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Welcome!

Thank you for choosing to teach your child about personal investing through the SIFMA Foundation's **SMG Homeschool** program. The SMG Homeschool program organizes the core lessons and activities in **The Stock Market Game™** (SMG) program's curriculum into an easy-to-use student workbook.

The Stock Market Game program is a comprehensive and engaging financial education program developed by the **SIFMA Foundation**. It advances academic achievement for students in grades 4 to 12, while providing them with opportunities to practice essential saving and investing skills. Since 1977, millions of classrooms across the US and internationally have used the SMG program to connect their math, English Language Arts, and social studies textbooks to the real world.

In the SMG Homeschool program, your child will be asked to conduct basic investment research to create and manage an online investment portfolio. They will be asked to invest in stocks, bonds, and mutual funds. The **SMG Homeschool Student Workbook** will guide your child through a sequence of activities and provide evidence of learning for those school districts requiring it.

The **SMG Homeschool Advisor Guide** is designed to assist you with supporting your child's learning. It includes the answer keys to workbook activities, tips for effective teaching, and supplemental activities for a richer online experience. Use this guide to help your child get the most out of their SMG Homeschool experience.

Thank you again for choosing the SMG Homeschool program.

For more information about The Stock Market Game visit www.stockmarketgame.org

Information about the SIFMA Foundation is available at www.sifma.org/foundation



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The SMG Homeschool Student Workbook

The **SMG Homeschool Student Workbook** provides activities that prepare your child to conduct transactions at increasingly complex levels. The activities in the SMG Homeschool Student Workbook are organized according to the SMG program's core units and lessons. The SMG Homeschool Student Workbook provides enough activities for a semester long course (about 16 weeks).

As your child progresses through the activities provided in the workbook, please review each completed activity before allowing your child to advance. Answer sheets are provided for you. Review the completed activity sheet first by yourself and then together with your child. If you feel it is necessary, have your child redo the activity sheet and repeat the review process.

If you would like additional activities to enrich your child's SMG Homeschool experience, please visit the SMG program's **Teacher Support Center** for additional lessons and projects. The Teacher Support Center is an online curriculum resource that is available through the SMG Advisor ID you are assigned upon successful registration at www.stockmarketgame.org.

Answer Keys

The SMG Homeschool Advisor's Guide includes answer keys for activities in the SMG Homeschool Student Workbook. Activities asking open-ended questions do not have answer keys since responses will vary. When your child has completed an activity, please review their responses before allowing them to continue to the next activity. Review the completed activity first by yourself and then together with your child. If you feel it is necessary, have your child redo the activity sheet and repeat the review process.



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Getting Started

Computer Access

The SMG Homeschool program is an online activity. You will need a computer with internet access to participate in the program. You may also access The Stock Market Game website, the student online portfolio, and the Teacher Support Center on a tablet or iPad.

If you do not have internet access on your own computer, laptop, or mobile device, please ask your local library or community center. Many of these organizations allow people to borrow their equipment and use internet access for predetermined periods of time.

While it is possible to complete the Student Workbook activities without a computer or internet, doing so excludes your child from practicing necessary Information, Media, and Technology skills as determined by the Partnership for 21st Century Skills.

Time and Organization

Generally speaking, each activity may take your child between 45 minutes or more to complete. However, you are strongly discouraged from pressuring your child to complete activities within a specific time frame. Each child is unique and should be given the opportunity to fully comprehend the material.

While the time for completing activities in the SMG Homeschool Student Workbook is flexible, the online trading associated with the activities is not. Trading in the SMG Homeschool program coincides with the trading sessions offered by The Stock Market Game program. Trading sessions can run from 10 weeks to a year. To find the trading sessions available to you visit The Stock Market Game website and click Register. Select your country, state, and local Stock Market Game program.

Teams

If you have more than one child participating in the SMG Homeschool program, you may wish to organize them into a single team, as opposed to providing each child with their own ID and password. Organizing your children into a team helps them practice the 4Cs – Critical Thinking, Communication, Collaboration, and Creativity -- identified as Learning and Innovation Skills by the Partnership for 21st Century Skills.



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If your children are working as a team, choosing a team name is a good consensus building activity. Follow the steps below to help them be more effective teammates:

1. Brainstorm - Have everyone list several ideas with reasoning but no evaluative comments. Get into the habit of requiring everyone on your team to participate. Let your style show with the names you suggest!

2. Evaluate - Have each person give their first two choices for names and see if you have overlap. Reduce the combined list to four names or less.

3. Discuss - Don't vote! Ask each person to give a pro and con for each of the top four names. Based on this analysis, choose your top two names. Do pros and cons on the top two names with each person making a proposal for the top name and others chime in with support.

4. Decide - If necessary, take a vote at this point to select the team name. Voting is only used when a team can't make it to consensus.

SMG Team Roles

Assigning roles to the members of a team ensures each child participates in the learning process, is accountable for group assignments, and supports group decision-making.

Any combination of roles is possible, including rotating the roles so all team members have an opportunity to take on different responsibilities. You may also assign a single team member multiple roles. For example, recording team answers in the journal could be done by all team members.

Below are some suggested roles for team members:

Captain/Director - Coordinates the efforts of entire team including team activities, maintaining their password and checking their Rankings report.

Basic Economic Research Coordinator - Coordinates team research, fundamental economic data regarding the overall economy, and relevant current events which could affect companies whose stock the team owns or is thinking of buying. He/She uses their team portfolio's Outside Links, additional Internet sites, newspapers, etc., to report on current market activity, economic indicators, news about the industry, etc.

Advanced Economic Research Coordinator - Coordinates team research of market data for companies whose stock is owned by the team or is being considered for purchase or sale. They use recommended web sites to report on current market conditions. They also find stock ticker symbols and checks stock data (highs, lows, and closing prices).

Record Keeper - Keeps a record of all transactions made by their team and uses this information to verify portfolio data. They review their team portfolio's



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Transaction History, Account Summary, Account Holdings, and Gains & Losses reports for accuracy.

Journal Recorder- Completes the Journal pages after discussion and agreement by the team members.

Conducting Research

Research is essential to building and managing a successful investment portfolio. Children in the SMG Homeschool program are expected to conduct research on several stocks, mutual funds, and bonds before making their first trade.

The first few activities in the SMG Homeschool Student Workbook focus on preparing teams for their first trade. For example, one of the early activities in the SMG Homeschool Student Workbook asks your child to analyze a piece of text and apply what they've read to answering several questions. There is also an activity that encourages them to conduct an informal survey of the companies that make the products they use.

In addition to the activities in the SMG Homeschool Student Workbook, encourage your children to read a variety of online and print financial news websites. The goal of doing this is to form a "news habit" so they automatically use multiple sources of information when developing an opinion. This will benefit them long after they have completed the SMG Homeschool program.

Some popular financial news websites are:

Bloomberg: <http://www.bloomberg.com/>
Morningstar: <http://www.morningstar.com/>
New York Times Dealbook: <http://nyti.ms/1EyMFmQ>
Yahoo! Finance: <http://finance.yahoo.com/>

You might have your child create a list of useful financial news websites of their own as an additional activity.

Starting from What They Know

To get your child thinking about the companies they might invest in, start with what they already know. With your child, create a list of the products you have at home like cleaning products, dish soap, bath soap, laundry detergent, food items in the refrigerator or cupboard. In addition to the product name, they should also record the company that makes the product. This information is usually found on the product's label. Afterwards, discuss where the product was bought, then go online and look up who makes the product, and other products produced by the same company.



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Parent Companies

As you assemble the list of companies based on products in your home, you will eventually come across companies that do not have a ticker symbol and are not listed on either of the US stock exchanges.

This means these companies are either

- privately owned and does not trade stock
- owned by another country
- a subsidiary of another company
- a brand name

For example, you may want to invest in the Tropicana company because it makes a lot of your favorite juices and drinks. However, you cannot find its ticker symbol (the one to five character set that stock exchanges use to identify companies). This is because Tropicana is owned by Pepsico (its parent company). To invest in Tropicana, they would find the ticker symbol for Pepsico (PEP).

Yahoo! Finance (<http://finance.yahoo.com/>) is a helpful site for looking up company information. Please note it is a third party consumer site that has a lot of advertising and contains information you may feel is inappropriate for your child. You should always visit this site and other websites first before introducing it to your class.

Industries

To help your child narrow down their investment selections and focus their research, it may be helpful to ask your child to group their companies into industries. An industry is a category used to organize companies into types of services and/or products provided.

Organizing companies into industries helps your child make generalizations about the performance of a specific company compared to companies providing similar goods or services. They will be better able to address questions regarding how the industry's outlook is being perceived: Is the industry profitable? Will it continue to be? What factors will affect the industry's prospects?

Vocabulary

Familiarizing your child with investment terminology will provide them with a richer SMG Homeschool experience. There are many financial websites that provide dictionaries or glossaries. **Investopedia** is among the more popular sites. There are also glossaries on **US Securities and Exchange Commission (SEC)** and SIFMA's **Project Invested** websites. Please visit these sites before introducing them to your child to ensure the content is appropriate for your child.



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Investopedia: <http://www.investopedia.com/dictionary/>

SEC: <https://www.investor.gov/additional-resources/general-resources/fastanswers>

Project Invested: <http://www.projectinvested.com/glossary/>

This is a brief list of the terms your child may encounter as they complete the activities in the Student Workbook:

Bid Price: The bid is the price a market maker or broker is willing to pay for a security, such as a stock or bond, at a particular time.

Blue Chip Stock: Blue chip stock is the common stock of a large, well-regarded US company. The companies in that informal category are collectively known as blue chip companies. Blue chips have a long-established record of earning profits and paying dividends regardless of the economic climate.

Brand-name: A name that sets apart a product or company from rival products or companies

Buying on Margin: Buying stocks (securities) by paying only a percentage (a margin) of the purchase price and borrowing the remainder from the securities firm for a fee

Company: A person or group that makes something for other people to buy or use. Companies try to earn a profit.

Compound Interest: Interest paid on the principal and the accrued interest. Interest earned on an investment is added to the principal. This becomes the new base on which future interest accumulates. (See Activity Sheet 1 for an example)

Corporation: A company legally separate from stockholders who own it and the managers who run it.

Distribution date: Date on which the dividend payment is made.

Diversification: An investment strategy in which you spread your investment dollars among industry sectors.

Dividend: Portion of a company's profits (earnings) that may be paid to stockholders.

Earnings: Whatever profits or net income remains after subtracting the company's expenses from its revenue; a company's profit.

Income: Total earnings after all expenses and taxes have been paid.

Index: Reports changes, usually expressed as a percentage, in a specific financial market. Each index measures the market from a specific starting point. Some indexes are: Dow (NYSE), S&P 500 (NYSE), Russell (NASDAQ), etc.

Industry: A group of companies that make the same products, i.e. pharmaceutical companies.



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Investing: Buying stocks or other assets to have the money grow over time.

Large Cap: The stock of companies with market capitalizations typically of \$10 billion or more is known as large-cap stock. Large-cap stock is generally considered less volatile than stock in smaller companies, in part because the bigger companies may have larger reserves to carry them through economic downturns. However, market capitalization is always in flux. Today's large-cap stock can drop out of that category if the share price plunges either in a general market downturn or as a result of internal problems.

Mid-cap Stock: A mid-cap stock is one issued by a corporation whose market capitalization falls in a range between \$2 billion and \$10 billion, making it larger than a small-cap stock but smaller than a large-cap stock. Investors tend to buy mid-cap stocks for their growth potential. Their prices are typically lower than those of large-caps. At the same time, these companies tend to be less volatile than small-caps, in part because they have more resources with which to weather an economic downturn.

Mutual Fund: An investment company that pools savers' money to invest in a variety of stocks and bonds. Professionals who research companies and buy or sell stocks actively manage them based on what they think is best for the shareholder.

Portfolio: A collection of investments owned by one individual or organization.

Price/Earnings Ratio: A company's closing price divided by its latest annual earnings per share. Also expressed as P/E. Ratio.

Principal: Principal refers to an amount of money you invest, the face amount of a bond, or the balance you owe on a debt, aside from the interest.

Private Company: A company owned by an individual or a group who will be responsible for all the company's gains and losses

Profit/Earnings: The amount of money that remains after subtracting the company's expenses from its revenue.

Public Company: A company owned by investors who buy shares of stock, usually through a stock exchange.

Quote: The bid or ask price quoted for a stock at a given time.

Record date: Date set by a company on which an individual must own shares to be eligible to receive dividends.

Revenue: The money collected for providing a product or service.

Risk: The chance of losing all or part of the value of an investment.

Risk Tolerance: An individual investor's ability to accept loss of some or all of the money they have invested. An individual's Risk Tolerance is based on a number of



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factors including age, financial stability, amount of time before invested funds are needed for other purposes.

Savings: Money set aside for future use.

Sector: A group of stocks, often in one industry. The performance of any single stock in a sector can be measured against the performance of the group. Pharmaceutical companies are considered in the health care sector for example.

Small Cap Stock: Shares of relatively small publicly traded corporations with a total market capitalization of less than \$2.3 billion are typically considered small-capitalization, or small-cap, stocks. That number is not used uniformly, however, and you may find small-cap defined as below \$1.5 billion. Small-cap stocks tend to be issued by young, potentially fast-growing companies. Over the long term — though not in every period — small-cap stocks as a group have produced stronger returns than any other investment category.

Stock: Ownership of shares in a business. Companies issue stock to raise money for a variety of reasons, including expanding or modernizing their operations.

Stockholders (also shareholders): Ownership of shares in a business.

Ticker Symbol: Letters that identify a security for trading purposes on the consolidated tape, such as XON for Exxon Corporation.

Volatility: Indicates how much and how quickly the value of an investment, market, or market sector changes.

Yield: The rate of return on an investment paid in dividends or interest. It is expressed as a percent.

Understanding Stock Quotes

The SMG Homeschool Student Workbook includes an activity that teaches your child how to read and understand stock quotes. They will be using stock tables to help them make investment decisions. While the format and layout of stock quotes may vary depending upon the source they are using, the core information in the quote does not vary much.



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Stock Quote Description

Sample Stock Table

1	2		3	4	5	6	7	8	9
YTD % CHG	52-Week HI LO		Stock (SYM)	DIV	Yld %	PE	VOL 100s	CLOSE	NET CHG
11	59.85	45	Invest Mints s (YUMI)	1.1	2.0	37	15863	55.50	-0.88

Column 1: This column shows the percentage change in the stock's price so far this calendar year.

Percentage change = (today's closing price - price at end of last year) / price at end of last year

Column 2: These two data sets show the highest and lowest price of the stock during the last 52 weeks.

Column 3: This column presents the name of the company. This is not to be confused with a company's stock symbol. A stock symbol is a grouping of one to four letters used in place of a company's full or abbreviated name. This column may also contain various footnotes which the newspaper will explain. Here are some examples of what these footnotes may be:

The letter "s": signifies a stock split

The letters "pf": mean the stock is a preferred stock (*Note: The Stock Market Game only trades common stocks.)

Column 4: This column shows the latest dividend, the portion of the company's profits the company has paid to stockholders. Dividends are usually expressed at an annual rate, even if they are paid more than once a year.

Column 5: The number in this column is the yield of the stock. The yield is the latest annual dividend divided by the stock's latest closing price.

Yield = latest annual dividend/stock's closing price

Column 6: The PE of this column stands for price/earnings ratio, which is a company's closing price divided by its annual earnings per share (usually after deducting taxes). If a company loses money during the year, it will have no earnings to put in the denominator of the PE ratio. In that case, the newspaper or website will probably put two small "ds" in this column to indicate that the company lost money during the year.

P/E ratio = closing price of stock / earnings per share



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Column 7: This column is the stock's volume for the day, which is the total number of shares traded.

Column 8: This column presents the closing price (or last price) of the stock on this particular day, which means it was the last price at which the stock traded on that day.

Column 9: This column shows the net change in the stock's price from the previous day's closing price, which is calculated by subtracting the closing price of the previous trading day from today's closing price.

Evidencing Learning

The SMG Homeschool program guides your child through a series of interactive activities that become more difficult as they progress. It is recommended that your child keep their SMG Homeschool Student Workbooks organized and legible as they complete their activities. Their completed workbook is a physical record of the progress they've made in learning personal finance, saving, and investing. It is a useful tool when measuring your child's progress and as evidence of their learning. In some circumstances, it is needed to award a grade or course credit.

You are also encouraged to ask your child to keep a journal where they record meeting minutes, trades, track data, and build company profiles. The journal helps your child reflect on their investment strategies, articles they have read, and any writing they may have been assigned. The journals are useful instruments in measuring student progress.

Use this outline as a guide:

1. Date - Today's Date
2. Objectives - The goal of meeting today.
3. Actions - What was done today? What will be done by the next time you meet?
4. Research - List the websites, books, newspapers, and magazines discussed today.
5. Decisions - What was decided today? What was decided for the next meeting?
6. Conclusions - Discuss what was decided today and reflect on it. Do you agree with the decision? If you bought or sold something in your portfolio, why did you do it?

Projects

The final workbook activities are designed to assess your child's investment knowledge. The Stock Market Game's Teacher Support Center has rubrics and tests to help you assess how well your child understands what has been presented. You may access the Teacher Support Center by entering the Advisor ID and password you were assigned when you registered for The Stock Market Game.



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The Teacher Support Center also has an entire section devoted projects. Projects are an interactive and engaging way to assess how well your child has learned the material, while providing them with the opportunity to examine certain market concepts more deeply. In general, projects require more time to execute than tests or rubrics. However, the time invested in completing a project yields an effective authentic/formative assessment tool.

Below are a few suggestions for final projects in addition to the ones available in the Teacher Support Center:

- Your child can create a brief company profile for each stock they own during the game. Include a summary of the company's products, where it operates, strengths and weaknesses.
- Your child can create their own math workbook using information from their portfolio. Encourage them to use both word problems and straightforward calculation problems.
- Your child can create their own glossary of terms learned throughout the SMG program.
- Using reflective writing skills, your child can reflect on why selected investments in their portfolio performed below or above expectations and how the economy and current world events affected their investments.
- Your child could explain their investment strategy and prove with evidence from their portfolio whether it was a successful or unsuccessful .
- Submit an essay to the InvestWrite National Essay Contest:
www.investwrite.org.

The Teacher Support Center

The Stock Market Game's Teacher Support Center has been mentioned several times already in this guide. The Teacher Support Center is an online curriculum resource for teachers. It contains lessons, activities, user's guides, projects, standards correlations, and a variety of materials to help teach about investing and personal finance. As an SMG Homeschool Advisor you have full access to the Teacher Support Center.

Lessons in the Teacher Support Center support the creation and management of SMG team portfolio, while providing opportunities for your child to apply and extend research, math, technology, and language arts skills. SMG lessons are correlated to national Common Core State Standards in math and English Language Arts. They are also correlated to state standards in economics, business, social studies, technology, and Family Consumer Sciences.

The email message you received confirming your registration in The Stock Market Game contains your SMG Advisor ID and password. The Advisor ID can be easily identified because its third section begins with a "T". For Example: NY_12_ **T**1234567. Your SMG Advisor ID and password provide you with immediate access to the Teacher Support Center. Login before introducing the SMG program to your child.

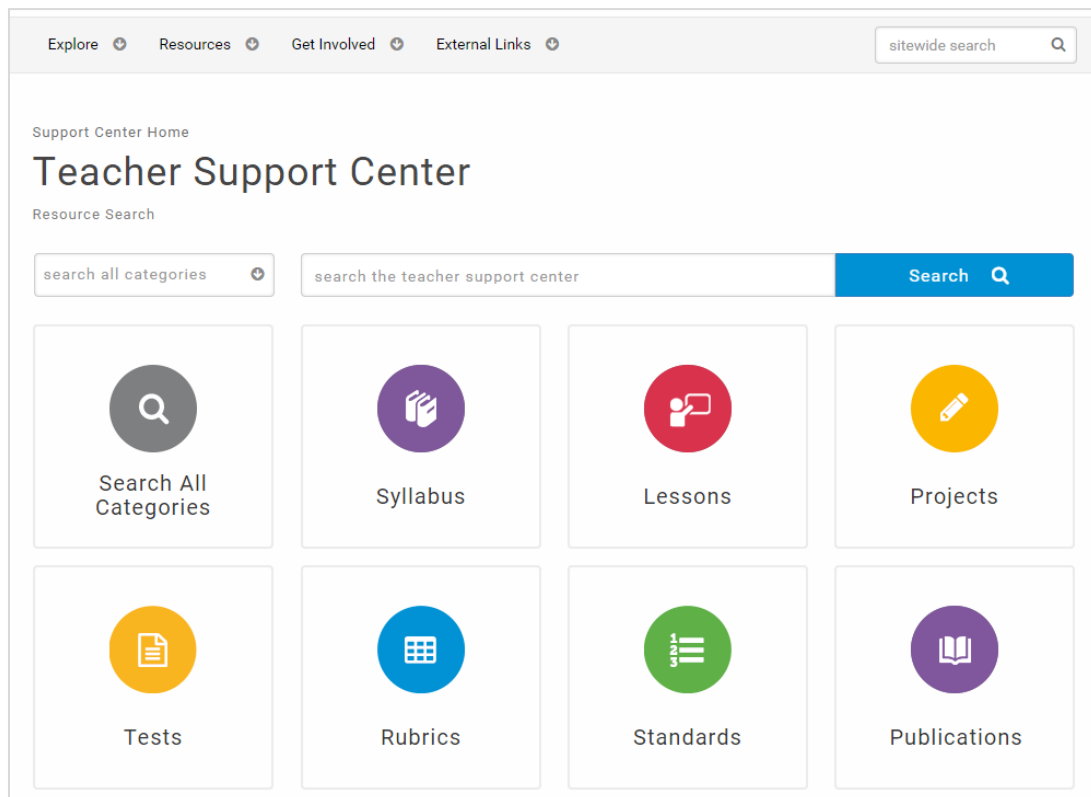


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You login on the same page your child will use to login to their team portfolios:
<http://www.stockmarketgame.org>.

Because your Advisor ID and password allows you into all your teams' portfolios, it is strongly recommended you keep them in a safe place. The Advisor ID does *not* provide you with your own trading portfolio. It only gives you access to the Teacher Support Center. For access to your own trading portfolio, you should contact your Stock Market Game coordinator and request a teacher or adult team ID and password.



The Teacher Support Center provides you with teaching and technical resources for successful implementation of the Stock Market Game. It is organized into eight sections:

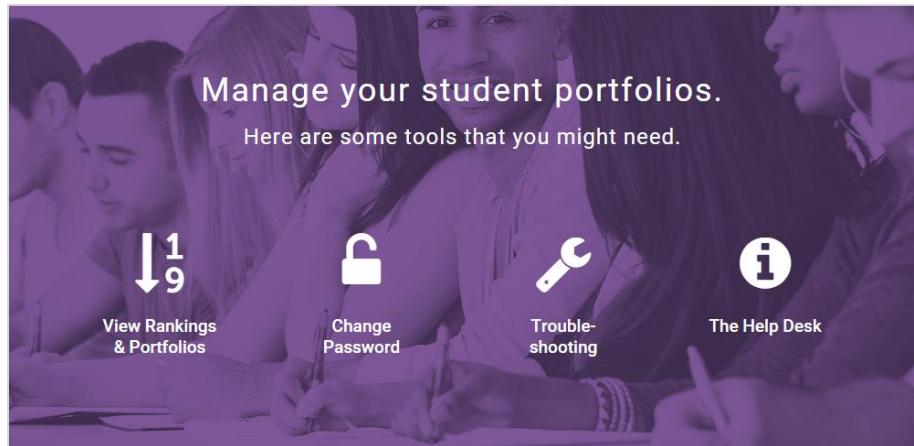
1. **Search All Categories:** Enter the topic you would like to access a list of different materials addressing it.
2. **Lessons:** Provides an alphabetical list of lessons and activities for you to use with your students.
3. **Syllabus:** Select your students' grade level to create a list of lessons in the order we suggest you teach them.
4. **Projects:** These mini-units of study help extend students' understanding of The Stock Market Game's core lesson topics.
5. **Tests:** These traditional assessment tools are organized into pre- and post.
6. **Rubrics:** You are encouraged to use these judging criteria to have your students assess themselves.



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7. **Standards:** The Stock Market Game is correlated to national Common Core standards and many local standards in math, ELA, social studies, and other subjects.
8. **Publications:** Include newsletters, mini-units of study, and other publications intended to extend your students' understanding of the capital markets, investing, and personal finance.



In addition to lessons and assessments, you are provided with a *Manage Your Student Portfolios* section. This section gives you the following tools:

1. **View Rankings and Portfolios** – Let's you look into your students' portfolios and compare their performance. (Each link in the View Portfolio and Rankings section opens a new window, so be sure to have your pop up blocker disabled or set to allow pop ups from smgww.org.)
2. **Change Password** – Allows you to change your password.
3. **Troubleshooting** – Gives you tips and tricks to try when you experience problems accessing the Stock Market Game website.
4. **Help Desk** – Is a help request form that you complete to request assistance from your Stock Market Game coordinator.



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Class/Team Info by Advisor/Vincent Young
The Stock Market Game - New York City: Sept 23, 2013 - May 16, 2014

Name: Vincent Young	Date: 05/15/2013
Security Level: Advisor	
City: NEW YORK	School: SIFMA
Status: NY	School Type: Other
County: MANHATTAN	School District: public
Class Information	
Class Name: Demo	Class Type: Regular
Number of Students: 1	Student Type: 6-12
Regional Organization: ***NONE	
Region: SIFEE 2	
Team Info: Number of Teams Requested: 1	Number of Teams Assigned: 1

Account Info
The Stock Market Game - New York City
2013-09-23 / 2014-05-16

Advisor: Vincent Young
School: SIFMA
Team ID: NY4_60_22128
Region: SIFEE 2

Account Summary
As of Date: 2013-10-15

Account Summary for Team ID: NY4_60_22128 As of Date: 2013-10-15

Cash Balance	\$31,440.91
Includes (\$0.00) in Shorts	
Value of Long Stocks	\$96,576.00
Value of Mutual Funds	\$1,953.00
Value of Treasury Bonds	\$0.00
Value of Municipal Bonds	\$3,149.13
Value of Corporate Bonds	\$6,337.55
TOTAL Value of Longs	\$98,015.68

Team Rankings
Region: 200 out of 242

News Feed
J.P. Morgan's Q37 sends its self-confidence to the market
Tue, 15 Oct 2013 09:57:15 -0700
Santander shows steady growth in U.S. public bond holdings
Tue, 15 Oct 2013 09:56:05 -0700
USDA's 2014-2015 crop outlook shows a shift in the corn market
Tue, 15 Oct 2013 09:55:25 -0700
Interest in global capital markets is high, but there's a gap between the two
Tue, 15 Oct 2013 09:54:04 -0700

Follow these steps to view your students' portfolios and rankings:

1. Click the class you want to view under "Class Name." The window that opens provides you with basic information about your class.
2. Clicking on Team ID of the portfolio you would like to see will open a new window displaying the Welcome page that a team sees after a successful login.
3. Click the Portfolio link on their Welcome page to open a new window with access to their online investment portfolio.

Looking for more?

Teachers and students have found a few sites that have been helpful for their Stock Market Game™ research. Find the links here.

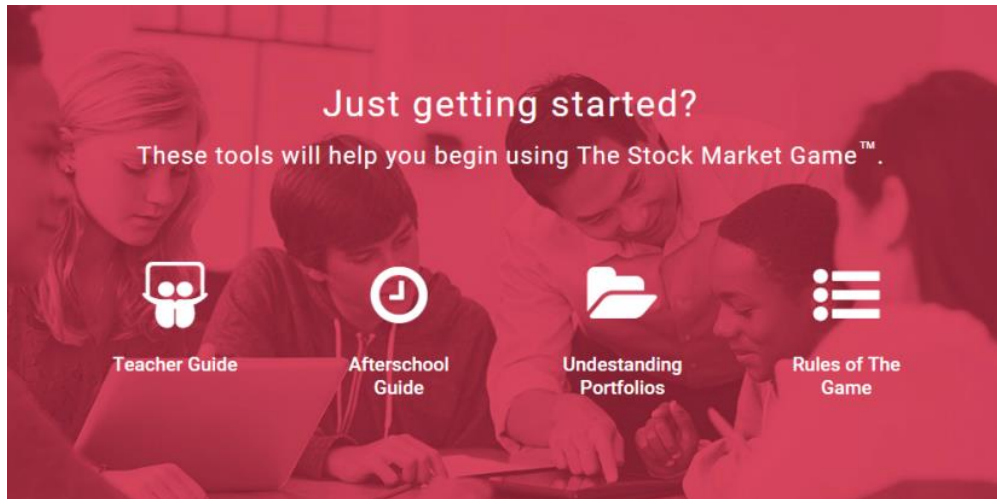
[Resource Links](#)

Additional third-party resources can be found in the Teacher Support Center's *Resource Links* section. Please note, however, these are links to third-party commercial companies. It is recommended that you visit these sites first before introducing them to your students to ensure that the content is appropriate.



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The *Just Getting Started* section provides you with comprehensive guides on successful implementation of the Stock Market Game program. This guide (the *Afterschool Guide*) is available in the *Just Getting Started* section. The Getting Started section of the Teacher Support also provides you with a Teacher's Guide for classroom teachers and an annotated description of the portfolio.

Celebrate Your Students!

Do more than just compete in SMG.
Take advantage of our printable certificates
and our various promotional materials.

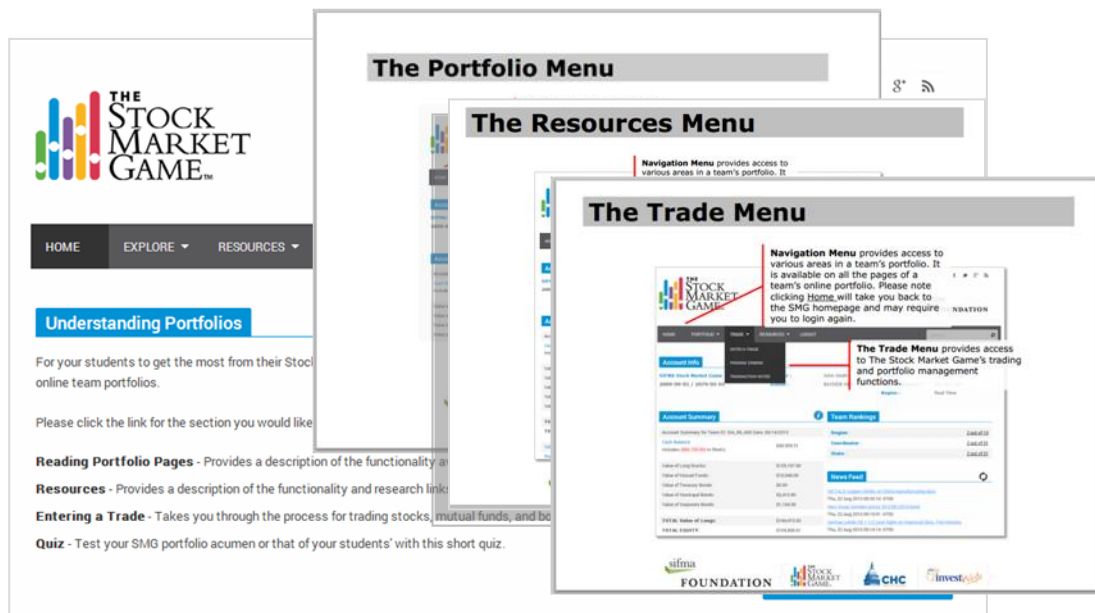
[Participation Certificates](#)
[The SMG Store](#)

Celebrate Your Students with customizable Participation Certificates. You can personalize the certificates by typing your child's name and your name in the appropriate fields.



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Teacher Support Center Terms

Below are terms that you should know to take full advantage of the features the Teacher Support Center offers.

Activities are designed to provide teachers with a concrete means for carrying out the procedures suggested in the lesson.

Objectives in the lesson is usually a thought-provoking question to engage the students.

Assessment is a suggested method for evaluating student outcomes.

Core lessons cover the topics essential for successful participation in the SMG program. There 12 core lessons.

Enrichment Activities are additional work to reinforce classroom instruction.

Mastery Level refers to the skill level or the level of familiarity a student has with the investment concept being taught.

Materials provides a list of items needed to implement the lesson.

Performance Objectives are outcome-based measurements meant to assess whether the aim of the lesson has been accomplished.

Procedure is an approach to teaching the lesson content that includes suggested questions and effective means for employing the activities included as part of the lesson.



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Projects enrich the students' SMG experience. Projects are grouped as

- Overarching - designed to take students through an extended activity that may last two months or longer,
- Unit - designed to take students through an extended activity that reinforces the topics of a specific SMG unit, and
- Topic - designed to take students through an extended activity that reinforces a specific investment topic

Springboard Activity presents a suggested method for engaging students in the lesson.

Subject areas covered in the lesson include combinations of Social Studies, Economics, Mathematics, Information Technology, and Language Arts.

Teacher Background provides a brief description of the investment concept covered in the lesson.

Topics identify the investment concept being taught. Topics are organized by Unit.

Units organize The Stock Market Game. There are four Stock Market Game units:

- Unit I, Before you Invest;
- Unit II, Selecting Your Investments;
- Unit III, Tracking Your Investments; and
- Unit IV, At the End of the Trading Session.

Lesson Sequence

Lesson Sequence was created to assist teachers who need help with getting The Stock Market Game in their classroom started. Lessons are sequenced on each of the three grade levels: upper elementary, middle school and high school.

Core lessons are lessons that address a specific investment topic necessary for successful participation in the SMG program. Core lessons are repeated at each grade level and supported by the SMG Homeschool Student Workbook. However, the lessons and activities vary based on anticipated skill level and understanding.

The core lesson sequence on each grade level is as follows:

1. What is a Company?
2. What is a Stock?
3. Identifying Ticker Symbols and Interpreting Stock Quotes
4. What is Risk?
5. How Does Money Grow Over Time?
6. Dividends and Earnings
7. What is an Exchange/Market?
8. What is Diversification?
9. What is a Mutual Fund?



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10. What Causes Stock prices to Change?
11. Buy Sell or Hold?
12. How Successful Was My Investment Strategy?

Lessons & Activities

In addition to the core lessons described in Lesson Sequence, supplemental or non-core lessons are available in **Lessons & Activities**. Non-core lessons allow SMG Advisor to further customize the SMG experience for their students. These lessons explain aspects of saving and investing in greater depth than the core lessons. Each lesson is designed to encourage flexible planning to meet the needs of your child.

Projects

Enrich your students' SMG experience by engaging them in an SMG project. **Projects** can be completed over the course of the SMG trading session or at the end. They are designed to extend and apply the knowledge and skills students have acquired through The Stock Market Game. You may select from three types of projects: Overarching, Unit Based, and Topic Based.

Assessments

Each SMG lesson has an Application and **Assessment** piece written into it. To further assist you in assessing the progress of your students, the SMG program provides you with several rubrics, pre-tests, and post-tests. Pre and post tests are - organized by their SMG unit (Before You Invest, Selecting Your Investment, and Tracking Your Investment). Rubrics are organized by task, whether it is a single student or a team being assessed, and whether it is a self-assessment or a teacher assessment.

Standards

The Stock Market Game's core lessons are correlated to national Common Core State Standards in math and English Language Arts. It also meets individual state standards in business education, economics, English Language Arts, family consumer sciences, mathematics, social studies, and technology. For your convenience standards correlations are presented in a matrix format. Click the asterisk above the standard code to access a description of the standard. Click the lesson name to display the lesson.



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Publications

In addition to lesson plans, the SMG program provides you with a variety of supplemental materials to use with your students. These publications contain additional lessons and activities, background information, and current events tie-ins. *In the News* and *StockTalk*, the SMG program's newsletters, are two examples of the supplemental materials available to you. Utilizing the SMG program's supplemental materials with your students helps to enrich their SMG experience. A grade appropriate copy of *Math Behind the Market* is included with the At Home edition of the SMG Program. The McGraw Hill sponsored workbook provides extra math activities to enrich each core lesson.

Manage Student Portfolios

Through Manage Student Portfolios tab on the Teacher Support Center, you have complete access to your child's portfolio. You may view all their reporting pages (Account Summary, Account Holdings, Transaction History, Transaction Notes, etc.)

View Rankings & Portfolios

You may also see how your child's portfolio compares to others in the same program. There are two types of rankings in the SMG program: "portfolio equity" and "percent return." In the portfolio equity rankings, students are ranked based on the total equity of their portfolios. The student with the highest equity at the end of the trading sessions is recognized as the "winner." In percent return rankings, students are ranked based on their percent of growth as compared to the Standard and Poor's 500 Index. This index is made up of 500 large companies representing major sectors of the US economy.

Troubleshooting

If your child experiences difficulties logging on to their team portfolio or you are having issues receiving announcements and/or email messages, refer to the Troubleshooting document. It provides an FAQ for diagnosing and potentially resolving your issues.

Help Desk

The Help Desk link under Manage Student Portfolios in the Teacher Support Center, provides you with an electronic Help form. The form requires you provide information specific to the student experiencing the difficulty. This information expedites the resolution process.



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The SMG Team Portfolio

An integral part of the SMG Homeschool program is the online investment portfolio. For many children it is their first online trading experience. The SMG team portfolio has the same robust functionality as commercial online trading sites like Ameritrade and E-Trade. However, do not forget that this *is* a simulation whose purpose is to teach your child about investing. There are rules and limitations placed on how trades are made and noted in the SMG team portfolio.

Account Info

SIFMA Stock Market Game 2009-09-01 / 2079-05-01	Advisor : John Smith School : IS 145 JOSEPH PULITZER	Team ID : SIA_99_A15 Region : Real Time no percent equity.
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Account Summary

As of Date: 2015-03-26

Account Summary for Team ID: SIA_99_A15 As of Date: 2015-03-26

Cash Balance Includes (\$0.00) In Shorts	\$54,833.81
Value of Long Stocks:	\$27,145.65
Value of Mutual Funds:	\$19,001.00
Value of Treasury Bonds:	\$0.00
Value of Municipal Bonds:	\$0.00
Value of Corporate Bonds:	\$0.00
TOTAL Value of Longs:	\$46,146.65
TOTAL EQUITY:	\$100,980.46

Team Rankings

Region :	2 out of 5
Coordinator :	2 out of 9
State :	2 out of 9

News Feed

- German economic advisors hike 2015 growth forecast to 1.8 pct
Thu, 26 Mar 2015 08:29:39 -0700
- UPDATE 1-ECB's Draghi says money printing already helping recovery
Thu, 26 Mar 2015 08:28:30 -0700
- Kuwait opens door for foreign operator to own part of stock market
Thu, 26 Mar 2015 08:22:14 -0700
- Low interest rates causing "huge problems" in Germany - Schaeuble
Thu, 26 Mar 2015 08:21:26 -0700

The online trading portfolio is an important element of the SMG Homeschool program. Your child's interaction with the online trading portfolio helps them practice important Information, Media, and Technology skills identified by the Partnership for 21st Century Skills. A detailed description of the team portfolio is available in the Getting Started section of the Teacher Support Center. There is also a video tour available on the SMG Curriculum Director's Channel on Vimeo: <https://vimeo.com/75073659>.

Help

Each page of the SMG team portfolio has its own Help section. Click the "Circle I" icon to access them. In addition, definitions pop-up when you click words presented in blue text. For example, on the portfolio's Account Analyzer page, pop-up definitions are provided for terms that appear in blue like Cash Balance, Value of Shorts, Buy Margin Requirement, and Available Equity. Bolded blue text like Advisor, school, and Team ID do not link to pop-up definitions.

Portfolio Terms

Some of the terms your child will encounter through the team portfolio are:

Available Equity: The amount of equity available for supporting additional buy and short sell transactions. This is the most the student can provide for their part of the



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50% initial margin requirement. If this figure is negative, all buy and short sell transactions will be rejected.

$$\text{Available Equity} = \text{Total Equity} - [(\text{Value of Longs} + |\text{Value of Shorts}|) \times 0.50]$$

Buying Power: The total amount of money available for stock purchases and short sales when fully extended on margin. Note that the payment of commission, fees, and interest charges not only reduces your balance, but also reduces your ability to borrow.

$$\text{Buying Power} = \text{Available Equity} \times 1.5$$

Cash Balance: The amount of cash left from the initial \$100,000. Once trading begins, the cost of all stock purchases is deducted along with any interest payments and realized losses. Any interest payments received, dividends, and realized gains are added back to the cash balance. If the cash balance is zero, any new buy or short sell transactions will be funded through borrowing on margin. If the cash balance is negative, this is the amount of money borrowed on margin.

Commission & Fees: A \$5 fee is charged on all transactions. The total of all commission fees is listed in the Account Summary. Each individual commission fee is listed in the Transaction History.

$$\text{Commission Fee} = \text{Value of Trade} + \$5$$

Delisted: A stock that has been delisted has been removed from an exchange and cannot be traded. A company's stock may become delisted if it files for bankruptcy, merges with another company, moves from one exchange to another, or fails to meet exchange minimum standards. If you try to trade a stock that has been delisted, your order will be rejected. If a stock you own is delisted, it will be liquidated and any gain or loss will appear on the Gains & Losses page.

Initial Margin Requirement: The percent (50% in SMG) of collateral required to finance a purchase or short sell transaction. The concept of a margin requirement is aimed at: 1) limiting the amount of money that may be borrowed to finance trading in stocks (the Federal Reserve sets margin requirements); and 2) providing protection to the broker making the loan of money (for purchases) or stock (for short sales) against adverse changes in the market value of the collateral (long and short positions). See Maintenance Margin Requirement.

$$\text{Initial Margin Requirement} = (\text{Value of Longs} + |\text{Value of Shorts}|) \times 0.50$$

Interest on Cash: Money received for cash held in a bank account. In SMG, your average daily cash balance is calculated and you are paid interest weekly at an annual rate of 0.75%.

$$\text{Interest on Cash} = \text{Cash Balance} \times (0.075/365)$$

Interest on Loans: Similar to the interest on cash balances, your average daily balance of money borrowed on margin is calculated and you are charged interest weekly at an annual rate of 7%.



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$\text{Interest on Loans} = \text{Money Borrowed on Margin} \times (0.07/365)$

Liquidate: To liquidate a stock holding, the stock must be either sold or short covered. To liquidate a portfolio, all open positions must be closed. Students should not liquidate their portfolios at the end of the session.

Maintenance Margin Requirement: Also known as Minimum Maintenance, this is the minimum margin requirement (30% in SMG) that a student portfolio must maintain after borrowing on margin. If the total equity in your portfolio falls below 30% of the value of your long and short positions, your student will receive a margin call and you will have to sell or short cover some of your stocks. Note: For the following formula, use the absolute value (positive value) of the Value of Shorts.

$\text{Maintenance Margin Requirement} = 0.30 \times (\text{Value of Longs} + |\text{Value of Shorts}|)$

Margin Call: A warning that the total equity in your portfolio has fallen below the 30% maintenance margin requirement. The proceeds of any sale or short cover will be used to pay off some of the money you borrowed. If the requirement is not satisfied within three weeks, SMG will sell or short cover long and short positions, beginning with the lowest priced stocks, until the minimum maintenance requirement is met.

Net Equity Gain: The amount of money your student has gained or lost since the beginning of SMG.

$\text{Net Equity Gain} = \text{Total Equity} - \$100,000$

Net Cost/Share: For stocks in the long position, the amount of money spent on each share of stock, including the commission. If multiple trades of the same stock were made, the net cost per share will be an average of the net costs per share of each trade.

$\text{Net Cost/Share} = \text{Cost of Trade} / \text{Number of Shares}$

$\text{Cost of Trade} = (\text{Price per Share} \times \text{Number of Shares}) + \text{commission/fees}$

Percent Return: The percent gained or lost in the student's portfolio since the beginning of the SMG session.

$\text{Percent Return} = \text{Net Equity Gain} / \$100,000$

Price Limit: The maximum you are willing to pay per share when buying or short covering a stock or the minimum you are willing to sell each share for when selling or short selling a stock. You may enter a price limit when entering a transaction in the Enter a Trade section.

Realized Gains & Losses: The total amount of profit or loss realized from the sale or short cover of a stock. Interest received or paid and dividends received are also considered realized gains or losses.



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Realized Gains & Losses = Proceeds - Original Cost

Student Portfolio: A record of all transactions, activity, and stock positions of a student. It is typically updated daily.

Total Equity: The net value of a student portfolio.

Total Equity = Cash Balance + Value of Longs

Unrealized Gain & Loss: The difference in the initial purchase price of a stock and the current value of the stock. The gain or loss is unrealized, because the stock has not been sold or short covered (i.e., the position has not been closed).

Error Messages

If your child experience issues with trades not appearing as you expected in your portfolio, check the Transaction Notes in their portfolio. It lists all of the trades your student has entered during the SMG trading session. If a transaction is executed successfully, "Order Executed" appears in the Description column. The following is a list of common error messages that may appear when a transaction is unsuccessful:

Account Margin Exceeded by: \$. There is not have enough money for the trade, even if the maximum is borrowed.

Account Position Not Short. The student attempted to short cover a stock that was not in their portfolio in a short position.

Cannot Buy a Stock Below \$3.00. The student attempted buy a stock that was trading for less than \$5.00 per share. This is not allowed in SMG.

Could Not Cancel Order. The student attempted to cancel an order that will still in Pending Transactions, but the market had already closed for the day and the trade could not be canceled.

Invalid Symbol or Price Feed System Down. The message means the student entered the ticker symbol incorrectly or part of the system may be down. Check the ticker symbol by using Investor Research and re-enter the trade. The ticker symbol may also be checked by going to Enter a Trade and using Ticker Lookup or Validate Ticker.

Order Price is Away from Market. The student entered a limit price that was not met.

Order Rejected. The student attempted to sell a stock that they did not own.

Problem with Order. The order stayed in Pending Transactions too long and did not go through. If this happens, enter the order again.



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Security Not Found on Sec Mast Xref File and OSS Sec Mast. The student attempted to trade a stock or fund that was not in the system. Usually this means the stock does not trade on one of the three exchanges used in SMG. If the student is sure the stock or fund is traded on one of the three exchanges, the SMG Advisor should contact the local SMG Coordinator.

Order Canceled. You canceled the trade before the close of market, while it was still in Pending Transactions.

Symbol Price is Zero on OSS Security Database. There is no price or historical data for the security listed. This error message appears if there is an attempt to trade a stock that has been delisted or is not yet listed, e.g., an IPO.

Unknown Quote Feed Error. Order Rejected. This message appears if SMG experiences difficulties getting a price from Reuters. If this message appears, re-enter the trade

Answer Keys

The Chocolate Company Questions

1. Milton thought chocolate candy would sell better than caramels because he thought caramels were too rich for people to eat every day. He thought more people would buy more chocolate, more often. He also thought he could make high-quality milk chocolate at a price most people could afford.
2. Milton got the money to start his chocolate business by selling his former business, the Lancaster Caramel Company.
3. Sole proprietorship.
4. Milton was able to obtain investors and raise additional funding for his company by forming a corporation. Also, there is protection provided to investors by the legal structure of the corporation. Investors can only lose what they invest in a company. In addition, the organization of a company is set up to be in business and managed for a longer period of time than if a sole proprietor is the only person in the company.
5. Answers will vary. Visit the Hershey's website (www.hersheys.com) for a complete list of their products.
6. Answers will vary but encourage your child to consider the fact that Hershey's may be a good investment because the company has been around for a very long time, it has a proven record of being successful, and the company name and its products are very well known. Also have them consider the fact that lots of people like chocolate.



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Products I Know

Answers will vary for this activity.

Such A Search Brand & Company List

The list below presents popular brand names and companies. Mark a B next to each Brand and a C next to each Company. Mark an X next to a name that is both. The lists that follow will help you.

Brand or Company	B,C,X	Brand or Company	B,C,X
Apple	C	Good and Plenty	B
Bank of America	C	Hasbro	C
Ben & Jerry's	B	Jif	B
Best Buy	C	Hershey Foods	C
Burger King	C	J.M. Smucker Co.	C
Carter's	C	Kellogg Co.	C
Cheerios	B	Kraft Foods	C
Cheez-it	B	McDonald's	C
Crest	B	Merrill Lynch	C
Disney	X	Minute Maid	B
Domino's Pizza	X	PepsiCo	C
Ford	C	Procter & Gamble	C
Fritos	B	Pizza Hut	B
Gap	B	Taco Bell	B
General Mills	C	Tropicana	B



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Companies, Brands & Products

The goal of this activity is to have students begin to see the connections between brands and products. For example, prior to this activity were they aware that Gap, Banana Republic, and Old Navy are all brands belonging to the same company, The Gap Inc.?

COMPANY NAME	BRANDS	PRODUCTS
Gap, Inc.	Gap Banana Republic Old Navy	Casual Men Clothing Casual Women Clothing Children Clothing
Saturn Corporation	ION Quad Coupe ION Sedan Vue Compact SUV Relay Minivan	Cars
PepsiCo.	Frito-Lay and Pepsi Tropicana and Dole Gatorade Lipton Aquafina	Chips, snacks and soft drinks Juices Energy drinks Lipton tea products Water
YUM! Brands, Inc.	KFC Taco Bell Long John Silver's A&W	Chicken Tacos Seafood chain Root Beer, Burgers

Investment Potential

Answers will vary. To goal of the activity is for your child to practice using evidence from their research to support their opinion.



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Find the Ticker

Company Name	Ticker
1. Ford Motor Company	F
2. JP Morgan Chase & Co.	JPM
3. Avon Products Inc.	AVP
4. DIRECTV	DTV
5. Tesla Motors Inc.	TSLA
6. Goodyear Tire & Rubber Company	GT
7. Tootsie Roll Industries Inc.	TR
8. Johnson & Johnson	JNJ
9. Hilton Worldwide Holdings Inc.	HLT
10. Guess' Inc	GES
11. Regal Entertainment Group	RGC
12. Costco Wholesale Corporation	COST

Screen Test

Answers will vary for this activity. In this activity, your child will rate websites using a rubric. Before you begin, you might ask what they feel is important for a financial news website to have. Add their best and most appropriate responses to the evaluation sheet and use it to review the suggested sites and the ones you've discovered on your own.

Enter Your Trade

Answers will vary. Review your child's response with them. Check to make sure they have included a sufficient number of references to support their decision. On the following day, advise your child to check the Account Holdings, Transaction Notes, and Transaction History pages in their portfolio to confirm their trade went through. Even in a real time pricing Stock Market Game, it requires an overnight process to see the changes to their portfolio.

Enter Additional Trades

Ask your child to complete Enter Your Trade worksheets for the remaining two companies and then enter trades for them in your portfolio.

Account Holdings

The Account Holdings page of your portfolio tells you information about what stocks you have in your portfolio and how well the stocks are doing. Go to the Account Holdings page of your portfolio to answer the questions.



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Answers will vary. Answers should reflect student understanding that stock falling in price may require a rebalancing of assets. Your child may choose to spend cash, sell some stock, purchase more of a stock, or a new stock. They may decide to hold all assets based on a strategy.

Everyday Risk

Answers will vary. It is important your child understand the notion of risk and be able to support their conclusions.

Suggested answers are

Playing soccer without shin guards with your friends __1__

Riding a bike without a helmet in rush-hour traffic __3__

Driving without a seat belt on a quiet country road __2__

Lending a stranger 10 dollars __3__

Lending a friend 10 dollars __2__

Lending a parent or guardian 10 dollars __1__

Investing half of the cash in your Stock Market Game portfolio in one stock __3__

Investing all of the cash in your Stock Market Game portfolio in three stocks __2__

Investing most of the cash in your Stock Market Game portfolio in three or more stocks __1__

Write Your Own Story

Responses will vary.

Finding Your Risk Tolerance

Risk is a personal thing based on factors such as age, salary, and family situations. People's risk tolerance varies greatly.

Your risk tolerance will change for many reasons. What do you think your tolerance for risk will be in the following situations? Put L for low, M for moderate, and H for High.

1. You are your present age. Your mom and dad want to start a small investment portfolio for your college costs. Your tolerance for risk is ____M____. Please explain your choice.



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You want to use the money in a short timeframe

2. You are now 27 and have a good job and few bills. You want to invest so that in five years you can take a year off and travel to Europe. You have \$50,000 to invest and will need \$25,000 to take the trip of your dreams. Your risk tolerance is

_____H_____.

3. You are in your forties. You have paid for your home, make a lot of money at your job and have no children. You have inherited \$100,000 and want to invest the money so you can buy a second home in the mountains in 10 years. Your risk tolerance is _____H_____.

4. You are 35 and a cook for a fast-food restaurant. You barely make enough money to pay the rent and buy groceries for your family. Your grandmother left you \$5,000 in her will. You want to invest the money. Your risk tolerance is

_____L_____.

Bonds

Types of Bonds

1. An investor can make money buying a bond because of the interest that is earned on the bond.
2. A municipal bond because they are issued by state and local governments.
3. An agency bond because the mortgage company is privately owned but backed by the government.
4. A U.S. Treasury bond would be the safest possible bond investment because it pays interest semiannually.
5. A corporate bond because they are backed by assets, in this case land holdings in Latin America.
6. A corporate bond because they are backing the bond with credit and their reputation for being trustworthy.
7. An agency bond because it raises money for a new project, in this case waterpower in America.

Buy A Bond

Your child may buy any bond they wish. If they need help deciding, review the different types of bonds with them. Which seems to interest them more?

Investopedia has an article that describes the advantages offered by each types of bond: <http://www.investopedia.com/articles/bonds/08/bond-choice.asp>

Please Note: Mortgage bonds are not available in The Stock Market Game.



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Kiplingers also has an article on buying bonds:
<http://www.kiplinger.com/article/investing/T052-C003-S001-how-to-research-and-buy-bonds.html>

A Tale of Two Savers

Ron is the smarter saver because he saved early and regularly. Answers should discuss the difference in Ron and Dave's principal investment. The benefit of investing early should be included in the answer.

		Ron	8% Interest Rate		Dave	8% Interest Rate
Age	Yearly Savings	Accumulated Interest	Total Amount Saved	Yearly Savings	Accumulated Interest	Total Amount Saved
13	240	19	259			
14	240	40	539			
15	240	62	841			
16	240	86	1167			
17	240	113	1520			
18	240	141	1901	240	19	259
19		152	2053	240	40	539
20		164	2217	240	62	841
21		177	2394	240	86	1167
22		192	2586	240	113	1520
23		207	2793	240	141	1901
24		223	3016	240	171	2312
25		241	3257	240	204	2757
26		261	3518	240	240	3237
27		281	3799	240	278	3755
28		304	4103		300	4055
29		328	4431		324	4379
30		354	4785		350	4729

The \$5,000 Question

Investopedia.com, Yahoo! Finance (<http://finance.yahoo.com>), and Investeach (<http://investeach.com/>) are some of the online financial glossaries available. Definitions of the following terms will vary based on what makes the most sense to your child: Savings account, Certificate of deposit, Stocks, and bonds.



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Case 1: Savings Account - Jerry does not make a lot of money and may need quick access to his savings.

Case 2: Corporate Stocks – Of the three choices, stocks should give them the biggest long-term benefit. Their children are young and they have plenty of time to withstand any market fluctuations. They do not need quick access to this money based on their earnings and savings figures.

Case 3: Certificate of Deposit – It seems as if they will need the money in the near future, but not immediately, so a CD will be the best choice for them. They'll earn some interest and should have access to the money by the time they need it.

Tracking Your Interest

Answers will vary.

To check the interest earned on the cash balance of your child's online portfolio, go to the its Transaction History page. Interest payments are identified as "INT."

Finding the Dividend

Answers will vary based on the current dividend for each of the stocks. You can usually locate a stock's dividend in its stock quote. It may appear as "DIV" or "DIV and Yield." Stocks that pay dividends are often called "income stocks." Not all stocks pay a dividend.

Answers will also vary in your child's conclusions. If they did not mention it on their own, please have mention to them that many companies across industries pay dividends.

Purchase a Dividend Stock

The Street.com site is a good place to start when searching for income stocks:
<http://www.thestreet.com/topic/47862/dividend-paying-stocks.html>

Your child may also search for the terms "income stock" or "stocks that pay dividends." Encourage them to choose one or two of the income stocks they researched to buy. However, if your child can also buy all five of the stocks they have chosen.,

Fund seeking Questions

In determining the important differences between mutual funds, close-ended funds, and ETFs, you are not judging their responses but examining their rationale. Did they convince you they are right?



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You are looking at your child's rationale in their response to whether they would buy individual stocks or bonds instead of a mutual fund, close-ended fund, or ETF.

Choosing A Fund

There are a several websites your child may use to look up mutual fund descriptions and quotes. www.morningstar.com is the possibly the most well-known. While not covered in the lesson, it may be helpful to speak to your child about "fund families." A fund family is simply a group of funds managed by the same company. To further diversify their portfolio, your child may wish to choose investments from different fund families.

Purchase A Fund

Log in to the SMG portfolio to purchase a mutual fund. Ask your child to explain why they are buying the mutual fund selected.

Mutual funds are diverse investments usually from a variety of industries. In some cases, they may hold securities from one industry. Your child should be able to explain why the mutual fund selected enhances their portfolio.

Are These Portfolios Diversified

All of the portfolios depicted are diversified in some way because they are invested in more than one company. However, this doesn't mean they are diversified well. C is the most diversified as it has many investments spread over the most industries.

Diversifying Your Portfolio

If your child needs help determining the industry or sector their company belongs to:

Hidden on the Yahoo! Finance website is a list of industries: <http://bit.ly/1GjdzW7>.

The Street.com also provides an industry list:

<http://www.thestreet.com/markets/sectors-and-industries.html>

In most cases this information may also be provided in either the company's quote page or description/profile page.

The goal of this activity is introducing your child to the diversity and breadth of companies that are public and investors can choose from. Their responses to the questions about their portfolio's diversity but should tie the number of different companies and the number of different industries to the concept of diversification.



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Graph Your Portfolio

This is a graphing exercise that you may extend by having them graph their portfolio based on industry or individual company.

Tale of Two Shacks Questions

While the answers will vary for these questions, it is important for you to check your child's answers to determine how organized they are and how well they defend their responses.

It is important they watch the videos linked to in question 1 and 2. Media literacy is one of the skills cited as essential by the Partnership for 21st Century Skills.

Price Predictions

Answers will vary but generally speaking they should touch upon the following observations:

1. The stock will go up because they are the only construction company around. Since everyone will be using them, their profits will increase.
2. This should not affect the stock price that much. There has been no definite good news and no definite bad news.
3. The stock will most likely go down because investor confidence is shaky.

Headline News

There is a company specific recent news section on most stock quote pages. Your child should have a separate news article for each of their companies. They are to complete the table with the name of their investment, its ticker symbol, the name of the news source (including the date and title of the article), the impact they believe the news will have on their investment, and whether they would buy more, sell their shares, or not doing anything (hold). They should explain why they chose their course of action.

Rebalancing Your Portfolio

In this final activity, your child applies what they have learned to rebalancing their portfolio. They should use the table they created in Headline News to help inform their decisions. They should complete the trade form for this activity so there is a record of why they decided to buy, sell, or hold a particular stock, bond, or mutual fund.



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