



LESSON THIRTEEN

Investing

TEACHERS

Introduction

While savings is a good tool for reaching our financial goals, we should also start thinking about investing – especially when a large amount of money is needed for our goals. Investments tend to pay higher returns on our money, which means we earn more on what we invest than on what we save. Investing refers to the purchase of assets such as stocks or bonds. These purchases are designed to produce more money or wealth for the investor. Generally, investments have greater risk than savings accounts. Because there is more risk, we need to make informed choices and research our options before we invest our money. Remember the old saying: If it sounds too good to be true, then it probably is! Good investment choices are important for building our financial future.

Purpose

This lesson will help students understand the basics of purchasing stocks. Students will use basic math skills to calculate stock purchases and price changes.

Tools

Go to www.NewsOK.com to find ten companies listed on the stock exchange. (click on business; stocks; symbol lookup to find company symbol) Make a list of

Definition of the Week

Investing: Buying assets such as bonds or stocks, expecting to make a profit.

those companies and symbols. Use companies familiar to your students.

Procedure

1. Ask students if they know anyone who is retired. Explain how many people who are retired or planning to retire have invested in the stock market because investments pay greater returns than savings accounts. When buying stock, they are buying a share of ownership in the company. Have students list companies that may be listed on the stock market.
2. Using the company symbols you selected, have students check the business section of today's newspaper to find the current price of stocks for those companies. Tell students they have \$25,000 to buy stocks from the list provided. Have students list the company name, stock symbol, stock price, and number of shares purchased and total amount of each stock purchase. Be sure the total of all stocks purchased does not exceed \$25,000. Ask students to explain their purchases.
3. Have students find the price change for each stock and convert the decimal to a fraction. Have them identify the stock with the greatest and least change in price. Discuss any possible reasons for changes in those prices. Encourage students to track stock price changes for the next month, calculating price changes for that time period.

PARENT OPTION

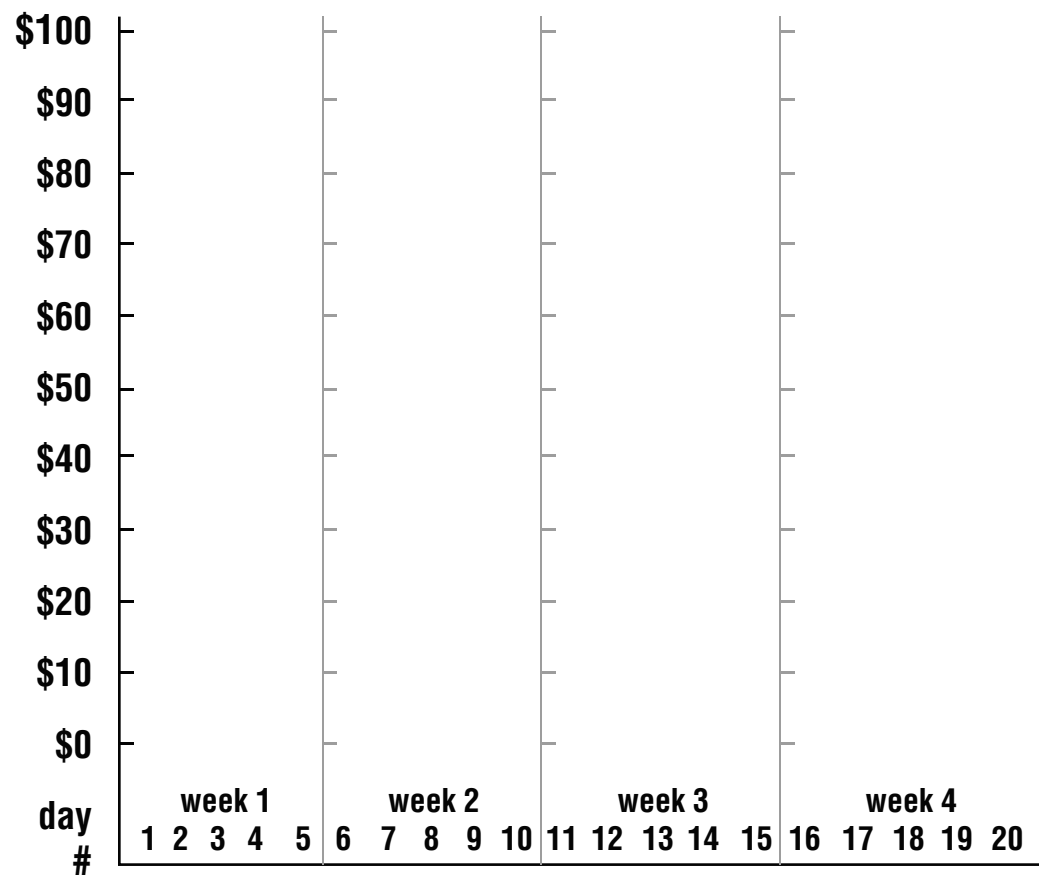
Help your child explore careers related to the financial industry, including a financial advisor, stock broker or many others. Have them determine the qualifications and certifications required. Find an article in the newspaper that relates to the stock market and discuss it with your child. Encourage them to write to a stock broker or investment specialist to learn more about investing. Do an online search to see what kind of information is available about different companies and their stock prices. Enroll your child in the Stock Market Game competition available at www.ocee-ok.org.



Charting Your Stock Choice

Select a company's stock, and chart its value daily for a month. You will see that stock values change over time.

Company: _____ Symbol: _____ Month: _____



Coming next week: Consumer Credit