



TIME FOR KIDS YOUR \$

FINANCIAL LITERACY FOR KIDS

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From the Editor: Thanks to the PwC Charitable Foundation, *TIME For Kids* is pleased to offer teachers, students, and their families a monthly financial-literacy magazine. —*Nellie Gonzalez Cutler, Editor, TIME For Kids*

Teaching the cover story TAKING STOCK

WHAT'S INSIDE

- Discover how the stock market works.
- Turn to page 4 for an inside look at the New York Stock Exchange.
- Meet a 12-year-old shareholder. Which stock did she invest in? Find the answer on page 4.

SUMMARY

The cover story explains the stock market and the risks and rewards of investing.

students how they arranged the cards, and why.

TEACHING TIPS

Before Reading

Check Prior Knowledge

- Ask: What do you know about the stock market? What questions do you have about it?

Build Vocabulary

Define Words in Context

- Draw students' attention to the power word *risk*. Have them read the paragraph in which the word appears and define it in their own words. Ask: What makes investing riskier than saving? What can you do to lower your risk when buying stocks? What does the Nintendo example teach us about risk?

Build Comprehension

Recall Key Details

- Read the cover story together, stopping to discuss important details. Ask: What is the difference between investing and saving? Why shouldn't you invest money you need right away? What is a stock, or share? When would have been a good time to buy and sell Nintendo stock? Explain.

Note Text Features

Analyze Structure

- Point out the sidebar on page 3. Ask: What does it show? Why is this information in a sidebar? How does it support your understanding of the article?

Draw Conclusions

- Give students four index cards each and have them label the cards as follows. Card 1: *Buy stock in one company.* Card 2: *Put money in savings.* Card 3: *Buy stock in many different companies.* Card 4: *Start an art collection.* Then tell students to arrange the cards from most risk to least risk. On the back of each card, have them explain their reasoning. Discuss with

Extend Learning

Ask an Expert

- With the class, brainstorm a list of questions about investing. Invite a financial adviser to your class to answer the questions, or ask him or her to respond by e-mail. Have students write a journal entry describing the most important piece of information they learned and how they can use it.



a note from *Jean*

Dear Teachers,

If there's one consistent message I've heard from adult investors through the years, it's this: I wish I'd started earlier! Who wouldn't? Time is the one thing we can't change when it comes to putting our money to work. That's why we decided to focus this issue specifically on investing in stocks. Because they're tied to companies your students are already familiar with and probably patronize, stocks are both easy to understand and to get excited about. Please use this issue as a jumping-off point. Pick a stock or two to "invest in," and track it through the rest of the year. Let me know how it goes. Hopefully, at least some of your students will catch the investing bug.

*Have a great month!
Jean*

FINANCIAL-LITERACY STANDARDS ADDRESSED

Grades K–12 III. Saving
V. Financial Investing

COMMON CORE STATE STANDARDS ADDRESSED

Grade 4 RI.4.1, RI.4.3, RI.4.4, RI.4.7, SL.4.1, W.4.2

Teaching PAGE 4

A Visit to the New York Stock Exchange

How do you make money? It's a place where companies come to raise money to grow their businesses!

How do you make money? Buy stock through a broker or brokerage company that allows you to sell stock. You can pick a company you like.

How do you make money? When you buy a stock, there's a price for the stock. If the price goes up, you make a profit. If the price goes down, you lose money.

Meet a Shareholder

Meet a shareholder of McDonald's. She'll tell you how she makes money and how she invests her money. She'll also tell you how she makes money from her investments.

TEACHING TIPS

Use these tips to support close reading of page 4.

from reading the cover story? Which questions from our list were not answered? How can we find the answers?

Extend Learning Build a Chart

- Have students reread the answer to the question "How do you make money?" Challenge them to use the response to create a chart illustrating how investors could make a profit, or lose money, on a \$10 share.

Write Persuasively

- Tell students to read "Meet a Shareholder" and to underline the investor's advice. Ask them to choose a company to invest in that they "really like" and whose product they trust. Then have them write a paragraph defending their choice.

Before Reading Make Connections

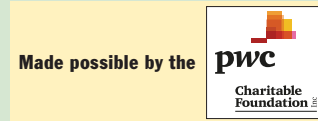
- Have students write a journal entry reflecting on what they learned from reading the cover story, "Taking Stock." Ask: What would you ask stock traders at the New York Stock Exchange? Make a list of student questions.

Build Comprehension Read for Details

- Have students read "A Visit to the Stock Exchange," noting which of their questions the experts answered. Ask: What new information did you learn about stocks and trading that you didn't know

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School / Home CONNECTION



Share these tips with your students' families.

- Provide this challenge to students' families: Imagine you have \$1,000 to invest. Calculate how much of one company's stock you can buy. Choose a company from the S&P 500 index at money.cnn.com/data/markets/sandp. Type the company's symbol into the search bar to get the latest information on the stock. Graph the stock's closing cost each day for one week. At the end of the project, answer these questions: How much money would you have made or lost if you had bought the shares? If you had the money, would you invest in this company? Why or why not?
- Have students interview an adult family member about how the economy can affect people's lives. They might ask: Has an economic downturn affected you or the way you save or invest money for the future?

ADDITIONAL RESOURCES

councilforeconed.org/standards
Visit for free teaching resources and to download the K-12 national standards for financial literacy.

stockmarketgame.org
Sign your class up to participate in an online challenge that teaches students in grades 4 through 12 about economics, investing, and personal finance.

ANSWER KEY FOR WORKSHEETS

Stock Smarts: 1. MCD 2. \$71.71 3. \$56.17 4. \$267.15; \$269.40 5. If you invest your money in many different types of stocks, even if one decreases in price, there's a chance the others will do better. **Invest Like a Pro:** 1. entertainment 2. Answers will vary. 3. F / R / F / F / R 4. Answers will vary.

Your name _____

Date _____

STOCK SMARTS

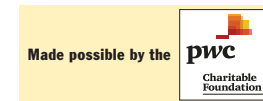
The article "Taking Stock" explains how stocks increase and decrease. The chart below shows the ups and downs of five companies' stock prices on one trading day. The amount is for a single share. Use the chart and the article to answer the questions.



Name	Symbol	Day's High	Day's Low	Closing Price
McDonald's	MCD	\$117.11	\$116.04	\$116.15
Nike	NKE	\$57.27	\$56.11	\$56.17
Verizon	VZ	\$53.88	\$53.43	\$53.60
Wal-Mart	WMT	\$72.32	\$71.71	\$71.83
Walt Disney	DIS	\$94.21	\$92.93	\$94.09

- In stock market listings, a symbol identifies each company's stock. What is the stock symbol for McDonald's? _____
- The highest price paid for Wal-Mart stock on this trading day was \$72.32. What was the lowest price paid for Wal-Mart stock on this day? _____
- What was the closing price for a share of Nike stock? _____
- Let's say you want to buy stock in Verizon. How much would five shares cost at the lowest price of the day? _____
How much would five shares cost at Verizon's highest price of the day? _____
- Why do you think it's better to invest in a variety of stocks, rather than in just one? _____

BONUS: Ask a family member which stock from the chart he or she would invest in and why. Do you agree with your family member's choice? Why or why not?



Your name _____

Date _____

INVEST LIKE A PRO

Thinking of investing in a company? Get to know it first. For example, read about the Walt Disney Company below. Then answer the questions to help you analyze the risks and rewards of investing in Disney.



ART OF DRAWING/
ALAMY STOCK PHOTO

Walt Disney Company Profile

Walt Disney specializes in family entertainment. The company runs theme parks, owns TV networks, makes movies, and much more. Walt Disney World is the company's biggest resort. It includes four theme parks: Magic Kingdom, Epcot, Hollywood Studios, and Animal Kingdom. Disney's networks include the Disney channels, ABC Family, the History Channel, and the sports channel ESPN. Have you seen *Monster's University*, *Iron Man 3*, or *Frozen*? Disney made all of these blockbusters. Last year, the company's gross income (before taxes and other deductions) was \$21.3 billion.

1. Which industry does the Walt Disney Company represent? Check one.

entertainment

electronics

finance

auto

2. What services or products does the Walt Disney Company offer? Name two. _____

3. Which of the following might cause Disney's stock to fall? Write **F** next to them. Which factors might cause it to rise? Write **R** next to them.

_____ More families stay home and play board games together.

_____ A Disney movie breaks box-office records.

_____ Many people lose their jobs in a bad economy.

_____ Fewer families subscribe to cable channels.

_____ The Walt Disney Company buys a popular TV network.

4. Would you invest in Walt Disney Company stock? Why or why not? _____

BONUS: How might knowing a company's future plans help you decide whether or not to invest in its stock? Talk it over with an adult family member.