

Understanding SMG

Suggested Grade

Grades 4-5


Suggested Time

45-90 minutes

Teacher Background

Students in The Stock Market Game™

In The Stock Market Game (SMG), students work together to create and manage a virtual investment portfolio of real world stocks, bonds, and mutual funds. Each team is responsible for researching and evaluating potential investments. Team members must also effectively come together on cooperative decisions on whether to buy, sell, or hold the stocks, funds, and bonds in their portfolio.

The SMG portfolio provides students with financial research tools such as *Ticker Look Up* and financial news on the *News Feed*. Additional research and news are available on websites listed in *Outside Links*. Support with the various functions of the portfolio is available through Help, represented as  throughout the portfolio.

In addition to working in the online portfolio and researching their investments, students are encouraged to keep a journal. The journal can contain a combination of minutes from team meetings, research notes, reflective entries, printouts of rankings reports, Transaction History reports, or Account Holdings reports. Student journals are an effective formative assessment tool. A list of journal prompts is available with this lesson.

Teachers in The Stock Market Game

The confirmation message you receive when you have successfully registered contains your SMG Advisor ID and password. Visit the SMG homepage (www.stockmarketgame.org) and log in for access to the Teacher Support Center. The Teacher Support Center provides you with lessons, activities, technical guides, and other resources for engaging your students in the SMG program.

The SMG program's teaching materials supports students' financial literacy development by giving them opportunities to practice and test what they've been taught in the real world. To stimulate this, SMG provides you with lessons differentiated by knowledge and skill level. The program also provides you with rubrics and pre/post-tests to use to assess your students' progress. Each lesson also has an assessment component.



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Vocabulary

Consensus: To reach team agreement on a decision.

Invest: When you invest you become part owner in a company or loan a government agency money with the expectation of earning more money.

The Stock Market Game (SMG): An investment education program with applications for teaching core academic subjects such as math, English Language Arts, economics, social studies, technology, and business.

SMG Journal: Student journal to record decision-making process, summarize important information, and reflect on decisions made through the course of the SMG program.

SMG Portfolio: Record of investments and their current value, history of investments with prices of sales, cash on hand, and money borrowed.

Teacher Support Center: Teacher reference and resource center for implementing the SMG program in the classroom.

Performance Objectives

Students will be able to:

- Understand the relative dollar value of \$100,000.
- Understand the consensus building process.
- Cooperatively create rules for successful cooperation and consensus building.
- Set up and begin to use student SMG Journals.

Materials

- SMG IDs and passwords (After the teacher registers the class these are sent via E-mail)
- Internet Access
- Sales circulars and newspaper advertisements (must have prices listed)
- Notebooks
- Activity Sheet 1: Team Building Skills
- Fact Sheet 1: SMG Journal Prompts

Springboard Activity

Ask your students: "What would you do with \$100,000?" After accepting a few responses, ask: "How much is \$100,000?"

Explain to your students that they will be buying \$100,000 worth of merchandise online. They may buy toys, clothes, or food – anything they want. They may buy multiple quantities of the same item. It's up to them. The only thing they must do is to spend the entire \$100,000.

If your class doesn't have internet access, you may complete this activity using sales circulars, newspaper advertisements, and classified ads. It's important that what you use has prices listed.



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Explain to your students that the goal of the activity was to give them a concrete sense of the “value” of \$100,000. Inform them that each group is going to be given a \$100,000 in virtual cash to invest in companies they believe will make the most money over the coming weeks. They will also be able to buy bonds and mutual funds. Explain that each group will need to work as a team to make the purchases.

Procedure

Organize your students into teams of two to five members each. These will be their “SMG teams” Distribute **Activity Sheet 1: Team Building Skills** and complete it with your class.

After teams have chosen their names, review the challenging aspects of the activity and ask how your teams overcame them. Ask teams to write their team name in their SMG journals. It may also be helpful for you to create and display a list of all your teams’ names.

Practice team building skills again by asking teams to create a short list of rules that all teams should follow when they work together. For example, if there’s a disagreement, team members should vote. The option with the most votes wins. Or a rule that gives everyone on the team three minutes to comment on a decision.

Review the team-created rules with the entire class. Create a list of the most popular rules and display them in the classroom.

Application

Ask each team member to review the list of products they created in the Springboard Activity and number them by popularity (with “1” being the product everyone might own). In their teams, each member should share their lists and come to a consensus on the three most popular products.

Assessment

In their SMG journals, ask your students to identify the companies they believe their team should invest in using their virtual \$100,000. They should include why they selected these companies and how they would convince their teammates to invest in them.



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Activity Sheet 1: Team Building Skills

In The Stock Market Game™ you will be making decisions as a team to build your team portfolio. Your success in part depends on your ability to compromise and cooperate.

Here are a few personal rules to follow:

- Be responsible for your own learning.
- Share your knowledge freely.
- Learn what you can from others.
- Foster interdependence by asking for and giving help.
- Express your ideas openly.
- Listen carefully to feedback.
- Be a good critical friend.
- Share responsibility for decision-making.



When you make a decision as a team it is called “consensus building”. The following are a few consensus building tips:

1. **Listen.** Be sure that each team member has a full understanding of what other team members are saying.
2. **Contribute.** Share all relevant information even if it conflicts with personal interests.
3. **Include.** Ensure that everyone is included in the decision-making process.
4. **Evaluate.** Determine what points team members agree on and what points they disagree on. Spend time evaluating the differences.
5. **Time.** Don’t waste time discussing those points that team members already agree on.
6. **Compromise.** When used in consensus building, it doesn’t mean that a team member will give up a position in exchange for support on another point. It does mean that the opinions of all team members are equally important, that each member will discuss an issue with an open mind, and is willing to fully support a decision made by the team.

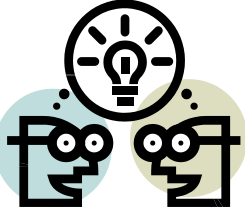





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Practice consensus building with this team name activity:

	<p>Brainstorm</p>	<p>Have everyone list several ideas with reasoning but no evaluative comments. Get into the habit of requiring everyone on your team to participate. Let your style show with the names you suggest!</p>
	<p>Evaluate</p>	<p>Have each person choose their first two choices for names and see if you have overlap. Reduce the list to four names or less.</p>
	<p>Discuss</p>	<p>Don't vote! Ask each person to give a pro and con for each of the top four names. Based on this analysis, choose your top two names. Do pros and cons on the top two names with each person making a proposal for the top name and others chime in with support.</p>
	<p>Decide</p>	<p>If necessary, take a vote at this point to select the team name. Voting is only used when a team can't make it to consensus.</p>



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Fact Sheet 1: Journal Prompts

This is a list of suggested writing prompts for your SMG Journal. Keeping a journal will help you make better decisions. In addition to helping you remember your team discussions and the decisions you have made, writing in your journal will help you organize your research and may even introduce you to alternate solutions to challenging problems.

Be sure to use a lot of detail when you respond to the prompts so everything is clear when you refer to them.

1. I read in _____ (Name of news source) that _____
(News item read). I think will help/hurt/have no effect on my team's portfolio because _____.
2. My teammates want to invest in _____. I think this is a good/bad decision because _____.
3. _____ has gone down \$_____ since my team bought it. I think this is happening because_____. I think my team should buy/sell/hold it because _____.
4. My favorite investment research website is _____ because _____.
5. _____ (A company your team is invested in)'s biggest competitor is _____ (Name competing company). I think/don't think they would be a better investment because _____.
6. My team's portfolio is/ is not diversified because _____. To diversify it further I think we should invest in _____.



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7. To raise the cash balance in my team's portfolio I am going to suggest they _____ because _____.

8. So far the most challenging aspect of The Stock Market Game has been _____ because _____.

9. So far the advice I would give someone new to The Stock Market Game is _____ because _____.

10. So far the most important thing I have learned from The Stock Market Game is _____ because _____.



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