



Wanda McAbee

Executive Program Director

Alabama Council on Economic Education

wandamcabee@EconAlabama.org

205-726-4073

www.stockmarketgame.org



Virtual Learning: Real-World Connections

***HAVE YOU EVER WISHED
SOMEONE HAD TAUGHT
YOU ABOUT INVESTING
AT AN EARLY AGE?***

INVESTING: PUT YOUR MONEY TO WORK FOR YOU



**“An investment in knowledge pays
the most interest.”**

Benjamin Franklin



MISSION STATEMENT

SMG is a comprehensive, engaging, real world program that advances student academic achievement in the core disciplines and enhances understanding of investment concepts among learners of all ages.

WHAT IS THE STOCK MARKET GAME?

- A ten week “real world” stock market experience
- Teams of students invest a hypothetical \$100,000 in stocks and mutual funds traded on NYSE Euronext and NASDAQ
- Teams with the highest portfolio at the end of the game win prizes
 - Cash prizes for Top Five Teams in each Region
 - Top Ten drawstring backpacks for each member of the Top Ten team in each Region



FALL AND SPRING GAMES

Ten week “snap shot” of how the market works

2022 Fall: September 26 – December 2

2023 Spring: February 6 – April 14

Register: www.stockmarketgame.org

Alabama SMG info: www.econalabama.org

Is there a cost?

- No team fee for schools with at least 40% free/reduced lunch participation. Go to www.econalabama.org to request team scholarships
- Non-scholarship schools: \$15 per team or \$13.50 if register at least five teams.
- ACEE special
 - 15 free teams and free teacher game for attending this webinar.

FALL AND SPRING GAMES

- Each game requires a separate registration
 - www.stockmarketgame.org
- One scholarship application covers both games for the academic year
 - www.econalabama.org



WHAT SMG TEACHES

- MATH
- ECONOMICS
- LIFE SKILLS
- SOCIAL STUDIES
- SCIENCE
- LANGUAGE ARTS
- BUSINESS EDUCATION
- TECHNOLOGY
- SPECIAL SERVICES



National Assessment of Educational Progress

- Established by Congress
 - Defined economic literacy
 - Studied content delivery
- “Students who played SMG outperformed the national average overall and in every category measured.”

WHY SHOULD I PARTICIPATE?

- SMG positively affected student academic performance.
- Students who played SMG scored significantly higher on mathematics tests and financial literacy tests than their peers who did not play the game.
- Student achievement increased regardless of how teachers implemented The Stock Market Game.
- Teachers of The Stock Market Game report that the program influenced their financial practices.
 - The Study of The Stock Market Game, Learning Point Associates

- Portfolio based project
- Uses Math and Technology
 - Applied math computation
 - Percent and ratio
 - Technology that assists instruction
- Across curriculum project
- Incorporates writing
 - InvestWrite

- SMG allows students to engage in high levels of math, reading, writing
- Portfolio is the project
- Rubrics are there to evaluate the portfolio
- Students defend decisions
- College and Career Ready

- Alabama SMG is listed in the FBLA Blueprint for Success
- ACEE will award a special \$150 prize for the top FBLA portfolio during the 2022-23 school year.
 - This is in addition to the regular region awards.

DETERMINE YOUR OBJECTIVES

- Financial Literacy
- Curriculum Standards
- Essential Understandings
- Concept Based Units
- Project Based Learning
- Primary Sources
- Global Interdependence
- Critical Thinking
- Life Skills
- Decision Making
- Teamwork

WHERE DO I BEGIN?

- What is a company?
- What is stock?
- How do I find ticker symbols?
- How do I find the price of one share?

WHAT IS A COMPANY?

- **Company** – a business usually formed to manufacture or supply products or services for profit
- **Private Company** – a company that does not sell shares to the public; you cannot buy shares of a private company in the stock market
- **Public Company** – a company with publicly traded shares that anyone can buy in the stock market

Parent Company and Subsidiary

- Yum! (YUM) – Pizza Hut, Taco Bell, KFC
- Gap (GPS) – Old Navy, Banana Republic
- Kraft (KFT) – Maxwell House, Oscar Mayer, Kool-Aid, etc.

www.hoovers.com

www.crunchbase.com

WHAT IS STOCK?

SHARE OF STOCK IN A
COMPANY IS A SHARE
IN THE **OWNERSHIP** OF
THE COMPANY

HOW DO I FIND A TICKER SYMBOL?

- A ticker symbol is an abbreviation for the company name
 - APPLE: AAPL
 - GAP: GPS
 - WALMART: WMT
- Financial websites
 - www.finance.yahoo.com
 - www.hoovers.com

WHAT IS A SHARE OF STOCK?

- **Share** – a unit of stock that can be sold individually; an investor can own thousands or millions of shares of a stock
- **Shareholder** – a person who owns shares in a company, also called a stockholder
- **Stock** – a share of ownership in a business; part of a company's worth that is divided into shares and sold to public buyers

HOW DO I FIND THE PRICE OF ONE SHARE?

- Financial website
- Enter the ticker symbol
- Get Quote
 - Last price
 - Last trade

www.yahoo.com

Select Finance

Organizing Your Teams

- Typically, 3-5 students per team
- 3-5 students for scholarship teams
- Team skills, like consensus building and time-management, are vital to students for their roles in the future workplace
- Team building skills do not come naturally
- Evaluate students on their team skills

- Captain/Director
- Current Events Coordinator
- Industry/Sector Research Coordinator
- Record Keeper
- Company/Stock Coordinator
- Charter

SMG Teacher Guide

EVALUATION CHART

Team Name: _____

Rate each member of your team based on the following Likert scale:

Excellent = 5	Good = 4	Fair = 3	Poor = 2	No Contribution = 1
---------------	----------	----------	----------	---------------------

Name of member: _____

	5	4	3	2	1
Arrived on time					
Was prepared to contribute to the team					
Contributed ideas					
Asked others for ideas					
Asked for clarification when needed					
Encouraged others to participate in the team					
Used facilitative (helping, listening, encouraging, sharing, providing directions) behavior during cooperative work					
Stayed on task					
Helped others stay on task					
Used language that everyone could understand					
Did their share of the work					
Helped the team reach a consensus					

Comments:

RULES OF THE GAME

- Begin with \$100,000
- May borrow an additional \$50,000. This is called buying on margin. 7% interest is charged.
- Positive cash balances earn 0.75%
- A \$5.00 broker's fee is charged for all transactions.
- Trade only stocks, mutual funds and bonds listed on the NYSE and NASDAQ
- Real time transactions
- Maximum percent Equity: No more than 30% in one stock or mutual fund
- Buy orders must be a minimum of 10 shares
- Sell orders for less than 10 shares will be accepted

RULES OF THE GAME

- SMG does not permit buying shares of stocks or mutual funds that trade below \$3.00 per share
- Trades will be rejected if sufficient buying power does not exist
- The game is run Monday through Friday
- Orders may be entered 7 days a week 24 hours a day
- Trades entered after close of market (4:00 p.m. ET) will be priced at next day's opening price
- Teams do not have to liquidate their portfolios at the end of the game
- Winner is determined by equity in portfolio
 - Combined value of stocks and cash
- Short selling is not allowed

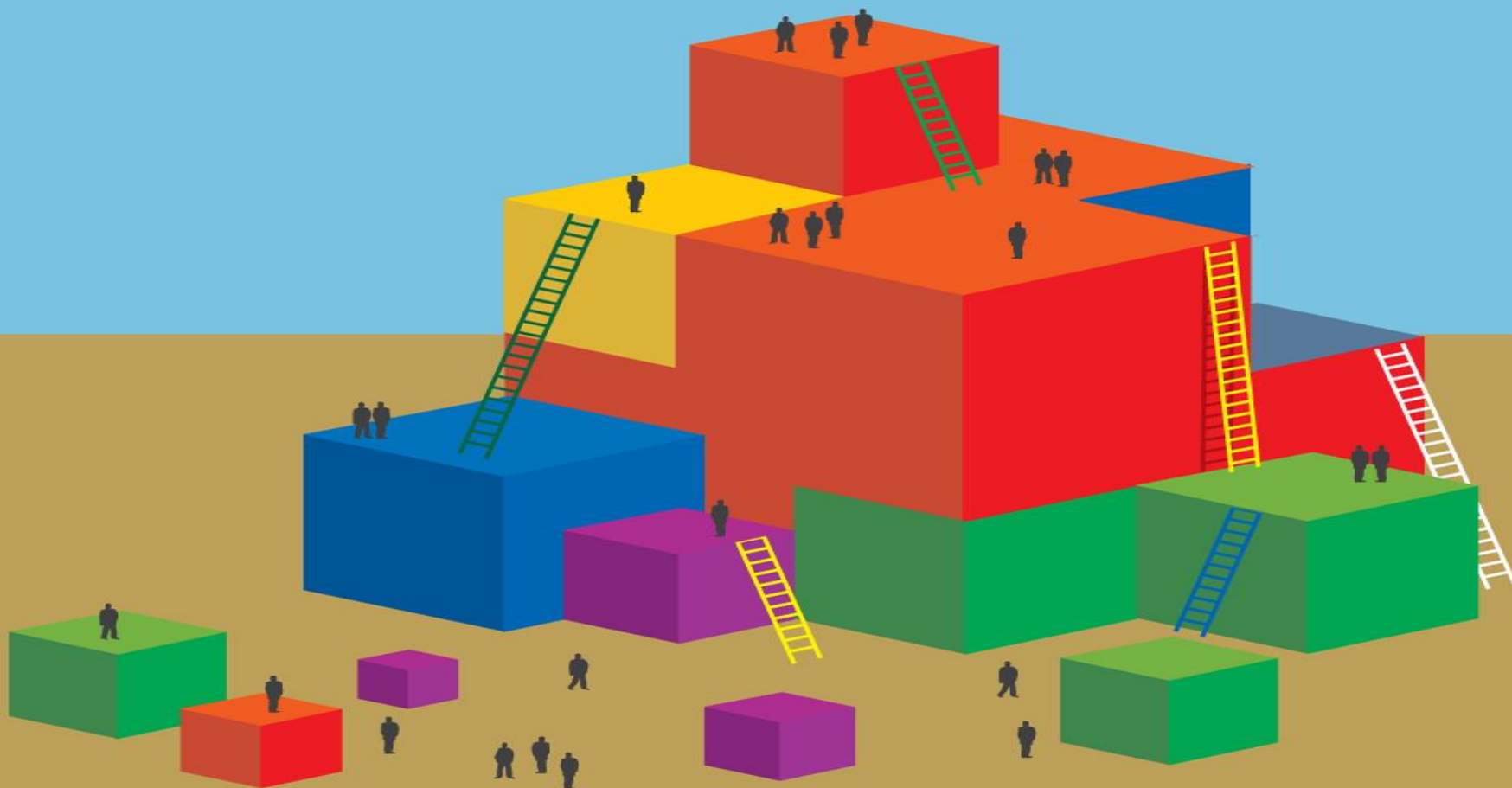
RULES OF THE GAME

- Dividends and stock splits are automatically computed into your portfolio
- Teams must have completed at **least three successful transactions** during the game to be eligible for prizes
- Must have an active e-mail account for the teacher

- What is a company?
- What is a share of stock?
- What is a ticker symbol?
- How do I find the price of one share?



BUILD PORTFOLIO



DIVERSIFICATION



Factors Affecting the Stock Market

- Economic health of country
- Global economic health
- Global events
- Microeconomic – quality of management, competition, sales, profit, forecasts
- Macroeconomic – unemployment, fiscal policy, interest rates
- Consumer confidence (or lack thereof)

Each team begins with
\$_____ to invest

\$100,000

All buy orders must
be a minimum of 50
shares.

True or False

False
10 shares
minimum

A broker's fee of _____ is charged on all buy and sell transactions.

\$5.00

SMG does not
permit buying
stocks that trade
below \$_____ per
share.

\$3.00 per share

Teams can only
enter trades
between 9:00 and
4:00 p.m. Eastern
Standard Time.

True or False

False

Trades can be made
24 hours a day
seven days a week.

Teams must liquidate their portfolios at the end of the game.

(liquidate means selling stock to convert it back to cash)

FALSE

Cash balances
(money not yet spent)
will earn interest at an
annual rate of _____%.

0.75%

For a team
“going on margin”
(borrowing on the equity
in your account)
a _____% fee is charged
for the money borrowed.

7%

Teams cannot invest more than 30% of their equity in one stock or mutual fund.

TRUE

This rule encourages diversification in the portfolio.