

The 7 Steps –
March

1. CONTEXT



Acorns

Listening Questions 1

1. What is micro-investing?

1. Why is the main advantage of micro-investing?

2. How does the Acorns app work?

3. What does the Acorns investment strategy focus on?

4. How does their algorithm work?

Listening Questions 2

1. How many users and how much in assets did Acorns have as of 2020?

2. What other companies have partnered with Acorns?

3. What is a robo-advisor?

4. Why are some people worried about robo-advisors?

5. What are 2 criticisms of micro-investment related to wealth creation?

Discussion Questions

1. Are you interested in investment and building wealth? What investments are you involved in?
2. How do you feel about micro-investing and why?

Mindmap anything you know about the topic, including vocabulary. Do some research online to help.

2. QUESTIONS

Read the listening questions to check your understanding. Look up any new vocabulary.

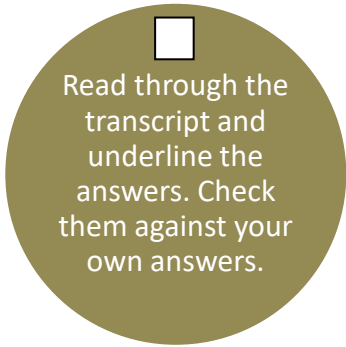
3. LISTEN

Listen and answer the questions using full sentences. Circle the number of times and % you understood.

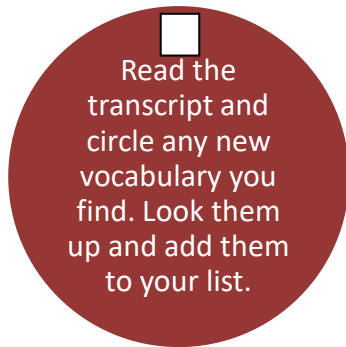
Listening 1				
1	2	3	4	5
%	%	%	%	%

Listening 2				
1	2	3	4	5
%	%	%	%	%

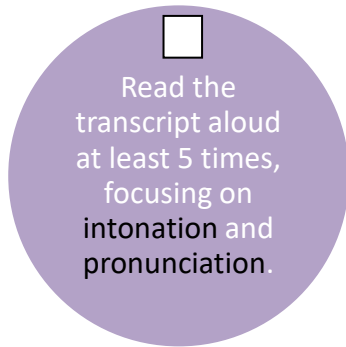
4. CHECK ANSWERS



5. CHECK VOCABULARY

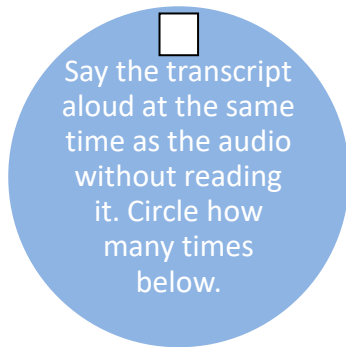


6. READ ALOUD



1	2	3	4	5
1	2	3	4	5

7. SHADOWING



1	2	3	4	5
1	2	3	4	5

TRANSCRIPT 1

Micro-investing is an emerging trend that allows people to invest small amounts of money on a regular basis. By avoiding the need for traditional banks and stockbrokers, it aims to put the investor in control of their own future. Acorns is a fintech company and one of the largest in the micro-investing market. Forbes predicted in 2020 that Acorns will be one of the next billion-dollar start-up companies.

Founded by Walter Cruttenden and his son Jeff in 2012, and launched in 2014, Acorns is a micro-investing app that connects to a debit or credit card. It works by **rounding up** purchases to the nearest dollar and putting the extra money into a **predetermined** investment account. By doing this, Acorns seeks to remove the need for individuals to research and create a stock portfolio by themselves. It markets itself as the **ultimate** 'set and forget' investment account for passive wealth creation.

Acorns' investment strategy focuses on Exchange-traded funds (ETF) which hold stock and bonds. The system works by a specially designed algorithm created by the Nobel Prize winner Harry Markowitz. The algorithm makes trades automatically at precise times of the day to maintain a balanced set of assets.

MATCH THE SYNONYMS BY DRAWING LINES BELOW:

Round up	Arranged
Predetermined	Avoid
Ultimate	Emphasize
Shy away	Susceptible
Vulnerable	Raise to nearest whole number
Stress	Best

TRANSCRIPT 2

Acorns has grown considerably and owns some of the best numbers in the industry, with 8.2 million users and \$3 billion of assets invested in over 7,000 stocks and bonds as of 2020. It has world-famous backers including Ashton Kutcher and NBA star Kevin Durant, as well as deals with companies such as Rakuten and PayPal.

Despite these positive signs, Acorns' business plan has been questioned by many. The first issue lies in the concept of robo-advisors. As with many micro-investment companies, robots make decisions on what stock to buy and when. This has led many people to **shy away** from this type of hands-off investment structure. They point out that the lack of active investment makes it **vulnerable** to market changes that can be seen by human investors but not by robots.

The second criticism relates to the promise of passive wealth creation. If you take an average of 50 credit card purchases a month with 25 cents rounded up per purchase, it leads to \$12.50 of investment. This goes down to \$11.50 after the \$1 monthly fee is subtracted, which equals 8% in fees. Not only is this percentage high, but as critics **stress**, this is not enough to build wealth and financial freedom as the company promotes.