



# THE STOCK MARKET GAME™



***Using the Stock Market Game in Ten Easy Steps!***

**[www.stockmarketgame.org](http://www.stockmarketgame.org)**

#### Game Dates

Fall 2014 SMG	09/15/2014 -11/21/2014
Take Stock in KY	10/06/2014 -12/12/2014
Spring 2015 SMG	01/26/2015 -04/03/2015

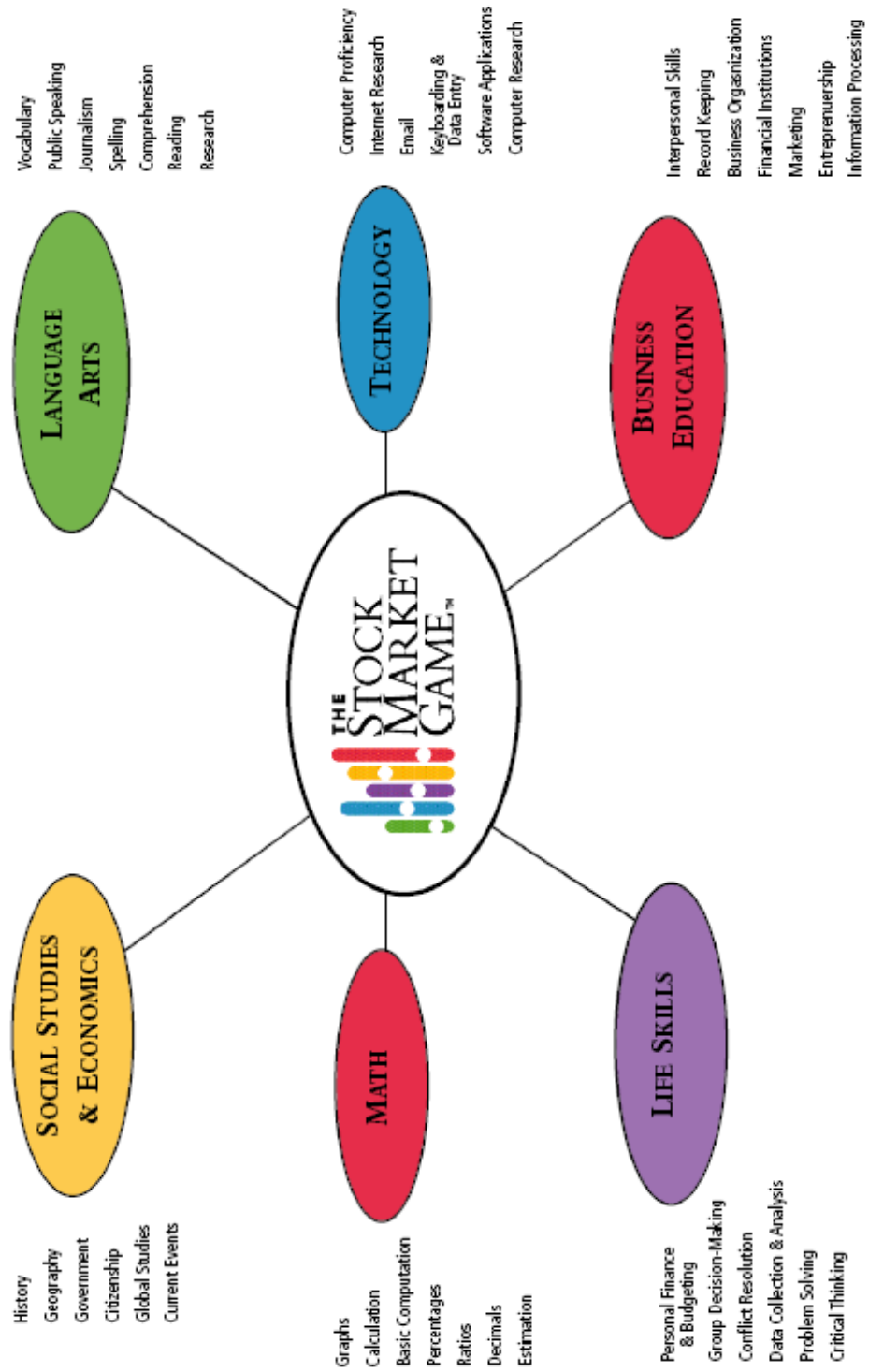
**[www.econ.org/smg](http://www.econ.org/smg)**



**Kentucky Council on Economic Education**

**[www.econ.org](http://www.econ.org) [susan@econ.org](mailto:susan@econ.org)**

# INTEGRATING SMG ACROSS THE CURRICULUM: HELPING STUDENTS MEET STANDARDS



# Using the Stock Market Game in Ten Easy Steps!!

The Stock Market Game (SMG) can be fun and educational, for students of all ages, grades 4 through high school. Teams of students use \$100,000 in virtual cash to invest in stocks and mutual funds in a real-world investment simulation. There are statewide and regional competitions with great prizes for the highest valued portfolio and an optional national InvestWrite essay competition.

**Step 1.** Go to [www.stockmarketgame.org](http://www.stockmarketgame.org) and find answers to some of your own questions through the Teacher link and Teacher/student videos, and visit [www.econ.org/smg](http://www.econ.org/smg) for information specific to the Stock Market Game in Kentucky.

**Step 2. Pre/Post** (*This is optional.*) Administer the Stock Market Game pre-test before you start teaching. (Post-test students after the program is over.) You can find the pre-post test online at [www.kcee.org/testing](http://www.kcee.org/testing). You will receive an online report of student performance. This can help you evaluate what your students already know about investing and student learning from using the program. This is not a part of the SMG simulation, but an opportunity on the Kentucky Council on Economic Education website.

**Step 3. Divide the class into teams.** We recommend 3 or 4 students to a team. Each team will create an online “team portfolio” in the simulation. They will research and make stock selections as a team. Have them keep a **Team Folder** with their research, stock selections, essays, journals, writing, charts, or any materials they may produce using the Stock Market Game.

**Step 4. Complete the online registration form** for the Stock Market Game™ program at [www.stockmarketgame.org](http://www.stockmarketgame.org)

(Follow the Register/Register Now links.)



- Pay your team fees by check or P.O. The online registration will ask how your payment will be made. You will need to provide a Purchase Order#, if your school or district is paying the fees. Payment must be received within 3 weeks of the first day of the competition. Invoices will be sent to your school bookkeeper if payment is not received by Week 3. The fee is \$15 per team of students.
- If you need more team accounts (or fewer), you can contact the SMG Coordinator ([susan@econ.org](mailto:susan@econ.org)) to make these adjustments within the first 3 weeks. You will be charged for all accounts you register – used or unused.
- After enrolling, you will receive an email with team Portfolio IDs and passwords. You should receive these IDs and passwords by email within 48 hours of enrolling. If you don't receive these in 2 or 3 days—be sure to contact Susan Sandage, SMG Coordinator, at 1-800-I-DO-ECON or [susan@econ.org](mailto:susan@econ.org). (*Note: account generation does not start until 3 weeks prior to the competition if you register early.*)

**Step 5.** In the email with team IDs, you also received a Teacher ID and password to the **Teacher Support Center**. (Use the same login link that the students will use.) Be

sure to read and/or print out the Teacher's Guide in the "Getting Started" section. The Understanding Portfolios links show how to read the portfolio pages. Check out the Teacher Support Center for resources, lessons, etc. to help your class get started. Introduce students to concepts like "What is a stock?" and "private and public companies". Students can use the attached *Stock Data on the Internet* and *Stock Data Record* to learn to read and track stock selections.

**Step 6.** Let students begin thinking and researching about stocks they may want to invest in. Read/watch TV and discuss current events about companies, stock market performance, and the economy. Have them visit websites focused on stock research: <http://marketwatch.com/investing>  
<http://finance.yahoo.com>  
<http://thestreet.com>

*Tip:* For older students, have different teams research a website and share with the class information they found. For younger students, try using the Yahoo website (probably easiest to navigate.) I also recommend TheStreet.com.

**Step 7. Log-in!** Assign a student team ID and password to each team and have them login to their team portfolio at [www.stockmarketgame.org](http://www.stockmarketgame.org). (You received these IDs/passwords by email.) Students can log in before the program begins—but they cannot make a trade until the first day. It is not required for students to begin making trades on the first day of the competition—many classes begin around week 3, as teachers may be using the first few weeks to introduce concepts, how to use the simulation, etc.

**Step 8. Review the Rules.** See the short version in this booklet. Students can read longer version from their homepage of their online portfolio. Remind students that this is a *team* competition; and that trades should be made based only on a *team* decision.

**Step 9.** Let students meet to discuss their stock buying ideas and make their first purchases. You may want to have them journal each meeting (*see Journal Template in this booklet*). After they've made their first buys, allow time each week for them to review their portfolios, rankings, and discuss more buys or sells. Students can buy/sell as often (or as little) as you want, whatever best fits your class time. Portfolios are updated every evening, as well as the **Rankings**, which students can access from their own portfolios.

*(Real short on classroom time? Have students buy at least 5 stocks/mutual funds/bonds in their first meeting. Then allow them to watch their stocks, sell, and/or re-invest as a team on their own time.)*

Try to focus on at least one lesson a week from the Teacher Resource Center to teach students about investing concepts; i.e., stocks, risk, markets, diversification, etc. When questions arise about topics, like stock splits, dividends, etc., teachers use these "teachable moments" to introduce and explain these terms and concepts. Be sure to reinforce that fact that investing for the long-term (retirement) would be a different strategy than the short-term SMG. (*Teachers can learn about these and find lessons in the Teacher Resource Center!*)

**Step 10.** – (Optional) Take part in **InvestWrite**, the national essay competition. <http://investwrite.info> This is an individual essay competition for Stock Market Game students only, grades 4-12. Each semester a new scenario is introduced. Students write a 700 word maximum essay. Teachers can submit their 10 best essays from each class to be judged. Great national prizes for elementary, middle and high school levels! Teachers and students can win a “Wall Street Experience”, mini-laptops, and/or more! Top 10 essays in each grade level category win prizes. Visit <http://www.investwrite.info/awards.aspx> to see awards.

## **Teacher Resources**

**Teacher Resource Center** - Using your Teacher ID and password, (you received in email with your student IDs), logon to the Teacher Resource Center at [www.stockmarketgame.org](http://www.stockmarketgame.org) for a multitude of resources—like tutorials, curriculum for elementary, middle or high school level, printable lessons, assessments, rubrics, and more! Sections include:

- **Understanding SMG** – includes a Teacher Guide, Reading Portfolios Guide, and Rules.
- **Manage Student Portfolios** – allows you to view student portfolios, daily rankings, a troubleshooting guide, and print certificates for all of your students.
- **In the Classroom** – includes grade specific curriculum, lessons, activities, projects, publications, assessments, rubrics, and an alignment of lessons to Kentucky standards in economics, language arts, social studies, math, and business and to Common Core.

**Visit the Kentucky Council website** at [www.econ.org/smg](http://www.econ.org/smg) for more information and resources.

# Stock Market Game Rules (short version!)



- Each team begins with \$100,000 in cash  
(see rule 1 for further explanation)
- All buy orders must be a minimum of **10** shares.  
(see rule 6 for further explanation) **New rule change beginning in 2014!**
- Cannot trades stocks below **\$3.00/share** value. (see rule 7 for further explanation) **New rule change beginning in 2014!**
- A 1% broker's fee is charged for all transactions. (see rule 9 for further explanation)
- Trades are valued at *real time* trading market values. (see rules 5 & 11 for further explanation)
- Interest is earned on money not yet invested at an annual rate of .75% and posted weekly. (see rule 1 for further explanation)
- Teams may borrow additional funds to invest (going on margin). Cost is 7% per annum and is posted weekly. **Margin line of credit is now \$50,000 instead of \$100,000.** (see rule 1 for further explanation) **New rule change beginning in 2014!**
- Diversification - *Maximum equity rule!* Teams can invest no more than **20%** of their total equity in any one stock. (see rule 3 for further explanation) **New rule change beginning in 2014!**
- Portfolio values are “frozen” at end of last day of trading session. Teams do not have to liquidate portfolios.

**The full (long) version of the Stock Market Game rules can be found at [www.stockmarketgame.org](http://www.stockmarketgame.org).**

## Stock Data Found on the Internet

Try sites like, <http://moneycentral.msn.com/investor/home.asp>, <http://finance.yahoo.com> or <http://thestreet.com> Students will need to look up ticker symbols for making trades.

YUM BRANDS INC (NYSE:YUM) <span style="float: right;">Edit</span>			
Last Trade:	<b>34.80</b>	Day's Range:	34.29 - 34.92
Trade Time:	11:24AM ET	52wk Range:	22.11 - 34.90
Change:	<b>↑ 0.67 (1.96%)</b>	Volume:	1,060,500
Prev Close:	34.13	Avg Vol (3m):	2,937,850
Open:	34.37	Market Cap:	18.13B
Bid:	N/A	P/E (ttm):	22.19
Ask:	N/A	EPS (ttm):	1.57
1y Target Est:	36.32	Div & Yield:	0.60 (1.70%)

**New! Try our new Charts in Beta**

YUM 23-Jul 11:22am (C)Yahoo!

1d 5d 3m 6m 1y 2y 5y max

[Annual Report for YUM](#)

\***Last Trade** is the time and price of the last trade made for the stock (current price).

\***Change** is the change in price for the day. This is the difference between the last trade and the previous day's closing price (Prev Close).

\***Prev Close** is the closing price for the trading day prior to the last trade reported.

**Open** is the first price paid after trading starts, usually when the stock exchange "opens its trading doors", usually in the morning.

**Bid price** is the price you will get if you sell your stock

**Ask price** is the price you will pay to buy a stock

\***1y Target Est** - This value is an estimated stock value in 1 year provided by analysts following this stock.

\***52-Week Range** – high and low prices over the past 365 days

\***Volume** is the volume of trading (number of shares)

**Avg Vol** is the Average Daily Volume which is the monthly average of the cumulative trading volume during the last 3 months divided by 22 days.

**Market Cap** - way of measuring the size of a company and is calculated by multiplying the current stock price by the number of outstanding shares

\***P/E** is Price to Earnings Ratio. This number is the previous closing stock price divided by the earnings per share, and reflects the value the market has placed on a stock. In general, a high P/E, compared to like companies, means high projected earnings in the future.

**EPS** is Earnings Per Share – stated for the most recent 12 months. EPS is calculated by dividing earnings by the average number of shares of common stock outstanding during the period. Analysts typically look for steadily increasing EPS.

**Div** is the Dividend Per Share. Annual dividend per share of stock, as reported by the company.

**Yield** is the annual dividend per share divided by the previous closing stock price, as a percentage (multiplied by 100).

\***Students do not necessarily use all of this information in making stock selections, but some of the data can be helpful in making decisions. Fields marked with \* are most commonly used.**





# SMG Team Journal Template

Date \_\_\_\_\_

Team Name: Team Members: Class:	
Purpose of Mtg.	
Portfolio Value	
Initial Observations	
Related News Events	
Questions	
Research Gathered	
Decision Made and Reasons	
Final Reflections	



## National Essay Contest

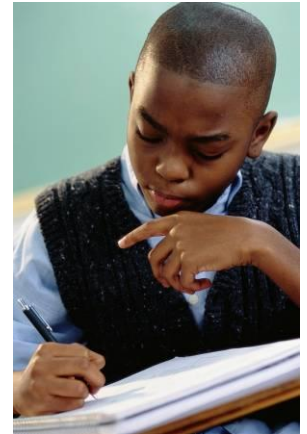
[www.investWrite.info](http://www.investWrite.info)

**InvestWrite** is a highly successful extension of The Stock Market Game program designed to help students sharpen critical thinking and writing skills as they compose essays on investment related topics. The program builds a bridge between classroom learning and potential real-world investment decision.

Students are provided a topic and an investment scenario, which requires them to assess, research, and then formulate possible solutions based on their own finds, logic, and ideas.

### **How much additional time will I need to learn the InvestWrite curriculum?**

Everything you need to know is on the website. Other than discussing the topics with your students and giving them a little direction, you're done. InvestWrite is designed to enhance The Stock Market Game program without adding planning time to your current curriculum demands. Incorporate into your writing assessment



### **Do my students work in teams or individually?**

Individually. Here's a chance for students to take what they have learned as a member of their team and apply their critical thinking and writing skills individually.

### **How many essays can I submit?**

You can submit 10 teacher-judged entries per qualified classroom and only one essay per student.

### **How long does it take to submit InvestWrite entries?**

Just a few minutes. All you have to do is sign in for each submission, fill in a few information boxes (i.e. your contact info, student's name, etc.) and cut and paste or type in the InvestWrite entry into our online submission box.

### **Is the contest free to enter?**

Absolutely! The only requirement is that you and your students must be participating in The Stock Market Game or Take Stock in Kentucky program and your class must have a valid team login ID and password.

### **With whom do my students compete?**

Students compete nationally for prizes in their own divisions: 4-5, 6-8, or 9-12. See InvestWrite website for national prizes...which range from laptops, gift cards, and more!

<http://www.investwrite.info/awards.aspx>

Win Great Prizes—National!  
students, teachers, and parents!

# TAKE STOCK IN KENTUCKY

## Stock Market Game

[www.econ.org/kystock](http://www.econ.org/kystock)



**Take Stock in Kentucky Game Dates**  
10/6/2014 – 12/12/2014

**KY Stock List\_with hotlinks**  
<http://www.econ.org/kystock>

In the Take Stock in Kentucky competition, students use the same Internet simulation as the Stock Market Game, but will invest only in Kentucky companies. Teams of students will build a portfolio of Kentucky investments starting with \$100,000 in imaginary funds over a period of 10 weeks. The companies they will research and invest in are headquartered in Kentucky, companies that have state offices or subsidiaries, or companies that are of special interest to the economy of Kentucky. Use with your curriculum unit on Kentucky!!

We have kept the list to around 200 stocks - in order for students to be able to focus on a relatively small group of companies on which to base their research. This is a great opportunity for students to learn about business in their local community and Kentucky economics.

Take Stock in Kentucky was designed to for grades 4-12 to help students learn about Kentucky business and to make the program easier, because there are

- 1) fewer stocks to choose from,
- 2) ticker symbols are provided, and
- 3) there is a hotlink to each stock's profile and stock data from the KCEE website.

Visit Take Stock in Kentucky rules at <http://econ.org/kystock/tsikrules.htm>

Teachers registering for the Take Stock in Kentucky program will receive in the mail a copy of the "Take Stock in Kentucky" curriculum with 16 easy to use lessons focused on research of the Kentucky economy and business and on Kentucky Economics Core Content for grades 4-12, covering concepts like opportunity cost, producers, consumers, scarcity, interdependence, markets, profit, and more!

Take Stock in Kentucky is a separate competition from the Stock Market Game, with the same prizes!!

**Register online at [www.stockmarketgame.org](http://www.stockmarketgame.org) and select the dates for Take Stock in Kentucky competition.**

# SMG Culminating Activity Ideas

## Research/Writing Skills

- A.** Use the **InvestWrite** topic for critical thinking and essay writing (700 word maximum) to research a topic and relate it to a real-life experience. (*InvestWrite provides new topics each semester with scenarios and a question.*) [www.investwrite.info](http://www.investwrite.info)
- B.** Use the last lesson in the online curriculum (*How Successful Was My Investment Strategy?*)
- C.** Research a company on the list back to its inception.
- D.** Write to a company on the list and tell about what you learned through Take Stock in Kentucky.

## Oral/Presentation and Technology Skills

- A.** Make oral presentations:
- Why did my investment strategy not work? What would I do different next time?
  - How to diversify a portfolio (*using industry/sectors and or bonds, mutual funds, etc*)
  - How my investment strategy would be different for long-term investing.
  - Research a company in portfolio and tell why it did/or didn't perform well.
  - Explain how the economy has had an affect on your portfolio.
  - How to use an investment website to research stocks
- B.** Enhance oral presentations and use technology skills to create a presentation with:
- spreadsheet and charting
  - graphic organizers
  - PowerPoint.



## Creative Skills

- A.** Write a skit about a broker making stock recommendations to a client.
- B.** Create a rap or song about a topic, or the Stock Market Game experience.

**Rubrics can be found in the Teacher Resource Center under “assessments” for all types of skills enhancements and presentations.**

# Stock Market Game and Take Stock in Kentucky Awards 2014-2015

## Kentucky SMG Awards

Each Stock Market Game and Take Stock in Kentucky session are individual competitions.

- **First Place** Team winners will receive medals, certificates, and trophy for school
- **Second Place** Team winners will receive medals.
- **Third Place** Team winners will receive certificates.

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*Due to funding cuts, KCEE will no longer have separate region winners.*

Awards Banquet - depending on funding.

*Maximum of 6 medals per team.*



### National Essay Competition

[www.investwrite.info](http://www.investwrite.info)

**Win National Prizes!**

#### **Elementary (4-5), Middle School (6-8), High School (9-12) Divisions**

**National awards** (1<sup>st</sup> through 10<sup>th</sup>) included prizes for student, teacher, and parents! (includes trips to NYSE, laptops, gift cards, and more!) Visit <http://www.investwrite.info/awards.aspx> for details.