

Finance

Summary

Students will understand investing, the Stock Market, investment strategies, protecting investments, and buying and selling investments.

Main Core Tie

Adult Roles and Financial Literacy

[Strand 7 Standard 4](#)

Materials

Pit - approximately one board per 4 to 6 participants

Paper plate

shaving cream

red & blue food coloring

ruler

note card or cardstock

- [Vocabulary Worksheet and Key](#)
- [Investing Lecture Notes](#)
- [Investment Transparencies](#)
- [Regulatory Pyramid Transparency](#)
- [Investing Student Worksheet](#)
- [Investing is Like Information](#)
- [Investing Role Play](#)
- [Top 5 Challenge](#)
- [Investor Island Instructions](#)
- [Stock Market Game Information](#)
- [NEFE Investing Lesson Plan](#)
- [FEFE Lesson Plan](#)
- [PIT Teacher Instructions](#)

Instructional Procedures

Vocabulary

Use the [vocabulary worksheet and key](#) (pdf).

Primary Vocabulary

Savings

Risk

Return

Liquidity

Stocks

Bonds

Mutual Funds

Real Estate

Certificate of Deposit

Collectibles

Short Term Investing Strategies

Buying on margin

Short selling
Long- term Investing Strategies
Diversification
Dollar Cost Averaging
Buy and Hold Technique
Regulatory Pyramid
Prospectus
Annual Report

Supplementary Vocabulary

Compounding interest
Principal
Fixed Interest Rate
Simple Interest
Inflation
Time Value of Money
Interest
Interest Rate

FCCLA Activity Option

Consult the [FCCLA Financial Fitness website](#).

Banking Basics - Conquer bank accounts, credit, and investments
Cash Control - Track and plan personal spending
Making Money - Sharpen on-the-job financial fitness
Consumer Clout - Become a savvy spender
Financing Your Future - Apply financial skills to real life.

Content Outline, Activities and Teaching Strategies

(All options do not necessarily need to be taught. Select ones to cover standards and objectives and according to your district policies.)

Option 1: Lecture/Discussion on Investing

Use the [Investing Lecture Notes](#) (pdf), [Investment Transparencies](#) (pdf), (you could make into a PowerPoint if you would like) and [Investing Student Worksheet](#) (pdf) to have a class discussion.

Option 2: Investing is Like...

Have you ever heard the word simile? A simile is often used in English and is defined as using "like" to compare one item to another. In this project the student will be creating a simile using "Investing is like..." The students can use colored paper or construction paper. At the top of the paper title it "Investing is like..." and then begin to think of a comparison. The students will then need three supporting facts on why investing is like that item, they will also need it to be illustrated using corresponding pictures. Refer to [Investing is Like...Information Sheet](#) (pdf).

Option 3: Stock Market Lesson Plan

[Family Economics and Financial Education Lesson Plan](#) (pdf)

Students develop an understanding about stock market fundamentals. They learn what stocks are, associated risks, types of stock, and how stocks are classified. Students also learn how to use the fundamental measures to research a stock, read a stock quote, recognize stock market indicators, and understand the process brokers use to buy and sell stocks on the organized exchange.

There are three options to choose from:

1.12.2 Language of the Stock Market

Students develop an understanding about stock market fundamentals. They learn what stocks are, associated risks, types of stock, and how stocks are classified. Students also learn how to use the fundamental measures to research a stock, read a stock quote, recognize stock market indicators, and understand the process brokers use to buy and sell stocks on the organized exchange.

1.12.2 Language of the Stock Market Game

This is a jeopardy style game designed to be used as an assessment tool for the Language of the Stock Market Lesson Plan.

1.12.5 Tracking a Stock

Students have \$2,000 to invest in five different companies. They research the companies and then track the stock's performance for six weeks. At six weeks, students create a PowerPoint presentation describing the chosen stocks and their portfolio's performance.

Option 4: Investing Role Plays

Have students answer each question then share their answers with the class in the form of a role play. Refer to the [Investing Role Plays Worksheet](#) (pdf).

Option 5: Investment Brochure

Direct students to create informational brochures or posters to inform others about a specific investments according to their research and the investing lecture. Source: <http://hsfpp.nefe.org/home/>

Option 6: Top 5

Challenge students to create a "Top 5 Things to Do or Not to Do When Investing" by interviewing adults about their investment experiences, and sharing what you learned. Use the [Top 5 Challenge worksheet](#) (pdf).

Option 7: Investing Guest Speaker

This would be a great topic to invite a member of the community into your classroom to lecture on. He/she could share their insights and personal examples of the benefits of investing or discuss the different investment vehicles.

Option 8: Investor Island

A fun interactive lesson plan with web resources as well as resources you can print off on the concepts of investment, risk, and return. Refer to [Investor Island Instructions](#) (pdf). Author of the Econ Lesson Plan: Patricia Bonner.

Option 9: PIT Game

Pit® can be used to reinforce a variety of concepts in a family finance and economics course.

Participants trade commodities on the market to try to 'corner' the market to win the hand. Pit® covers concepts from Investing and Values, Needs vs. Wants, and Goal Setting.

Step # 1: Go to: <http://www.fefe.arizona.edu/download-lessons>. (You will need to register and log in to this website prior to use)

Step # 2: Click on: 5.0.0 Active Learning Tools

Step # 3: Click on: 5.0.17 Pit Lesson Plan

Explain the instructions for playing Pit® using the instructions in Pit® game.

Divide participants into groups of 3 -- 8 players for each card game. Participants play individually.

Have participants set up the card game and play.

After participants have finished the game, hold a class discussion using the Discussion Questions handout 5.0.17.E1.

The following items from FEFE:

Discussion Questions Pit ® handout -- 5.0.17.E1

Pit® -- approximately one board per 4 to 6 participants

Approximate cost: \$13.00 -- \$17.00 per game

Option 10: Stock Market Game

The Stock Market Game™ (SMG) gives students the chance to invest a hypothetical \$100,000 in an on-line portfolio. They think they're playing a game. You know they're learning economic and financial concepts they'll use for the rest of their lives. Refer to the [Stock Market Game Information](#) (pdf). See <http://www.smgww.org>.

Option 11: NEFE High School Planning Program

National Endowment for Financial Education (NEFE) Instructor Manual and the corresponding Student Guide: Use Unit 3 Investing: Making Money Work for You.

You can order free Instructor Manuals and Student Guides by going to the following website:

<http://hsfpp.nefe.org/home/>.

Option 12: Hands on Banking

This lesson gives students exposure to smart investing and capital gains and losses. Refer to the Hands on Banking Web Lesson Plan. Go to the following website: www.handsonbanking.org. (You can print off a guide or you can use the information in order to have a hard copy of one.)

For Grades 6-8 go to http://www.handsonbanking.org/nav_elements/teachers_guide_PDF/Teen_T_Guide.pdf.

UNIT OVERVIEW: Smart Investing

Unit Five: Smart Investing

Smart Investing (page 87)

Section 1: Introduction to Investing (page 88)

Section 2: Capital Gains and Losses (page 94)

Teaching Tips (page 97)

In these lessons, middle-school students (grades 6-8) calculate and compare the returns on simple investments. Students compute the average of a given set of data. In the online/CD-ROM version of Hands on Banking, there are seven lessons that are condensed into 2 sections, below.

Section 1: Introduction to Investing

Students will investigate different types of investments including stocks. Students will explore the concept of dividends.

Section 2: Capital Gains and Losses

Students will recognize the steps to responsible stock purchasing. Students will calculate capital gains and losses.

For Grades 10-12 go to:

http://www.handsonbanking.org/nav_elements/teachers_guide_PDF/YA_T_Guide.pdf.

Section 4: Investing

Students are introduced to the basic concepts of investing and investment options including stocks, bonds, and mutual funds.

Work & \$.(page135)

Section 3: Retirement Plans (page 142)

Section 4: Investing. (page 147)

Section 5: Your Financial Plan (page 152)

Student Activities (page162)

Work & \$ Assessment Worksheet (page 164)

Teacher's Copy of Work & \$ Assessment Worksheet. (page 166)

Option 13: Savings and Investing Lesson Plan

Students will understand savings and investing from the Practical Money Skills Savings and Investing Web Lesson Plan. Go to: <http://www.practicalmoneyskills.com/foreducators/>

Possible Activities

12-A Pay Yourself First (A Little Can Add Up

12-D Certificates of Deposit (CDs)

12-E How Simple and Compound Interest are Calculated

12-H The Rule of 72

12-I Bonds

12-J Mutual Funds

12-K Stocks

12-L Real Estate

12-M Retirement Plans

12-O Comparing Savings and Investment Plans

12-P Avoiding Investment Fraud

Source: Practical Money Skills

Option 14: Shaving Cream Mutual Funds

For mutual funds, use a shaving cream art project. Spray a large blob on a paper plate to symbolize the stock market. Then, ask for some various companies to represent drops of food coloring. Spread them around because, well, let's face it, Wall Street is crazy. Take a small note card or piece of cardstock (your mutual fund) and smash it gently into the shaving cream swirls. Remove it and use a straight edge (ruler) to wipe off the shaving cream. I then asked them to look at the different colors and analyze what would happen if red (Company X) went bankrupt or blue (Company Y) skyrocketed, etc. This really gets them thinking about how mutual funds are more than just one stock and are safer than investing in only one stock. Author: Maria Jones

Summary/Evaluation

No matter how much you may want to have something, you will not be able to obtain it if you cannot pay for it. In order to gather the necessary funds to achieve the future you picture, you will need to carefully plan and become self-disciplined. If you are investing or saving to meet a goal that will make you happy and financially secure, the sacrifices you make now will be worth it in the future (opportunity cost). Investing is the purchase of assets with the goal of increasing future income. There are different vehicles you can use in order to invest as well as different strategies. A large component of investing is the stock market. It is important to develop an understanding about stock market fundamentals, including, what stocks are, risks associated with investing in the stock market, the various types of stock, and how stocks are classified. As well as how to use the fundamental measures to research a stock, how to read a stock quote, know what the stock market indicators are, and understand the process brokers use to buy and sell stocks on the organized exchange.

Authors

[CTE LESSON PLANS](#)