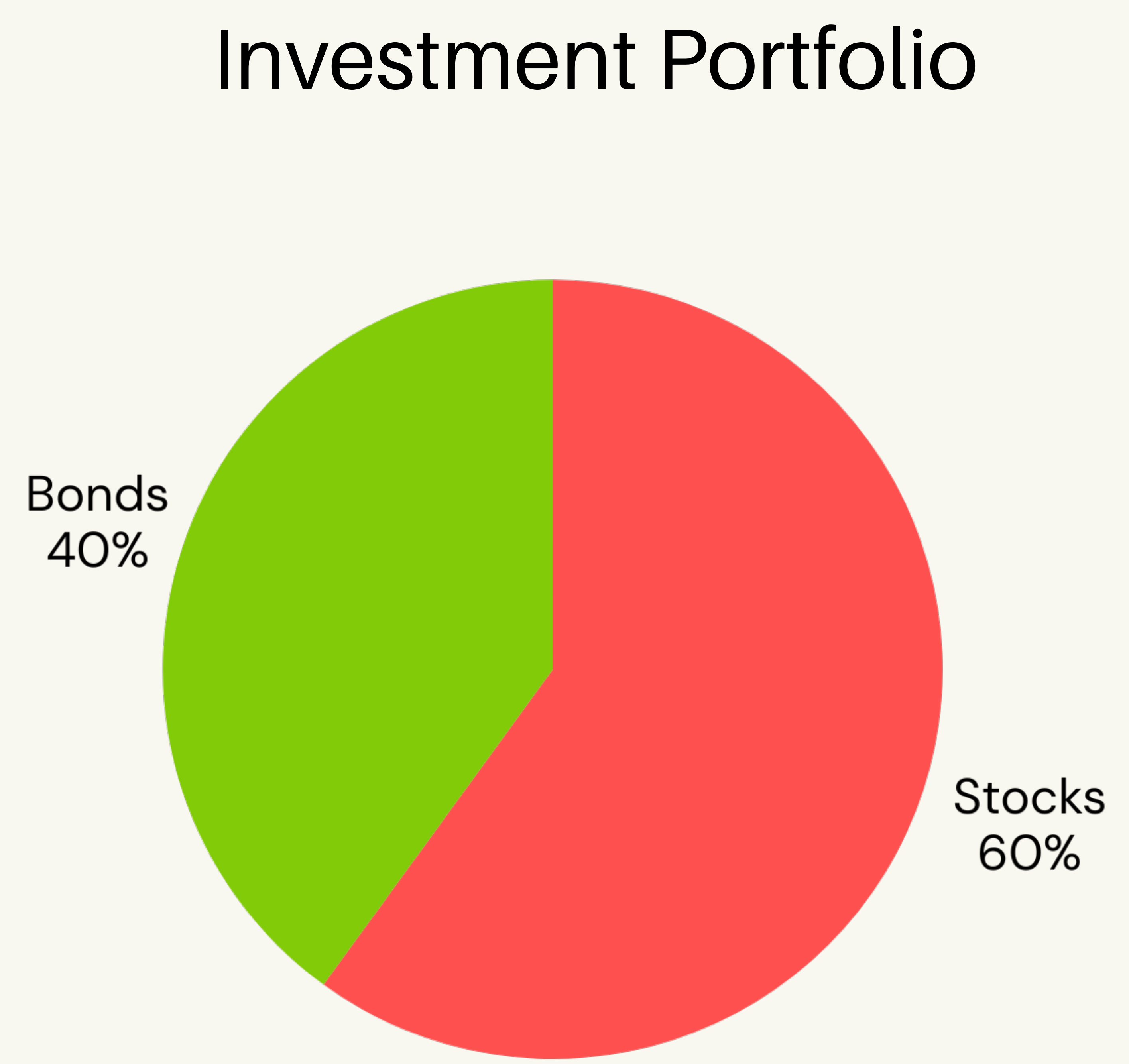
A market index is a defined list of securities, such as stocks or bonds, constructed to represent a specific segment of the financial market. Mutual funds and ETFs are often designed to track the performance of these indices. Common indices include:

- **Dow Jones Industrial Average (DJIA):** Includes the 30 largest U.S. companies.
- **S&P 500:** Includes the 500 largest U.S. companies.
- **Nasdaq-100:** Tracks the largest 100 non-financial companies listed on the Nasdaq stock exchange, many of which are technology-focused.
- **Bloomberg Commodity Index:** Covers a broad and diversified set of commodities.
- **Bloomberg U.S. Aggregate Bond Index:** Includes U.S. investment-grade bonds.

SAMPLE PORTFOLIOS

05 Balanced Investment Strategy

An example of a portfolio with moderate risk and return characteristics is one composed of 60% diversified stocks and 40% diversified bonds.



05 Age Minus 10 Rule

How Stock and Bond Allocations Change with Age

Age	% Stock	% Bonds
30 – 39	70	30
40 – 49	60	40
50 – 59	50	50
60 – 69	40	60

As you get older and closer to needing your money (retirement), your desired portfolio often becomes more conservative to reduce risk.

HOW TO GET STARTED

06 Path To Investing

01 Build a Financial Foundation

- Build a budget
- Have adequate savings
- Pay down debt

02 Open Investment Accounts

- Savings / Money Market
- Stock Brokerage
- Employer-sponsored Retirement

03 Invest Consistently

- Invest regularly over time
- Consider automatic contributions
- Take advantage of employer matches (if available)

04 Choose an Investment Strategy

- Understand your tolerance for risk
- Decide on diversification strategy
- Decide between growth and income

05 Monitor

- Evaluate investment performance periodically
- Avoid reacting to day-to-day price movements

06 Adjust Over Time

- Reassess investments based on changing financial circumstances
- Shift toward more conservative investment strategies as goals are met

HOW TO GET STARTED

Opening Investment Accounts

Savings / Money Market

Savings and money market accounts are typically offered by banks, and most brokerage accounts provide access to money market funds.

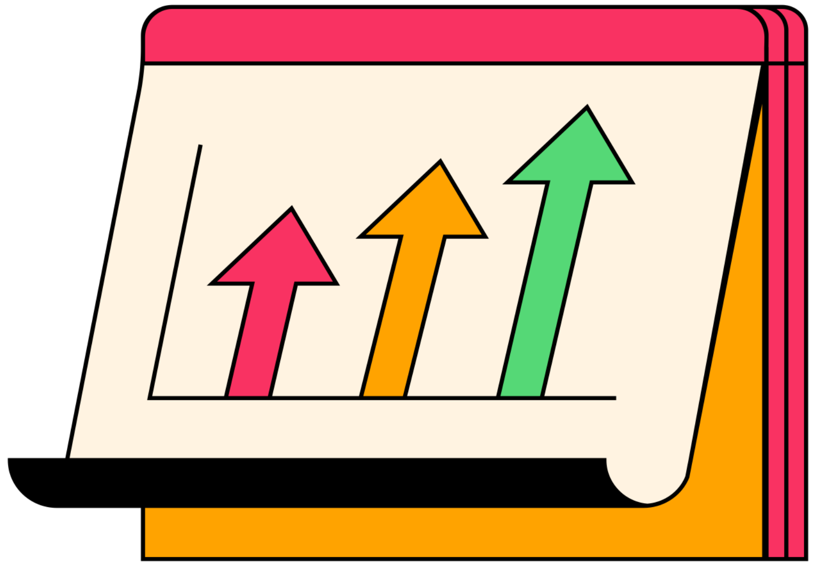
Brokerage Account

A brokerage account is a financial account that allows you to buy and sell investments, such as stocks, bonds, and mutual funds. Popular brokerages include Robinhood and Charles Schwab.

- In most cases, you must be 18 to open financial accounts on your own. Younger investors need a parent or guardian to open and manage accounts for them.
- You will be required to complete an application that provides personal information, such as your name, home address, and social security number.
- In order to purchase investments, you are required to deposit money into your account. Some accounts, especially brokerage accounts may have minimum deposit amounts.

A common way to invest is through an employer-sponsored retirement account, such as a 401(k).

Financial Advisor



- A financial advisor is a professional who helps people plan, manage, and invest their money to reach financial goals.
- When people first start investing, many of them learn the basics and invest on their own. Financial advisors are more commonly used when finances become more complicated or when someone wants professional guidance.
- Online financial advisor directories include:
  - NAPFA.org: National Association of Personal Financial Advisors
  - LetsMakeAPlan.org: CFP Board’s directory of Certified Financial Planners
  - BrokerCheck.FINRA.org: Verify credentials and check for complaints

HOW TO GET STARTED

06 Financial Resources

U.S. Securities and Exchange Commission

Investor.gov

A website run the the U.S. Securities and Exchange Commission that explains the basics of investing and provides tools such as investment calculators.

Financial Industry Regulatory Authority

https://www.finra.org/investors#/

A website that teaches people about investing and allows you to check the background of financial advisors and brokers.

Khan Academy

https://www.khanacademy.org/

This is a free educational website with videos and lessons on a variety of topics, including investing. Use the search bar to search for topics.

The Habits You Build Today Shape Your Financial Future!

Thank You, And Good Luck In Your Investment Journey