



**Building an Understanding of Stocks, Bonds and Mutual Funds:
An Experience for Life!**

The Stock Market Game in Ten Easy Steps! ...and additional information

(updated August 2021)

www.economicsarkansas.org

and

www.stockmarketgame.org



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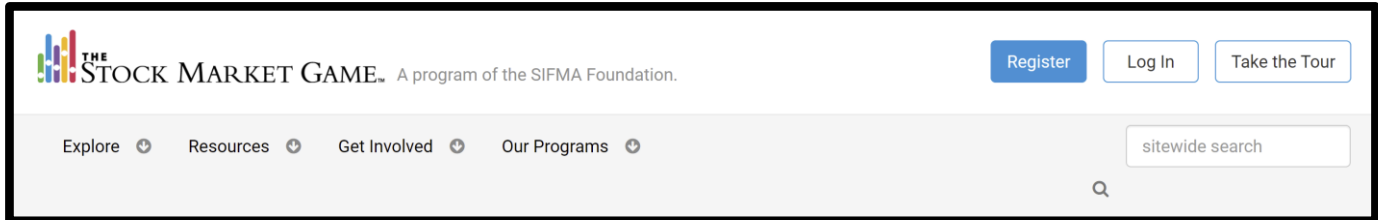


The Stock Market Game™ in Ten Easy Steps!

The **Stock Market Game™** (SMG) is a fun, educational experience for students of all ages, grades 4 through high school. Teams of 1-5 students use \$100,000 virtual cash and create a portfolio of stocks, bonds and mutual funds in a real-world investment simulation. There are statewide and regional competitions with prizes for the highest valued portfolio and an optional **InvestWrite** (www.investwrite.org) essay competition. You will also be able to register with **Invest It Forward** (<https://investitforward.sifma.org>) to arrange for an industry expert to visit your class.

STEP #1: GET THE INFORMATION YOU NEED

- Visit the Economics Arkansas website (www.economicsarkansas.org) for dates and details.
- Go to www.stockmarketgame.org. Take a tour of the site to learn more.



STEP #2: GROUP YOUR STUDENTS INTO TEAMS

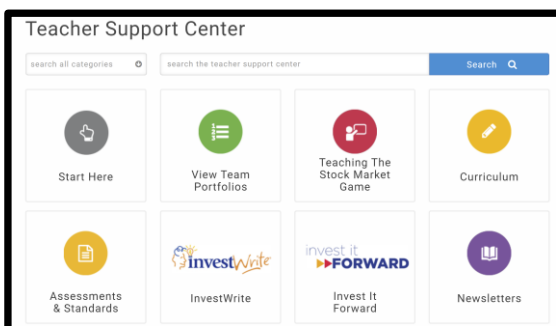
- Divide your students into teams of 1 to 5 members. Many teachers believe 2-3 is an ideal number as all are actively engaged.
- Suggestion: Have the teams keep a folder with their research, stock selections, journals, charts, or any other materials they may produce using The Stock Market Game™.

STEP #3: REGISTER YOUR TEAMS FOR THE FALL, YEAR-LONG OR SPRING GAME(S)

- Complete online registration for the Stock Market Game™ Program at www.stockmarketgame.org. If you want to participate in the teacher simulation as your students are participating, please select both buttons at the bottom of the registration page (teach students/others and participate by myself). If you only want your students to participate, only select "teach students/others."
- After enrolling, within a few minutes you will receive an email with an Advisor ID and password. The following day you will receive another email with the team IDs and passwords. If you do not receive the second email message in 2 or 3 days, contact Marsha.
- The fee for the fall or the spring game is \$15 per team and \$30 per team for the yearlong game. **THERE ARE FREE TEAMS AVAILABLE. PLEASE TAKE ADVANTAGE OF FUNDING OPPORTUNITIES!**
- You may add teams at any time prior to the cut-off date. Contact Marsha and she will handle the change; **do not register again.**

STEP #4: SELECT YOUR LESSONS

- Your advisor ID and password will allow you to access the Teacher Resource Center. A pop-up page will appear with important information like dates/deadlines and other helpful information.
- There are many great resources in the Teacher Support Center. One great resource is a set of 10 short videos that introduce aspects of the game.



- Use the robust search engine to look for lessons by subject, grade level, content topic, etc.
- Find a specific lesson sequence for your particular grade level or display a complete outline of all lessons.
- Introduce students to concepts like:
 - ✓ What is a company?
 - ✓ What is a stock? a bond? a mutual fund?
 - ✓ What is risk?

STEP #5: TEST

Please consider pre- and post-testing your students. Tests are online at https://www.economicsarkansas.org/for_teachers/stock_market_game.html . (Scroll to the bottom of the page for the test offerings.)

STEP #6: EXPLORE STOCKS

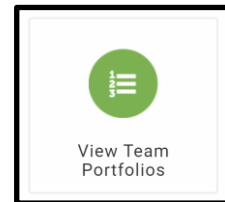
- Have students brainstorm companies and research stocks they may want to trade as you introduce the basic concepts.
- Have students evaluate current event articles related to companies, stock market performance, and the economy.
- Visit websites focused on stock research: <https://www.google.com/finance> , <http://finance.yahoo.com> , <http://www.finviz.com> and the multiple resources on the student portfolio pages.

STEP #7: TEACH STUDENTS HOW TO PARTICIPATE

- Review the rules on the Economics Arkansas website at https://www.economicsarkansas.org/for_teachers/stock_market_game.html.
- Go over the information included in “Understanding Portfolios” in the Teacher Support Center.

STEP #8: TEAM LOG-IN INFORMATION

- **Log-in!** Assign a student team ID and password to each team and have them login to their team portfolio at www.stockmarketgame.org.
- Students can log in before the program begins but they cannot trade until the first day of the simulation.
- Students may begin making trades any time after the competition begins.
- You may allow your teams to create team nicknames for classroom use. This is completely optional! You will need to enter the nicknames by going to “View Team Portfolios” in the Teacher Support Center (green section). If you have more than one class participating, you will need to click on each class name to see the following:
 - ✓ Enter the nickname in the box next to the correct team Id and click “update nicknames” when you are finished. NOTE: You may not use apostrophes in nicknames.
 - ✓ Team IDs cannot be changed, but students may change their passwords. Students may change their passwords. You also have access to see them by logging in to your teacher account, scrolling to the green section of the Teacher Support Center, “VIEW TEAM PORTFOLIOS” tab.



STEP #9: MAKE DECISIONS AND TRADE

- Let students meet to discuss their trading ideas and make their first purchases.
- After they've made their first trade, allow time each week for them to review their portfolios, rankings, and discuss more buys or sells.
- Portfolios are updated every evening.
- Teams may view both their state and regional rankings from their portfolio.
- Teachers may access portfolios and rankings through the Teacher Support Center-green section.

STEP #10: LEARN AS YOU GO

- Each week you will receive an email titled: **SMG Snippets**. This email is designed to highlight two or three things you might want to consider doing for the upcoming week.
- When questions arise about topics such as stock splits, dividends, etc., use these teachable moments to introduce and explain these terms and concepts.
- Be sure to reinforce the fact that investing for the long-term (retirement) would be a different strategy than the short-term SMG.

RESEARCH TIPS

Try sites like: <https://www.google.com/finance>, <http://finance.yahoo.com>, or www.finviz.com.

21.56 +0.34 (+1.60%)

At close: August 6 4:00PM EDT

Summary Company Outlook Chart Conversations Statistics Historical Data Profile Financials Analysis Options H

Previous Close	21.22	Market Cap	3.33B
Open	21.63	Beta (5Y Monthly)	3.23
Bid	21.00 x 1800	PE Ratio (TTM)	N/A
Ask	21.95 x 800	EPS (TTM)	-4.98
Day's Range	21.18 - 22.03	Earnings Date	Nov 03, 2021 - Nov 08, 2021
52 Week Range	7.00 - 25.97	Forward Dividend & Yield	0.50 (2.32%)
Volume	1,721,582	Ex-Dividend Date	Aug 13, 2021
Avg. Volume	2,707,531	1y Target Est	25.28



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

***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.

Ask price is the price you will pay to buy.

***52-Week Range** – range for the past year.

***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.

***Beta** is a measure of volatility of a stock. A bet of 1.0 moves with the market. Anything less is considered less volatile. Anything more than 1.0 becomes more volatile.

***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).

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

***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 ACTIVITIES

Research/Writing Skills

- explain the rationale behind all transactions,
- write an essay explaining an investment strategy that did- or didn't- work,
- compose a position paper on a decision a company made that affected their stock price,
- research a topic like the 1929 stock market crash,
- participate in the InvestWrite competition topic.

Oral/Presentation and Technology Skills

Make oral presentations:

- Why did my investment strategy not work? What would I do different next time?
- How did I/we diversify a portfolio (using industry/sectors and or bonds, mutual funds, etc.)?
- How would my investment strategy be different for long-term investing?
- Research a company in portfolio and tell why it did/or did not perform well.
- Explain how the economy has affected your portfolio.
- Explain how to use an investment website to research stocks.
- Become an analyst and support why a company would be a buy or sell with supporting artifacts.

Enhance oral presentations and use technology skills to create a presentation with:

- Spreadsheet and charting
- Graphic organizers
- PowerPoint/Infographic

Analyze

- a personal investment plan based on personal goals,
- various stocks by comparing strategies of stock selection,
- the differences between speculation and investment,
- the influence of current events on stock prices and trading decisions,
- a current event and the economic environment that could affect investment decisions,
- articles on stocks bought and sold,
- newspaper and online research for publicly traded companies that produce products that students buy.

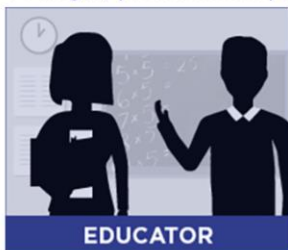
Invest it Forward

Invite a professional to visit with your class in person or virtual.

Invest It Forward™

SIFMA Foundation's Invest It Forward™ is an industry-wide financial education and capital markets literacy initiative convening hundreds of financial firms that are committed to giving young Americans a solid understanding of the capital markets system and the invaluable tools to achieve their dreams. Invest It Forward connects Stock Market Game educators and classrooms with financial professionals and firms to promote youth financial capability across the US.

To begin, please select your role:



<https://investitforward.sifma.org/>

The Stock Market Game™ Rules

Fall 2021

- The fall Stock Market Game Program runs September 7-December 3, 2021.
- You may invest in stocks, bonds, or mutual funds for this simulation.
- When you select a stock to invest in, you must purchase a minimum of 10 shares.
- You can buy or short sell stocks valued at \$3.00 per share or more listed on NASDAQ or the NYSE.
- You can buy on the margin, and the interest rate is 7%. Portfolio balances receive 0.75% interest.
- There is a \$5 transaction fee for all buy and sell orders.
- You must be registered by **Monday, October 4, 2021**. No new teams will be added or deleted after this date.
- You must own at least one stock by **Monday, October 4, 2021**. You must keep at least one stock in your portfolio for the remainder of the game.
- The minimum market capitalization for stocks in the Stock Market Game is \$25 million. This rule supports the trading of highly liquid and stable stocks with low volatility.
- The margin line of credit is \$50,000.
- There is a **20% maximum equity limit**. Teams can invest no more than 20% of their total equity in any one stock. This affects both buys and short sells because both positions put their equity at risk. When placing a trade, if the requested buy or short sell is above the current 20% equity maximum, the “Enter a Trade” screen will give a message stating that the order exceeded the maximum equity. The attempted trade, along with that message, will immediately move into the “Transaction Notes” report. The Maximum Equity Rule was instituted to encourage diversification in a portfolio.
- Trades entered after the market closes (3:00 pm central time) will receive the next working day’s opening price.
- Portfolios are updated overnight. If you trade during the day, your portfolio will reflect those transactions the next morning. However, you did receive the market price at the time of the trade if the trade occurred during trading hours.

