

Understanding SMG

Suggested Grade

High School - all levels

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 the portfolio they have created.

The team's SMG portfolio provides them with ample research through the *Investor Research* link. Additional research and news is available at websites listed in the *Outside Links*. Support with the various functions of the portfolio is available through the Help link that appears on each page of their team portfolio.

In addition to working in the online portfolio and researching their investments, each student is 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 effective formative assessment tools. A list of writing 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 login 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. It is organized into three main sections: *Getting Started*, *Managing Students Portfolios*, and *In the Classroom*.

The SMG program's teaching materials support each student's financial literacy development by them with 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. SMG's core lessons are correlated to national Common Core standards and provide real world practice for 21st Century and STEM skills.



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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 decision 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 is up to them. The only thing they must do is to spend the entire \$100,000.



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

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 how they 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 is 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.