



Fidelity Investments “Let it Grow” Investment Patch

Investing in Home

PATCH PROGRAM

FOR CADETTES, SENIORS, AND AMBASSADORS



GIRL SCOUTS OF THE GREEN AND WHITE MOUNTAINS
Serving New Hampshire and Vermont

FIDELITY INVESTMENTS “LET IT GROW” INVESTMENT PATCH INVESTING IN HOME

*“Owning a home is a keystone of wealth... both financial affluence and emotional security.”
– Suze Orman, American author and financial advisor*

Home sweet home is a place of shelter, rest, and comfort. Your home can also be a way to hold some of your savings for the long term and can increase in value, making it an investment for your future.

Steps

1. Explore how different features in houses affect the price
2. See how home improvements can increase a home’s value
3. Examine how location affects housing costs
4. Learn how an investment in a home appreciates over time
5. Evaluate the opportunity cost of investing in a home

Purpose

When you’ve earned this patch, you will know more about what the best options are for investing in your home.

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For each step:

Cadettes choose one activity • Seniors and Ambassadors choose two or three activities

Step 1: Explore how different features in houses affect the price

House styles – inside and out – are as different as the owners who live in them. The features a house offers, such as the number of rooms, the amenities and appliances, and even the design can influence the value of the home.

- **Review neighborhood listings.** Take a look at the features of the houses in your neighborhood available for sale using online or paper descriptions. Do some houses have different features like more bedrooms and bathrooms or a basement? How are the prices of the houses affected by the different features the houses offer? Make a chart or other graphic organizer to compare and contrast the different housing options you found.
- **Visit open houses.** Team up with an adult and your Girl Scout friends to visit open houses of homes for sale in your area or attend a few online open houses. Let the sellers know you are doing research on houses and ask about the different features of the homes and their asking prices.
- **Host a viewing party.** There are many real estate and home improvement shows on TV that show home buyers searching for their perfect home. Gather your friends together to watch a few and see if you can predict how the different features offered in each home will affect the price.

Step 2: See how home improvements can increase a home's value

Making big changes like renovating the kitchen or bathroom can improve the value of a home. Even making small changes like cabinet or door knobs sometimes can make a difference. Learn more about how making a home a better place to live can increase its worth.

- **Speak with an expert.** Interior designers and home contractors are experts in making homes shine. Meet with one to talk about how changing the look of the inside or outside of a home can increase the home's worth.
- **Visit a home improvement store.** A home improvement store has ideas and resources for projects to fix up a home. Make a trip to your local home improvement store to explore the different types of home improvement projects that could be done and research how they might affect a home's value. Draw a plan or make a photo collage for how you might renovate a room or home.
- **Spruce up your room.** Invest in your room by making a small improvement that makes the room a better place to live. Work with your adult to create a plan that fits your home and your style and carry it out.

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Step 3: Examine how location affects housing costs

You may have heard the phrase, “Location, location, location.” Where a home is located in a region and even in a town affects a property’s value. If a home is in a popular location, it may be worth much more than a similar one in a less desirable area.

- **Search real estate listings throughout your state.** Look online for home listings to find similar houses. Look at the locations of the homes to find out what areas of your state buyers might want to live in more. What is attracting people to these towns? Illustrate a brochure for potential home residents advertising the benefits of living in a certain area.
- **Find your dream home around the country.** Home prices vary around the country because the cost of living is different all over the country. Research what your dream home would cost in five different places in the country. Develop a potential budget for living in your desired location.
- **Check out homes around the world.** If you want to live internationally, you might find your housing choices to be very different. Choose three different countries and find out what popular housing types are available and how much they cost. Build a model of a home you might want to live in another country.

Step 4: Learn how an investment in a home can appreciate over time

A well-cared-for home can increase in value over time. A homeowner who purchases a house at a lower price can often sell it a higher price if the housing market is doing well, especially if it has great features, is in good repair and in a desirable location.

- **Talk with a Realtor.** A Realtor is a real estate professional who sells and buys homes for clients. Meet with one to ask about her business and how owning a home can be a good investment.
- **Research how a mortgage works.** To buy a house, most people take out a loan from the bank called a mortgage. Investigate the different types of mortgages available for buyers and how the terms or rules of a mortgage affect the monthly payments and any profits a homeowner might have when she sells her home. With an adult, use an online mortgage calculator to see what the monthly payments would be on a few interesting homes for sale.
- **Interview home sellers.** Selling a home can take a lot of work and patience. Talk to a few people who have sold their homes to ask about the process. Make a list of the tips they would give to first-time homeowners.

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Step 5: Evaluate the opportunity cost of investing in a home

When someone buys her first house, she makes a choice to invest her money in the home instead of other things. Her opportunity cost is the loss of choices regarding what to do with her money.

- **Compare housing options.** Research different types of housing options in your area or an area you might like to live. You might include living with others, renting an apartment, or buying a condominium or a home. Make a chart of your options and the benefits, costs, and challenges of each one.
- **Research incentives for home seekers.** There are many options available to encourage people to choose different housing options. Look into the different ways the government, banks, and businesses motivate people to choose to their living arrangements. Give a presentation or create an informational display or brochure on what you learned for others who might benefit from your knowledge.
- **Predict the consequences of housing choices.** Each housing choice made has financial consequences. Select two different types of housing arrangements and calculate what their long-term costs would be. Compare the opportunity costs for each one if you chose one arrangement over the other. Share with a family member or friend the reasons you might choose one type of housing.