Investment Technology & Behavioral Investing

Supporting Worksheet - Guided Practice Activity

Instructions: Complete each section to demonstrate understanding of investment technology platforms and behavioral biases in investing.

Part 1: Investment Technology Platforms

1 **Compare traditional brokers vs. robo-advisors:**

Feature	Traditional Broker	Robo-Advisor
Cost		
Minimum Investment		
Human Interaction		
Best For		

2 **List 3 advantages and 3 disadvantages of using investment apps:**

Advantages

Disadvantages

3 **Explain how algorithmic trading works and its impact on markets:**

Part 2: Behavioral Biases Identification

4   **Match each scenario to the correct behavioral bias:**

Scenario	Bias Type
Investor holds losing stock hoping it will recover to purchase price	
Investor only reads news articles that support their investment thesis	
Investor buys stock because everyone else is buying it	
Investor believes they can consistently beat the market	
Investor fixates on stock's 52-week high when evaluating value	

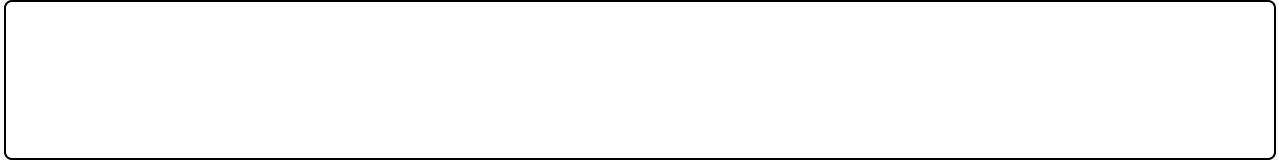**5**   **For each bias, provide one strategy to overcome it:**

Confirmation Bias

Loss Aversion

Herd Mentality

Overconfidence

Anchoring Bias

Part 3: Technology & Bias Integration

📋 Scenario A: Investment App Decision

You're 18 and want to start investing with $500. You've researched three platforms: a traditional broker ($50/month fee), a commission-free app with no minimum, and a robo-advisor requiring $1,000 minimum.

6 **Which platform would you choose and why? Consider costs, features, and your needs:**

📋 Scenario B: Social Media Influence

You follow several "investment influencers" on social media who post screenshots of big gains. They're all promoting a particular stock this week, and the stock price has jumped 40% in 3 days.

7 **What behavioral biases might influence your decision here? How would you approach this rationally?**

📋 Scenario C: Portfolio Rebalancing

Your robo-advisor recommends selling some of your best-performing tech stocks to buy bonds. You're reluctant because tech stocks have made you the most money and you believe technology

will continue growing.

8 **Identify the biases at play and explain whether you should follow the robo-advisor's recommendation:**

Part 4: Analysis & Reflection

9   **How can investment technology both help and hinder investors in overcoming behavioral biases?**

10   **Describe potential risks of relying entirely on robo-advisors or algorithmic trading:**

11   **Based on your self-assessment with the Behavioral Bias Checker, which bias are you most susceptible to and what steps will you take to counter it?**

12   **How do you plan to use investment technology in your future investing? What safeguards will you put in place?**