



What's Up With The Stock Market?

EPISODE #404

LESSON LEVEL

Grades 6-8

KEY TOPICS

- Stock market
- Investing
- Stock research

LEARNING OBJECTIVES

1. Understand what stocks are.
2. Identify investment strategies.
3. Learn how to read a stock ticker.
4. Learn financial terms.

EPISODE SYNOPSIS

The Biz Kid\$ take us through the language of the stock market, as we meet several young investors. The fundamentals of purchasing and owning stock are explored, including how to research a stock and find a good value. Portfolio strategy is also introduced.

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 4: Make financial decisions by systematically considering alternatives and consequences.

Planning and Money Management

Standard 6: Develop a personal financial plan.

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.

CONTENTS

- National Standards Correlations
- Lesson Prep & Screening
- Family Activity Sheet
- Biz Term\$ Worksheet
- Curriculum Connections
- Activity Worksheets
- Biz Term\$ Definitions
- Acknowledgements



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

The Biz Kid\$ take us through the language of the stock market, as we meet several young investors. The fundamentals of purchasing and owning stock are explored, including how to research a stock and find a good value. Portfolio strategy is also introduced.

Episode Preview Questions

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

- Have you wondered how the stock market works?
- What are some products you love and would like to support while making a profit?
- Would you like your money to work for you so that you can earn a million dollars?

Next Steps

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

Summary and Conclusion

This episode explained what stocks are, and discussed how to understand financial information. Now that you know how to track the performance of a company's stock, and understand the benefits of investing while you're young, it's time to get out there and be a Biz Kid!

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

The Biz Kid\$ take us through the language of the stock market, as we meet several young investors. The fundamentals of purchasing and owning stock are explored, including how to research a stock and find a good value. Portfolio strategy is also introduced.

Activity Suggestions

Your student has learned some important reasons for investing in the stock market while they are young. If you have any personal experience with investing, share that with your child and include details such as when you first began to invest, who helped you or gave you advice, and what the result was in terms of profits and losses.

Together as a family, choose one stock to follow in the newspaper or online. Find out what the business of the company is, how it has performed over the past year, and what the share price is now. Discuss with your student whether or not you believe that is a good company to support and invest in.

It is important to learn about and select an investment strategy before you start investing. With your student, go to the library or do research online to learn more about various strategies for investing. Help your student to select the best strategy for their circumstances and budget, and then help them to begin investing using that strategy. Time is one of the great benefits of starting to invest at a young age.



Activity #1:

BIZ TERM\$

WORKSHEET FOR STUDENTS

Biz Term\$

- Diversify
- Economy
- Indexes
- Invest
- Investment strategy
- New York Stock Exchange (NYSE)
- Portfolio
- Stock
- Stock market
- Wall Street

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 scheme or plan for what stock to buy is an _____.
2. A collection of your financial assets is your _____.
3. Owning _____ means owning a part of a company.
4. The _____ contain a report of how companies are performing.
5. Investing to lower risk is done when you _____.
6. Stocks are traded openly at the _____ on _____.
7. When you _____ you make sure your stocks are not all from the same industry.



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

- Using the library or the internet, research the New York Stock Exchange (NYSE). What year was it founded? How many companies participate today? What is the address for the NYSE?

Mathematics

- If one share of stock sells for \$10 today and the value increases by 5% each year, how long will it take for the value of the stock to double?

Economics

- There are stock markets all over the world. Pick a country outside of the United States and find out more about their stock market. What is the name of their stock market? How many companies participate in it? How many shares of stock are traded in that market? What is the value of their stock market (you may have to convert to U.S. dollars in order to compare market values between the U.S. and other countries).

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:

BUY LOW, SELL HIGH

WORKSHEET FOR STUDENTS

Directions

In this episode, the Biz Kid\$ learned that it is important to have a strategy for your stock purchases.

1. What does it mean when someone says their strategy is 'buy low, sell high?'

2. The range of prices for today from opening to closing for one share of SNE stock was from \$17.12 to \$17.33. Did today's stock price for SNE close low or high? If you wanted to trade SNE stock tomorrow morning, would you buy or sell? Why?

3. This year, the Sony stock (SNE) has had a price range for one share from \$13.75 to \$23.38. If you know that the price today is \$17.12, is that low or high? Why?

4. If you bought 1 share of stock in Sony (SNE) for \$13.75 earlier this year, and you sell it tomorrow for \$17.12, how much money will you make?

5. If you take the amount of money you make for selling 1 share, and you divide it by the amount of money you spent on that one share, you get what's called your 'Return On Investment' (ROI). If you make \$4 on a sale of one share of stock that you bought for \$16, what is your ROI?

6. Seven to ten percent ROI is a good return. Is the return on investment in problem #4 above good? Why?

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



Activity #3:

WHO IS YOUR MENTOR?

WORKSHEET FOR STUDENTS

Directions

Different investors have different strategies. Here's a chance to find a mentor who has a strategy that works for you. Circle the letter that best fits your style for each question:

1. When you go shopping do you:
 - A) Look for a really good bargain - something of good quality that is on sale or has a coupon.
 - B) Buy the products that you are most familiar with, because you understand them and you know what you're getting.
 - C) Prefer to shop at a small store instead of a large retail chain.
2. Before going shopping, I like to:
 - A) Do my own research, really find out where the best deals are going to be and go there.
 - B) Ask my friends what they think is good.
 - C) Browse around for newer, smaller stores to see what's out there.
3. The products that fit me best are:
 - A) simple and predictable
 - B) familiar and understandable
 - C) new and growing

If you mostly answered...

A - Your mentor is Warren Buffet. Shopping for Value is his strategy, and he looks for companies that are worth more than their stock price is currently indicating.

B - Your mentor is Peter Lynch. Invest in What You Know is his strategy, and he likes to buy companies that he understands.

C - Your mentor is Ralph Wanger. Small Company Investing is his strategy, and he likes to invest in small companies in growing industries.

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



BIZ TERMS DEFINITIONS

- *Diversify*: When you make sure your stocks are not all from the same industry.
- *Economy*: The wealth and resources of a country.
- *Indexes*: Tools used by investors to describe the stock market and to compare the return on specific investments.
- *Invest*: An activity in which money is put at risk for the purpose of making a profit.
- *Investment strategy*: A plan for putting your money to use in a way that has the potential for it to grow in value.
- *New York Stock Exchange (NYSE)*: The world's largest stock exchange by market capitalization.
- *Portfolio*: A collection of financial assets such as stocks, bonds, and cash.
- *Stock*: Shares representing ownership of part of a company.
- *Stock market*: A place where stocks are bought and sold.
- *Wall Street*: The major financial center of the United States, located in New York City.



Produced by: *Biz Kid\$* LLP

Funded by:



Co-Produced by:



Distributed by:

