



# LESSON PLAN - 5th & 6th Grades

## “Stock Market Pie” by J.M. Seymour

**Lesson Plan:** Investment Basics - Stocks

**Grade Level:** 5th-6th grades

**Content Area:** Personal Finance

**Recommended Length/Duration:** 1 hour

**Essential Understanding:** When I own a stock I own a specific portion of a company. Stocks are bought and sold on a stock exchange or stock market. I invest money in a stock with the goal of increasing the value of each stock and selling it for a profit. However, there is no guarantee I will make money and may, in fact, lose some or all of my investment. This is known as investment risk.

**Learning Goals:** The students will learn basic investment concepts and will apply that knowledge through following the price of actual stocks. Investment basics include: who are investors, what is a stock, how are stocks traded, what is a stock market, and investment risk.

**VTDOE Standards:** History & Social Studies, H&SS5-6:20

Description/Sequence:

### What is a Stock?

**(1)** How many of you like to eat pie? (*take responses*) What are some flavors of pie that you like to eat? (*take responses*) Today, we’re going to read a book about a different kind of pie --- stock market pie! *Show the book cover.* A stock market pie isn’t a pie we eat. Our book today uses a pie to teach us about investing and the stock market.

*Distribute Stock Market Pie worksheet.* As we read our story, you’ll learn more about the stock market pie. Before I start reading, let’s answer the first question on our worksheet:

*Discuss the definition of investment with the class. Clarify that a profit means that you receive back more money that you first spent on something. Have students write in the following answer.*

An investment is: **spending money with the goal of making a profit.**

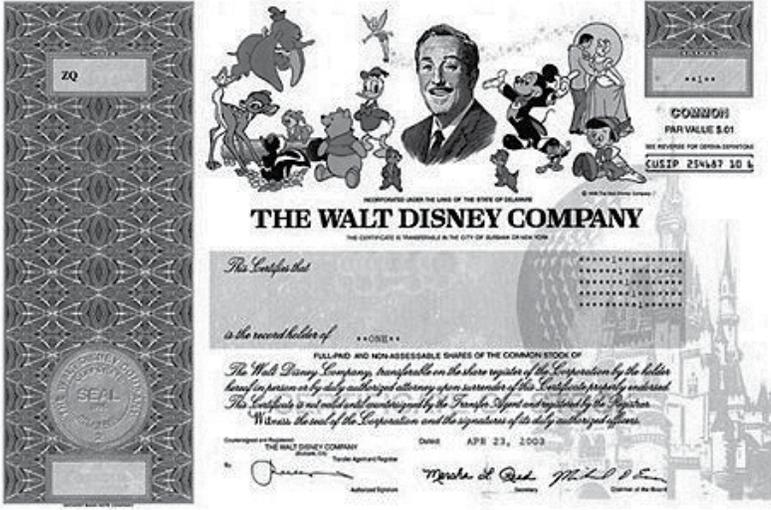
**(2)** *Read the story.*

STOP ON PAGE 6. Let’s look at question number two on our worksheet, what is a stock? (take responses then direct students to write the following definition on their worksheet)

A stock is: **a share or specific portion of a company that is bought and sold.**



Make an overhead of the Disney stock certificate found on page 54. Project the certificate up and show students the different parts of a certificate.



Prior to class, look-up the current price of one share of Disney stock. At the close of the markets on August 9, 2012, the cost for one share of Disney stock was \$49.54.

Continue reading.

STOP ON PAGE 9. Have students complete the third question on the worksheet.

Emily and Grandma own stock, they are called (investors) or (stockholders).

Continue reading.

STOP ON PAGE 17. Complete question four.

Stock markets or stock exchanges are where: investors can buy or sell shares of a company's stock.

Continue reading.

STOP ON PAGE 23. Complete the answer to question five. Emily and her Grandma are talking about investment risk. That means there is a chance that an investor could lose some or all of the money used to purchase stock in a company.

If you have internet access, go to [www.nasdaq.com](http://www.nasdaq.com). At the top of the page, enter in the letters - DIS -- for the Walt Disney Company. You can show students how the price per share is either going up or going down.

Investors (make) money when the company grows and makes a profit. Investors (lose) money when the company is not doing well and is earning less.



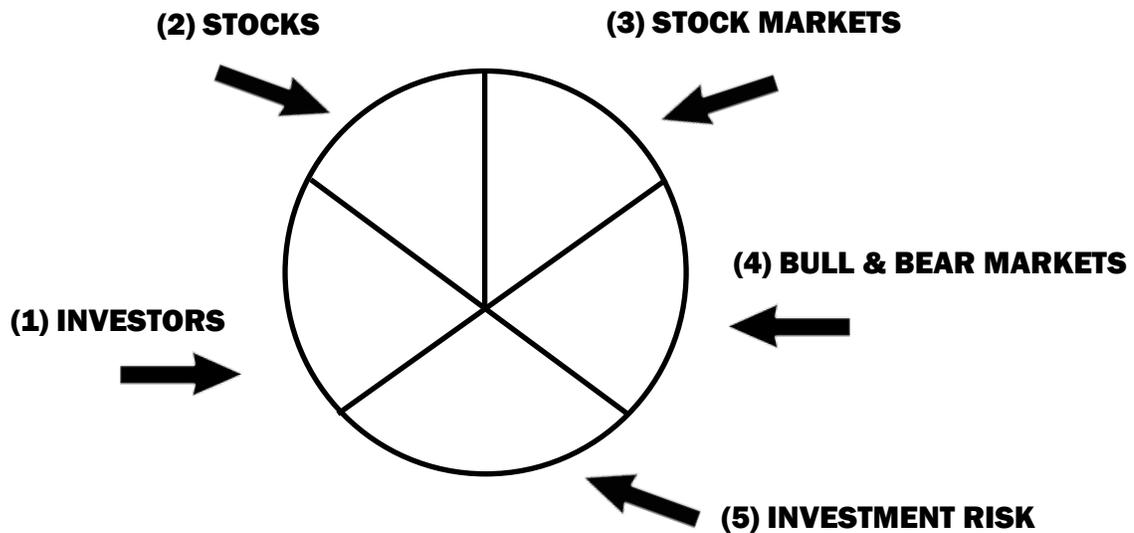
**STOP ON PAGE 29.** Have students complete the last question in section one. Economist describe good and poor time periods of the stock market using animal names.

**A bull market means: stock prices are going up and investors are making a profit.**  
**A bear market means: stock prices are dropping and investors are losing value in their investment.**

Finish reading the book.

**(3)** Story review.

Let's do a quick review. *Prior to the lesson, make a five-piece pie as illustrated below and cut it into parts. Label each pie piece as shown below. As you review, put each piece up on the board.*



**(4)** Review the instructions for Section Two of the worksheet. The Vermont Business Magazine lists on a daily basis the current trading price for the stocks in this section. Go to [www.vermontbiz.com](http://www.vermontbiz.com) and scroll down to the bottom of the main page. You should find the stock prices listed on the far right side. Explain to students the initials are the ticker name for the companies. Have students fill in the price for one share of each stock in the chart.

We will be checking on the stock prices for the next several days and see how they change. We'll fill in the price each time we check and see how much profit or loss we would have had if we had bought shares of these stocks.

*When you do your review be sure and emphasize to students that investments in stocks are best made over long periods of time--weathering both bull and bear markets. Since 1920, stocks have returned an average of 10 percent a year.*



**Materials Needed:**

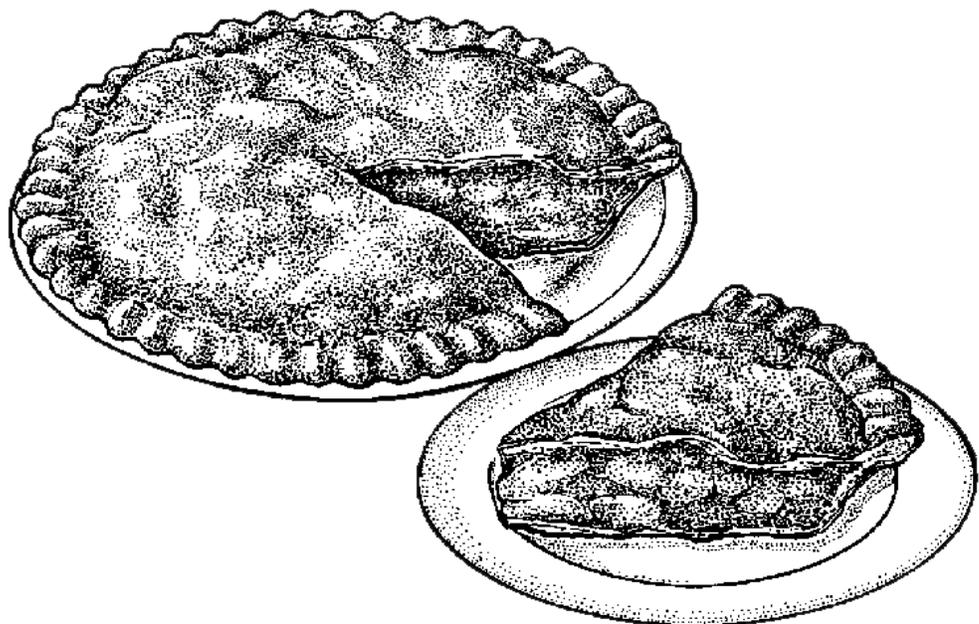
1. *Stock Market Pie* by J.M. Seymour
2. One overhead of Disney stock certificate found on page 54
3. One worksheet for each student, copied from enclosed master on page 53
4. One paper pie model as illustrated on page 51
5. Access to the internet

**Supplemental Information:**

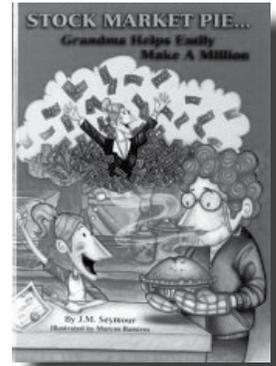
The U.S. Securities and Exchange Commission had an educational web site found at [www.Investor.gov](http://www.Investor.gov). On that site is an online quiz on investments for elementary school children. The web address for the quiz is <http://investor.gov/node/2351>

**Stock Market Game for Elementary Students:** The Vermont Council on Economic Education manages a national online stock market educational program. The program allows students to participate in a simulated stock market game based on the actual current market. In a team approach, students make investment decisions and work to enhance the performance of their portfolios. In Vermont, 10 percent of the participating schools are from elementary schools. There also are lesson plans and activities available online, specifically for younger students. The game is played twice a year starting in October and in February. To learn more, go online to [www.smgww.org](http://www.smgww.org). You may also contact the Vermont Director, Art Woolf, at (802) 656-0190 or [awoolf@uvm.edu](mailto:awoolf@uvm.edu).

**Build your own knowledge of investing!** The State Treasurer’s Office has an investment education page at [www.MoneyEd.Vermont.gov](http://www.MoneyEd.Vermont.gov). Click on the “Investment Ed Resources” page link on the right.



# Stock & Investment Worksheet



**Section 1.** Fill in the blanks as your teacher reads the story to you.

1) An investment is: \_\_\_\_\_

\_\_\_\_\_

2) A stock is: \_\_\_\_\_

\_\_\_\_\_

3) Emily and Grandma own stock. They are called \_\_\_\_\_ or \_\_\_\_\_.

4) Stock markets or stock exchanges are where: \_\_\_\_\_

\_\_\_\_\_

5) Investors \_\_\_\_\_ money when the company grows and makes a profit. Investors \_\_\_\_\_

money when the company is not doing well and is earning less.

6) A bull market means: \_\_\_\_\_

A bear market means: \_\_\_\_\_

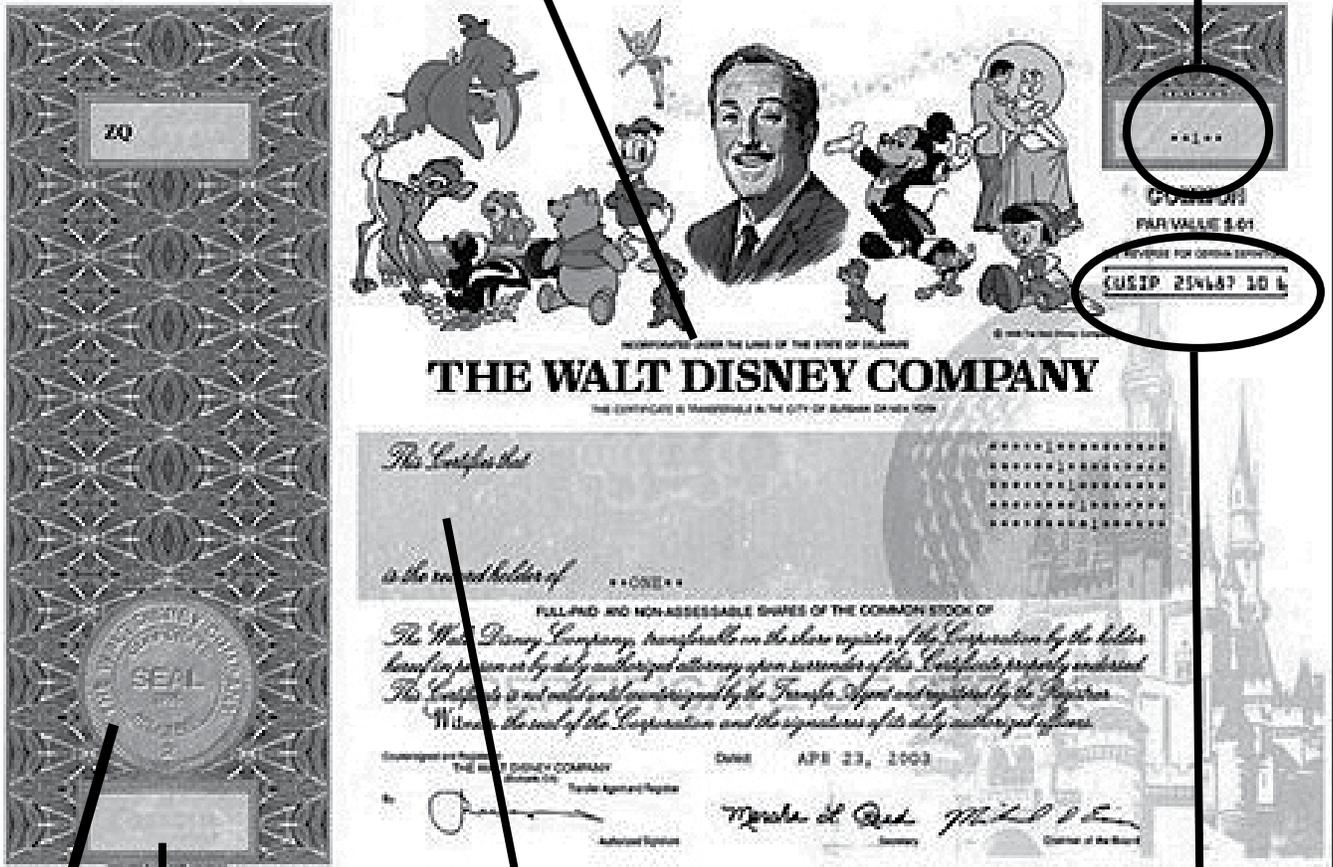
**Section 2.** Below are a list of companies with ties to Vermont. Go to [www.vermontbiz.com](http://www.vermontbiz.com) and look up the price of one share of stock for each company. Check the share value over the next few weeks. If you had invested in these stocks, would you have made a profit or lost money? Did you make a good investment?

COMPANY NAME	CHECK PRICE	CHECK PRICE	CHECK PRICE
Casella Waste Systems (CWST)			
Ethan Allen Interiors Inc. (ETH)			
Green Mountain Coffee Roasters (GMCR)			
International Business Machine (IBM)			
Unilever NV Common Stock (UV) Ben & Jerry's			
Toronto Dominion Bank (TD) TD Bank			

# STOCK CERTIFICATE

Company Issuing the Stock

Number of Shares



Official Seal

Name of Person Who Owns  
the Stock Goes Here

Official Signature Goes  
Here to Show it is Valid

CUSIP Number: It is made up of nine characters that uniquely identify a company or issuer of the type of security (kind of investment). CUSIP stands for Committee on Uniform Securities Identification Procedures.