



Bulls, Bears, and Financial Markets

EPISODE #121

LESSON LEVEL

Grades 4-6

KEY TOPICS

- Entrepreneurship
- Financial markets
- Stocks and bonds
- Commodities

LEARNING OBJECTIVES

1. Identify investments in the financial marketplace.
2. Understand differences between stocks, bonds, and commodities.
3. Recognize the value of investing while young to maximize money growth.
4. Learn financial terms.

EPISODE SYNOPSIS

Biz Kid\$ and bulls and bears, oh my! Join the Biz Kid\$ as they examine stocks, bonds, commodities, and the markets where they are traded. Discover the ways young people can get involved with transactions, aim for profit, and avoid risk. Meet some successful entrepreneurs along the way.

NATIONAL STANDARDS CORRELATIONS

Aligned to *National Financial Literacy Standards* from the **JumpStart Coalition for Personal Financial Literacy**.

Financial Responsibility and Decision Making

Standard 1: Take responsibility for personal financial decisions.

Standard 2: Find and evaluate financial information from a variety of sources.

Income and Careers

Standard 2: Identify sources of personal income.

Saving and Investing

Standard 2: Explain how investing builds wealth and helps meet financial goals.

Standard 3: Evaluate investment alternatives.

Aligned to *Voluntary National Content Standards in Economics* from the **Council for Economic Education**.

Standard 2: Decision Making

Standard 14: Entrepreneurship

Aligned to **Common Core State Standards Initiative's** standards for *Literacy in History/Social Studies, Science and Technical Subjects*.

Standard 1: Read closely to determine what the text says explicitly and to make logical inferences from it; cite specific textual evidence when writing or speaking to support conclusions drawn from the text.

Standard 4: Interpret words and phrases as they are used in a text, including determining technical, connotative, and figurative meanings, and analyze how specific word choices shape meaning or tone.

Standard 7: Integrate and evaluate content presented in diverse formats and media, including visually and quantitatively, as well as in words.

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LESSON PREP & SCREENING

Getting Started

Familiarize yourself with the episode ahead of time. It will serve as a springboard for student learning, discussions, vocabulary exploration, and hands-on activities. Determine what equipment is required to show the episode in your classroom and request it if needed. Choose an activity (each one takes between 45-60 minutes), and gather supplies. Students will need a pen or pencil and copies of the activity worksheets. Have fun!

Screening

Introduce the series and the episode. Explain that Biz Kid\$ is a public television series that teaches kids about money and business. Mention that the bizkids.com website has lots of video clips, games, a blog, and other resources to help kids start businesses and learn about money. Prior to playing the episode, lead your students in a discussion with the preview questions on this page.

About the Episode

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Episode Preview Questions

Before you show this Biz Kid\$ episode, lead your students in a brief discussion of the following questions:

- Have you ever worked to earn money?
- Do you know how to make money grow without working to earn more of it?
- Do you have a savings account that earns interest?

Next Steps

Show this episode. After the episode, read the Summary and Conclusion to the class.

Summary and Conclusion

There are a lot of ways for young people to invest, but you must have a responsible adult help you if you are under 18 years of age. Commodities and stocks may have more risk than bonds. It is important for you to research your investments before you make them. The younger you are when you start investing, the more time you have to make your money work for you.

Family Connection

Distribute a copy of the Family Activity Sheet to each student to share what they've learned with their families.



FAMILY ACTIVITY SHEET

Episode Synopsis

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Activity Suggestions

Some games that you can play with your child which help them gain an understanding of financial markets include the classic card game *Pit* or the board game *Stock Market Tycoon*. *Pit* allows players to trade with the goal of cornering the market on a single type of commodity, while *Stock Market Tycoon* challenges users to buy and sell stock with the objective of being the first investor to earn more than one million dollars.

With your child, use the internet or your local public library to learn more about the New York Stock Exchange (<http://www.nyse.com>).

Another way to learn more about the stock market is to do this activity at home. Using a newspaper or other information source, select three company stocks that sound appealing to your child. On a piece of paper, write down the company names and track the performance of each of these three stocks. Each day, write down the closing share price, and note whether it has gone up or down from the previous day's share price. Help your child understand that from day to day the stocks may rise and fall, but over long periods of time you will see a greater difference. To learn more about these three companies, and why their stock prices change, look for company information on Yahoo! Finance or in a financial newspaper.



Activity #1:

BIZ TERM\$

WORKSHEET FOR STUDENTS

Biz Term\$

- Bear market
- Bull market
- Bond
- Commodity
- Fund managers
- Invest
- Issuer
- Shareholder
- Stock
- Stockbroker

Directions

With students, read aloud the Biz Term\$ and each question. Call on volunteers for answers, and have them explain why they chose the term they believe to be correct.

Biz Term\$ Episode Review

1. A _____ is a loan of money to a government or company.
2. If you risk your money hoping to make a profit, you might _____ it.
3. _____ represents part ownership in a company.
4. A person who handles stock transactions is a _____.
5. A _____ happens when investment prices fall during a recession.
6. During an economic boom or recovery, investment prices rise in a _____.
7. If you own stock in a company you are a _____.



CURRICULUM CONNECTIONS

Language Arts

- Have students construct sentences, write a paragraph, or create a story, skit, or dialog using Biz Term\$.
- Have students create a class Dictionary of Financial Terms using Biz Term\$.
- Have students start their own Journal of Personal Financial Education and continue to add to it.

History/Social Studies

- Have students read about famed investor Warren Buffet. Ask them to answer the questions: Who is he? What is he famous for? Why are people so interested in what he has to say about investing?

Mathematics

- You invest \$100 a month, starting at age 18, for ten years. The investment earns 5% annual interest. You stop investing and let that money sit in the account until you retire at age 65. What will the balance of the account be when you retire?

Economics

- What is the difference between income investments and growth investments? Why is it important to understand which type of investment you prefer to have?

Optional Vocabulary Extensions

Make Art!

Ask students to create personal illustrated glossaries using sketches or cartoons to visually represent the meaning of each Biz Term.

Make It Personal!

Provide students with dictionaries and ask students to re-write formal definitions for each Biz Term in their own words to demonstrate comprehension.



Activity #2:

INVESTORS

WORKSHEET FOR STUDENTS

Directions

Investing is giving your own money to a company or person with the possibility of increased value in the future as interest, income, or worth. Investing does carry some risk that you might not get your money back, or you might not earn as much as you hoped to. Read the examples below, and decide whether or not you would invest in each opportunity, and explain why.

1. A friend wants to open a bike repair shop. This friend is an expert in bike repair, and already has some loyal customers. Would you invest in this company? Why or why not?

2. You receive a gift of money from your grandparents of \$300 and they want you to save it or invest it. Would you choose to put it in a savings account, or to invest it in the stock market? Why do you prefer that course of action?

3. You have studied the rise and fall of the stock market. It is currently a Bear market. Would you invest now? Why or why not?

4. Your city is selling municipal bonds. You can purchase one for \$250 and it will mature in 10 years, and will pay you 5% interest per year while you wait for it to mature. Would you buy one? Why or why not?

Have students discuss these ideas and share their answers with the class.



Activity #3:

COMMODITIES

WORKSHEET FOR STUDENTS

Directions

While commodities could be anything useful or valuable that is traded, when we talk about commodities and the stock market, there are a few special items that get attention worldwide. These items fit into five major categories and two classes. Fill in the table below to put the items into their proper category and class.

Item	Class Soft = grown Hard = mined	Category Agriculture Consumer Energy Livestock Metals
Example: Corn	Soft	Agriculture
Aluminum		
Cattle		
Coal		
Coffee beans		
Copper		
Cotton		
Crude oil		
Gold		
Hogs		
Iron ore		
Natural gas		
Platinum		
Salt		
Silver		
Soybeans		
Sugar		
Wheat		

Have students discuss these ideas and share their answers with the class.



BIZ TERMS DEFINITIONS

- *Bear market:* A time when investment prices fall, usually during an economic recession.
- *Bull market:* A time when investment prices rise, usually during an economic recovery or boom.
- *Bond:* A loan made to a government or company that is repaid with interest by a certain date.
- *Commodity:* Anything that is useful or has value.
- *Fund managers:* People responsible for making decisions related to any portfolio of investments.
- *Invest:* An activity in which money is put at risk for the purpose of making a profit.
- *Issuer:* A company or city offering stock or bonds for sale to investors.
- *Shareholder:* A person who owns stock in a company.
- *Stock:* Shares representing ownership of part of a company.
- *Stockbroker:* A person who buys and sells stock for their customers.



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