Name:

Students will be able to:

- Discuss the function and growth of robo-advising, along with its relationship with human investment managers
- Explain the function, pros, and cons of micro-investing
- Explore how artificial intelligence (AI) is changing the investing landscape
- Compare modern investing tools

NOTE: Vocabulary for this unit can be found in the NGPF Personal Finance Dictionary

---

💡 INTRO

PROMPT:
Use the space below to answer the prompt.

1. **Would you be comfortable with a computer algorithm managing your investment portfolio? Why or why not?**

📖 LEARN IT

EDPUZZLE: Should I Use a Robo-Advisor?
Investing today looks a lot different than it did just a few decades ago due to rapid developments in technology. Robo-advisors are becoming an increasingly popular tool that many people are turning to to manage their investment portfolios. Watch this video and follow your teacher's directions to answer the questions either in your student activity packet or within the EdPuzzle itself.

NOTE: EdPuzzle videos shuffle answer choices and do not always match the order provided in the lesson here.

1. **What is meant by the term "robo-advisor?"**
   a. An app that you download and access from your smart device to manage your investments
   b. A robot artificial intelligence who is trained to run an investment brokerage better than humans
   c. A set of computer programs that automatically makes adjustments to finance portfolios
   d. A fund manager who copies the same investments with every client so often it seems robotic

2. **What advantages do robo-advisors have over their human counterparts? (Choose TWO)**
   a. They can perform tedious tasks far more frequently than a human advisor would have time to do
   b. They typically charge much lower fees than the average human advisor would charge
   c. They are not subject to the same government restrictions as human advisors
   d. They have access to better investment choices than human advisors are allowed to invest in

3. **TRUE or FALSE Robo-advisors are not a good choice because they just match the market and most professional managers are able to beat the average market returns.**
   a. TRUE
   b. FALSE

4. **Which of these investors might want to choose a human over a robo-advisor?**
   a. Marcus is just starting to invest a little from each of his paychecks, so he doesn't have a very large balance but he's ok with his investments having average returns
   b. Hera wants to invest her money and not have to think about making a lot of decisions week to week or month to month
   c. Deron is unsure where he wants to invest and nervous about losing money, so he'd like to learn more about his choices to build his confidence
   d. Kamilah is a big fan of efficiency and would prefer her investment process to be automatic to save her time and wants the lowest fees she can get

5. **Which of these statements about robo-advised investing is TRUE?**
   a. You have to choose between human connection or robo-advisor automation because it's impossible to find a brokerage that can offer a little of both
   b. Some robo-advisors can be customized to account for your specific investment values like renewable energy or sustainable industries
   c. While robo-advisors can make investing much simpler and more convenient, they rarely perform better than humans in the long-run
   d. Robo-advisors are pretty much all the same, so you never have to worry about how they work or that they might change

INFOGRAPHIC: [How Micro-investing Works](#)

Like robo-advising, micro-investing is a popular way to bring new investors into the market. Review the infographic to learn more about how it works, then answer the questions.

1. **On average, how many purchases would you say you make on a normal day?**

2. **Given that number of daily purchases and if your average round-up was $0.50, how much would you end up investing...**

    a. **Per day:**
    b. **Per month:**
    c. **Per year:**

3. **Does this amount seem high or low to you? And does that affect your opinion of whether or not you might use micro-investing apps?**

ARTICLE: [Pros and Cons of Spare Change Investing Apps](#)

Micro-investing can be a good way to introduce someone to investing, but their needs could potentially outgrow the strategy quite quickly. Review the article to learn more about the pros and cons of micro-investing. Then, answer the questions.

1. **When it comes to fees, micro-investing apps are beneficial because:**
    a. They always have low fees
    b. They have relatively low fees until you reach a $5,000 balance
    c. They don't have any fees
    d. You can deduct the fees from your taxes

2. **Since you're usually investing less than a dollar at a time, one of the downfalls of micro-investing apps is...**
    a. The IRS will be suspicious if you don't invest more
    b. It's not possible to make any money
    c. It's possible that you won't invest enough money to reach your goals
    d. You share your earnings with other users of the app

3. **Your friend Ravi wants to start investing. Would you recommend using a micro-investing app? Why or why not?**

ARTICLE: [How Artificial Intelligence is Revolutionizing Stock Investing](#) ⏱6 min

Artificial intelligence (AI) is also shaping the world of investing. Read this article to learn how. Then answer the questions.

1. **In your own words, explain how AI is impacting the world of investing.**

2. **Why is it important to use AI as a tool rather than fully allow it to make all investing decisions?**

✏️ **DO IT**

ACTIVITY: [RESEARCH: Online Tools and Apps](#)

Now that you've taken a look at some of the technology that fuels modern investing, let's do some research and analyze investing apps available in the market. Follow the directions on the worksheet to complete the activity.

📋 **EXIT TICKET**

Follow your teacher's directions to complete the Exit Ticket.