

Financial Literacy Lesson: Stocks



Grade Levels: 9 - 12th

Lesson Purpose:

For students to gain a better understanding of the basic components of how and where they can purchase stock.

Objective:

Students will be able to define key components of a stock and understand the importance of a dividend and rate of return.

Teacher Lesson Outline:

- **Planned to A.T. Introduction Video (4:22 min)**
- **Explore the Market** - Whole Class activity (15 min)
- **Print off Explore the Market** - Student handout. Teacher can print off individual or small group copies.
- **Display:** The list of different companies they could utilize to open a brokerage account.

Inform students: In order to buy stocks, you'll generally need to open an investment account with a brokerage firm, often referred to as an [online brokerage account](#). These accounts allow you to buy and sell stocks or pieces of a company. When you purchase a stock the price of the stock can go up or down depending on the stock market.

1. Display the link (<https://www.nerdwallet.com/best/investing/online-brokers-for-stock-trading>). This correlates with the students handout. The different companies on this list offer brokerage accounts and the associated fees, account minimum, and current promotions they are offering. Point out that they may have heard of companies like “Robinhood”, which are ways to purchase stock.

2. Scroll through 3-4 of the companies and point out the **pros** and **cons**. You can inform students that the NerdWallet link is one of many tools that displays different companies and their rating. It provides research information on brokerages to make the best choice (ex. "Webull"; pros -Commission: free stock, options and ETF trades, Easy-to-use platform Advanced tools/ cons: No mutual funds, Separate app required to trade crypto.)
 3. **Inform students** that once they open up a brokerage account the next step is to research a stock they want to purchase. You could google a popular company name (ex. Netflix) or use a resource like [Yahoo Finance](https://finance.yahoo.com/) (<https://finance.yahoo.com/>) and search the company name. Point out what the current stock price is (left side of the screen). Inform students that each company name like Netflix has a nickname or ticker symbol. Netflix = NFLX
 4. The stock price is how much one share or piece of the company costs. Inform students that once they fund their brokerage account by connecting their bank account they can determine how much stock they can purchase based on the stock price.
- **Explore the Market** - Student handout (20 min) This handout will help students explore researching and the cost of how many stocks they can purchase with a \$1,000 budget.
 - **Exit Ticket** - Student handout (15 min)



START : Essential Question(s)

Q: Have you ever had a dream of owning a company like NIKE?

A: Answers will vary

Q: Have you heard of a friend or a family member investing in stock?

A: Answers will vary

Q: Is there a company that you are interested in investing in?

A: Answers will vary

Education Standards Addressed:

- Utah FL Standard 4.1 – Identify and compare different investment options.
- Utah FL Standard 4.3 – Explain how dividends and capital gains generate investment income.
- Utah FL Standard 4.5 – Evaluate the risk and return of different types of investments.

Additional Lesson Materials:

- <https://finance.yahoo.com>
- <https://www.nerdwallet.com/best/investing/online-brokers-for-stock-trading>
- School approved search engines like google.com.



Explore The Market

Teacher Led, Student Guide

Directions:

Your teacher will display different companies you could potentially utilize to open a brokerage account. One of they many ways you can begin your investing journey.

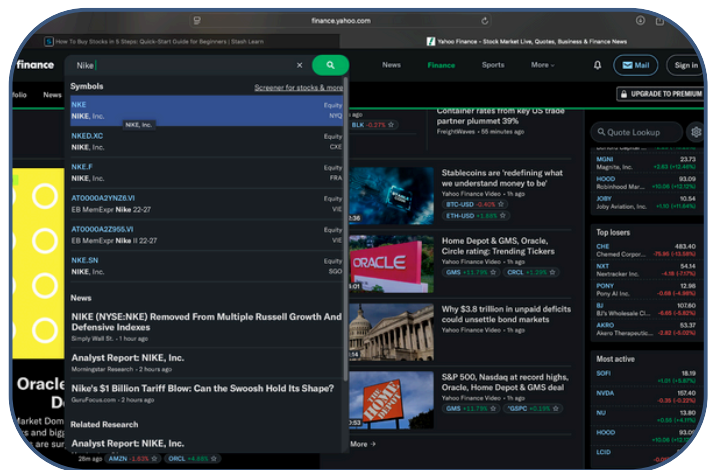
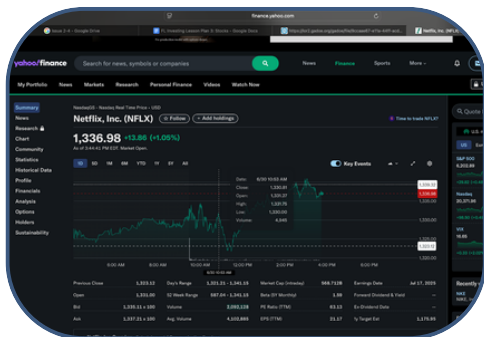
1. Brokerage Companies & Associated Fees



2. Pros and Cons of Brokerage's

Broker	NerdWallet rating	Fees	Account minimum	Promotion	Learn more
Webull	★ 5.0	\$0 per trade	\$0	Get 20 free fractional shares (each valued up to \$5,000) when you open and fund an account with Webull.	LEARN MORE
Charles Schwab	★ 4.8	\$0 per online equity trade	\$0	None no promotion available at this time	LEARN MORE
J.P.Morgan WEALTH MANAGEMENT	★ 4.5	\$0 per trade	\$0	Get up to \$700 when you open and fund a J.P. Morgan Self-Directed Investing account with qualifying new money.	LEARN MORE
Robinhood	★ 4.5	\$0 per trade	\$0	1 Free Stock after linking your bank account (stock value range \$5.00-\$200)	LEARN MORE
Public	★ 4.6	\$0	\$0	Earn up to \$10,000 when you transfer your investment portfolio to PUBLIC.	LEARN MORE

3. Stock Research, Stock Price, and Stock Ticker Symbol



Explore The Market

Student handout

When you purchase stock you become a shareholder. Each stock will have a share price, which is the price that it costs to purchase 1 share in the company. This is the minimum dollar amount it costs to invest. Some stocks can cost as low as \$1.

Directions:

Follow the steps below to research the information about the stock market.

Pt. 1

- Go to school approved search engine.
- In the search bar, find the answer to the following questions:
 1. What time does the stock market open? _____
 2. What time does the stock market close? _____

Pt. 2

In a school approved search engine or <https://finance.yahoo.com/> type a popular company name e.g. "Nike" stock symbol and push search. Identify the stocks symbol, current market price, and how many shares you would be able to purchase budget. Pretend you have \$1,000 to spend when you answer the following questions.

Answer the following questions:

1. What is your companies name? _____
2. What is your companies stock symbol or ticker symbol? _____
3. What is your companies current stock price? _____
4. How much would it cost you to purchase 10 shares of stock in this company?

If you were given \$1000 how many stocks would you be able to purchase today? _____

*\$1,000 ÷ stock price = _____

Exit Ticket

Directions:

See how much the stock price has fluctuated over time in price. Use <https://finance.yahoo.com/> to search your stock.

Step 1: At the bottom of your stock graph you will see 1D, 5D, 1M, 6M, YTD, 1Y, etc. This stands for 1 day, 5 days, 1 month, 6 months, Year to Date, 1 year ago, etc

Step 2: Select 1D (it should turn blue)

Step 3: Compare the current price, the big price at the top of your screen, with the price of your stock one day ago (the price in grey).

Today's price _____ 1D Price _____

Is today's price higher or lower than yesterday's price? _____

Extension:

At the bottom of your stock select "all". This will show you all the prices the stock has been. Move your mouse around the graph to show the different priced stocks over time. A date will populate with a "close" price. Compare three different dates and prices. Be sure to pay close attention because the years potentially change at the bottom.



Date: _____ Price: _____

Date: _____ Price: _____

Date: _____ Price: _____

Over time has the price increased or decreased over time? _____