

# The Puzzling Practice of Investing in Stocks and Bonds

**SUBJECT(S):** Personal Finance

**GRADE LEVEL(S):** 9, 10, 11, 12

## ≡ NBEA STANDARD(S):

- Personal Finance, IV. Saving and Investing

## ≡ RELATED ARTICLES:

- “Why Investors Diversify: Spreading Your Wealth Across Assets, Industries and Countries”
- “The Investor Lifecycle: Changing Priorities, Changing Portfolios”
- “Talking Lyft, Uber and the Flood of New Tech IPOs”
- “Research Strategies for New Investors”
- “Portfolio Managers: The Challenge Is Picking More than One Winning Stock”
- “Penn CIO Peter Ammon on Why ‘People Matter Immensely’ to Successful Investing”
- “Keeping Fear, Frustration and Joy Out of Your Stock Portfolio”
- “Jennifer Barrett of Acorns with 5 Facts about Fintech”
- “Inside Berkshire Hathaway’s Spectacular Shareholders Meeting”
- “How to Own a Piece of Your Favorite Brand”
- “Exploring the Business of Money with a Few ‘Girls Who Invest’”
- “Educator Toolkit: Wall Street”
- “Educator Toolkit: Learning to Invest”
- “Educator Toolkit: Impact Investing”
- “A ‘Sneakerhead’ Shares His Simple Strategy: Buy Low and Sell High”
- “6 Takeaways from the GameStop Stock Market Drama”
- “4 Factors Influencing Today’s Stock Market”

**TOPIC/COMPETENCY:** Investing: Stocks and Bonds

**CEE National Standard:**

V Investing Standard 3 – (Grade 12)

**Jump\$tart National Standard:**

II Investing Standard 2-D: Evaluate investment alternatives

**Common Core State Standard:**

CCSS.ELA-LITERACY.RI.9-10.1

CCSS.ELA-LITERACY.W.9-10.4

**CONTENT STATEMENT:** Stocks and Bonds are common tools that investors use to build long-term wealth. While there is risk inherent in the purchase of these assets, stocks and bonds attract many of today's investor class.

**LEARNING OBJECTIVE:** Discuss reasons why people would want to invest in Stocks and Bonds; Explain the differences between these two investment tools.

**ESTIMATED TIME:** 50 minutes class time; 50+/- minute assessment at home

**MATERIALS NEEDED:** Internet access for instructor; Projector; Puzzle Piece Game print-outs: [Apple Stats Puzzle Piece Game](#); [Chipotle Stats Puzzle Piece Game](#); [DQ Stats Puzzle Piece Game](#); [GE Stats Puzzle Piece Game](#); [Twitter Stats Puzzle Piece Game](#) \*See instructor explanation and tasks in “Hook” activity ; printed copies (or access to digital versions) of the five recommended K@W articles about Stocks and Bonds included in this lesson.

**KEY VOCABULARY/TERMS:** [Bond](#), [Bear & Bull Market](#), [Blue Chip Stock](#), [Initial Public Offering](#), [Market Crash](#), [Stock](#)

**WHY THIS MATTERS TO YOU NOW:** Teenagers may not realize they are consumers and spend a lot of money on branded merchandise. What if you took some of that money you spend on “Nike Shoes” or a “Starbucks Coffee” or skip the movies and invest in “Sony” ? Teens can become stockholders of a company and hold an asset (your stock shares) that could grow into an asset that you can sell for profit.

**Activities: 5-10 minutes.**

- Motivational hook / activity – Create interest in the material; Answer the question: “Why do I need or want to learn this material?”
  - Puzzle Piece Game
  - **Teacher Prep – 5-7 minutes prior to class**
    - Task 1) Instructor will print off five puzzle pieces of Stock Data on five different colors of paper (1 company’s stock per piece of paper is included in this lesson)
- Task 2) Cut up the paper into 5-6 large jagged pieces prior to the start of class
- Task 3) Place different colored pieces of paper on each desk in the room before students come in to class
- **Play the “Puzzle Piece Game”**
  - At the start of class, ask students to get up and walk around to “solve the puzzle”.
  - Students will remain standing with their group while the instructor debriefs each of the puzzles and asks one student per group to share the data about the company stock in their puzzle pieces
- **Comprehension – 20 minutes**
  - Assign one of the following articles to each group of students who “connected” during the Puzzle Piece Game.
  - Students will read their assigned article, talk in small groups about “informational text” and write down 5 bullet points for their group to share
  - Debrief in whole class after students have read and collected info
    - <https://globalyouth.wharton.upenn.edu/articles/what-are-the-different-investment-choices-from-condos-to-gold-to-just-plain-cash/>
    - <https://globalyouth.wharton.upenn.edu/articles/introducing-latest-stock-market-debutante-twtr/>
    - <https://globalyouth.wharton.upenn.edu/articles/fb-files-for-an-initial-public-offering-2/>
    - <https://globalyouth.wharton.upenn.edu/articles/groupon-goes-public/>

- <https://globalyouth.wharton.upenn.edu/articles/pandora-the-building-blocks-of-an-innovative-internet-radio-station/>

- **Practicing – 15-minutes**

- Bonds vs Stocks – What’s the Difference? Have students conduct research to answer these questions:
  - What is the difference between Stocks and Bonds? Define each term encourage students to use the K@W Glossary to do this
  - Why are Bonds often referred to as an “IOU”? Who is the borrower and who is the lender in a Bond scenario?
  - What type of return does a bond provide for an investor?
  - What is the level of risk associated with investing in a Bond?
  - What type of Bonds are offered to investors?

- **Assessment** – (complete at home)

- Students will write a summary paragraph explaining why stocks and bonds are a popular choice for investments. Ask them to provide details about the differences between Stocks and Bonds and give a rationale why investors might choose both as part of their investment portfolio.

- **Apply/Going Further/Homework**

- Encourage students to ask their parent/guardian/significant adult in their lives if they hold any stock or bond investments. Finally, ask students to mention if they themselves currently hold any stocks in their names/parent names and if not, would they consider buying a company stock or bond now?
- Have students track the DJIA for three consecutive days and be prepared to come in and discuss the general trend of the markets for this particular week.
- Have students explore Apps on their personal devices that could track Stocks and/or Market News. Share names of these Apps with the rest of class.