

## 21<sup>st</sup> Century Learning Money 101: Stock Market Curriculum Guide



### Vocabulary

Stock market – a place in which shares of stock are traded

Share – a portion; owning part of a company

Stock – a share of ownership in a business

Capital – money

Traded (in terms of the stock market) – bought or sold

Ticker symbol – abbreviation for a company's name

Brokerage – companies that charge a fee to buy and sell an investor's stocks

Broker – someone who invests your money



### Activity 1: Understanding Concepts of the Stock Market?

The following is a simplified scenario that explains the basic concepts of stocks, shareholders and risks. Explain to students that this will allow them to explore just the foundational concepts of the stock market. Students are likely to begin thinking beyond this scenario as they participate in the activity.

Share the following scenario with students:

Anita wants to set up a lemonade stand, and sell fresh squeezed lemonade. She has \$10.00, which covers the cost of lemons, sugar and ice. However, she will also need a pitcher and cups (equipment). Anita does not have enough money to cover all of her expenses.

Susan and Micah say they might pay for the pitcher and cups, if Anita shares her profits with them. (This would be like buying stock in Anita's company.)

Anita readily agrees, so Susan and Micah must to decide if they think it is a good investment. All investments are risks, but there are a few variables Susan and Micah can consider before they purchase this "stock" in Anita's company.

The pitcher and cups cost \$5.00, so Susan and Micah will each invest \$2.50. \$2.50 is 16.5% of \$15.00, so 16.5% of total profit is the return they would each get on the profits made by Anita.

Work in pairs or groups of 3-4. Discuss all factors and options you might consider if you were Susan and Micah.

Here are the facts:

The lemonade stand will be:

- Run by Anita
- Open 2 days
- Located at the city park



Here are some factors to consider. As your group discusses, add new variables to the list.

#### Shareholder Risks:

1. How much money is this business likely to make?
2. How much profit is necessary to make it worthwhile as the stockholder?
3. How much must each glass of lemonade cost to make this profit? Is that reasonable?
4. Is it possible the lemonade stand will lose money?
- 5.
- 6.
- 7.
- 8.

Create a short scenario of how this might play out if Susan and Micah invest in Anita's company? How well does the company perform? Was it a good investment for Susan and Micah? Use exact amounts of money in your description. You will present your scenario to the class, so you can describe the scenario in essay format, bulleted points, or illustrations.

#### *Teacher Notes:*

*Here are some sample scenarios:*

- *It rains that day, and Susan and Micah lose their money.*
- *Anita makes \$50 total = \$35 profit so Anita gets \$23 profit and Susan and Micah each get \$5.70.*
- *There is a huge family reunion that day at the park, and Anita makes \$100 so Anita gets \$56 and Susan and Micah each get \$14.*

**Students can use what they learned in this simplified example to understand the stock market activities on the following web pages.**

## **Activity 2: Adding on to Our Understanding**

Use the following website to expand your knowledge of the stock market.

<http://www.themint.org/kids/what-is-the-stock-market.html#>

Activity: Read the page together. Use the T-chart at the end of this lesson to compare the simplified lemonade stand scenario (above) to the information gained from this page.

## **Activity 3: Elaborating with Real World Examples:**

Use the following website and activity to continue your discussion with students about the stock market and to further elaborate on their understanding of how the stock market works.

<http://ecedweb.unomaha.edu/lessons/mark1.htm>

## **Activity 4: Applying Our Understanding of the Stock Market**

Use the following website to learn how to read the stock market pages in the newspaper. Learning how to read the Stock Market Pages:

<http://www.themint.org/teachers/how-to-read-stock-market.html>

## **Additional Websites;**

ThinkQuest

[http://www.askforkids.com/fr?u=http%3A%2F%2Flibrary.thinkquest.org%2F4116%2F%2FInvesting%2Fstocks\\_intro.htm&bu=http%3A%2F%2Fwww.askforkids.com%2Fweb%3Fq%3Dstock+market%26dm%3Dlang%26page%3D1&q=stock+market&o=0&l=dir&s=k&dm=lang&qt=0](http://www.askforkids.com/fr?u=http%3A%2F%2Flibrary.thinkquest.org%2F4116%2F%2FInvesting%2Fstocks_intro.htm&bu=http%3A%2F%2Fwww.askforkids.com%2Fweb%3Fq%3Dstock+market%26dm%3Dlang%26page%3D1&q=stock+market&o=0&l=dir&s=k&dm=lang&qt=0)

Young Investor

<http://www.askforkids.com/fr?u=http%3A%2F%2Fwww.younginvestor.com%2F&bu=http%3A%2F%2Fwww.askforkids.com%2Fweb%3Fq%3Dstock+market%26dm%3Dlang%26page%3D1&q=stock+market&o=0&l=dir&s=k&dm=lang&qt=0>

# Building Our Knowledge of the Stock Market

Lemonade Simplified  
Scenario

Real-World  
Explanation

Lemonade Simplified Scenario	Real-World Explanation

*Teacher Notes:  
Possible Answers*

	Lemonade Simplified Scenario	Real-world Explanation
Possible answers:	One-time business (only open 2 days)	Businesses are ongoing so shareholders may make money over several years
	Lemonade stand was a start up business with more risk	In real world, businesses may be in business for many years so potential stock holders can research patterns of success/failure before investing
	Susan and Micah may lose all their money with not chance to make it back	Susan and Micah could keep their stock and make a profit the following year or later