

Building **Wealth**

In the Classroom

Interactive Lessons

Lesson 5

Save and Invest—Stocks



Instructional Objectives

Students will:

- Identify the stocks as shares of ownership in a company.
- Describe the role and variety of stock exchanges around the world.
- Use a balance sheet to explain the risk and rewards of stock ownership
- Categorize publicly held companies in terms of market capitalization, industry sector and location.
- Identify and describe the role and composition of stock indexes.



Stocks are...

Markets



Markets



Stock Markets of the World

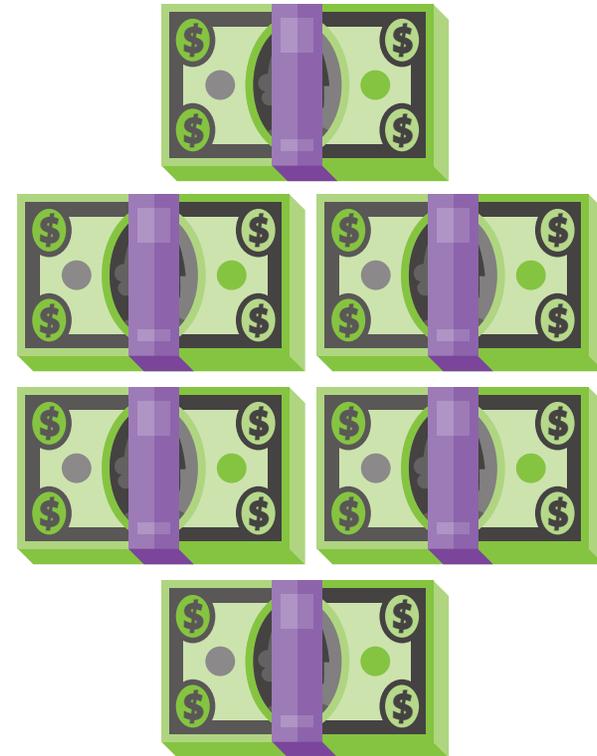


Wealth-Building Assets

Wealth-building assets are assets that generally appreciate over time or provide a return.



Stock Appreciation



Dividends

Building Wealth with Stocks



Gathering Information

- Who?
- What?
- When?
- Where?
- How much?

Classifying Companies



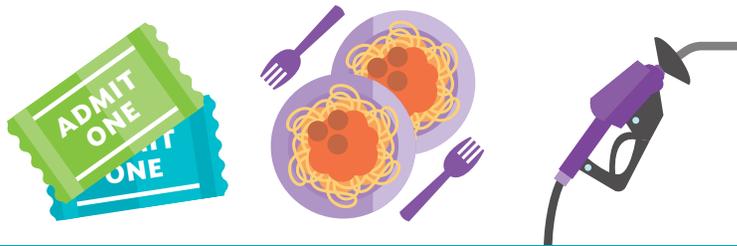
BINGO

B	I	N	G	O
7	18	31	53	68
5	27	44	55	71
3	20	BW	51	63
13	29	40	60	64
11	28	39	46	67

Classifying Companies



Indexes



Year	Two Movie Tickets	Dinner for Two	Two Gallons of Gas	Total Cost of Date	(Index) 1995=100
1990	\$8.44	\$18.93	\$2.38	\$29.75	$(29.75/32.20)*100=92$
1995	\$8.70	\$21.12	\$2.39	\$32.20	$(32.20/32.20)*100=100$
2000	\$10.78	\$23.93	\$3.07	\$37.78	$(37.78/32.20)*100=117$
2005	\$12.82	\$27.42	\$4.16	\$44.39	$(44.39/32.20)*100=138$
2010	\$15.78	\$32.04	\$5.35	\$53.17	$(53.17/32.20)*100=165$

Stock Indexes



Indexes by Location

U.S. Indexes

DJIA

SP500

Russell 2000

SP400

NASDAQ Composite Index

International Indexes

MSCI EAFE

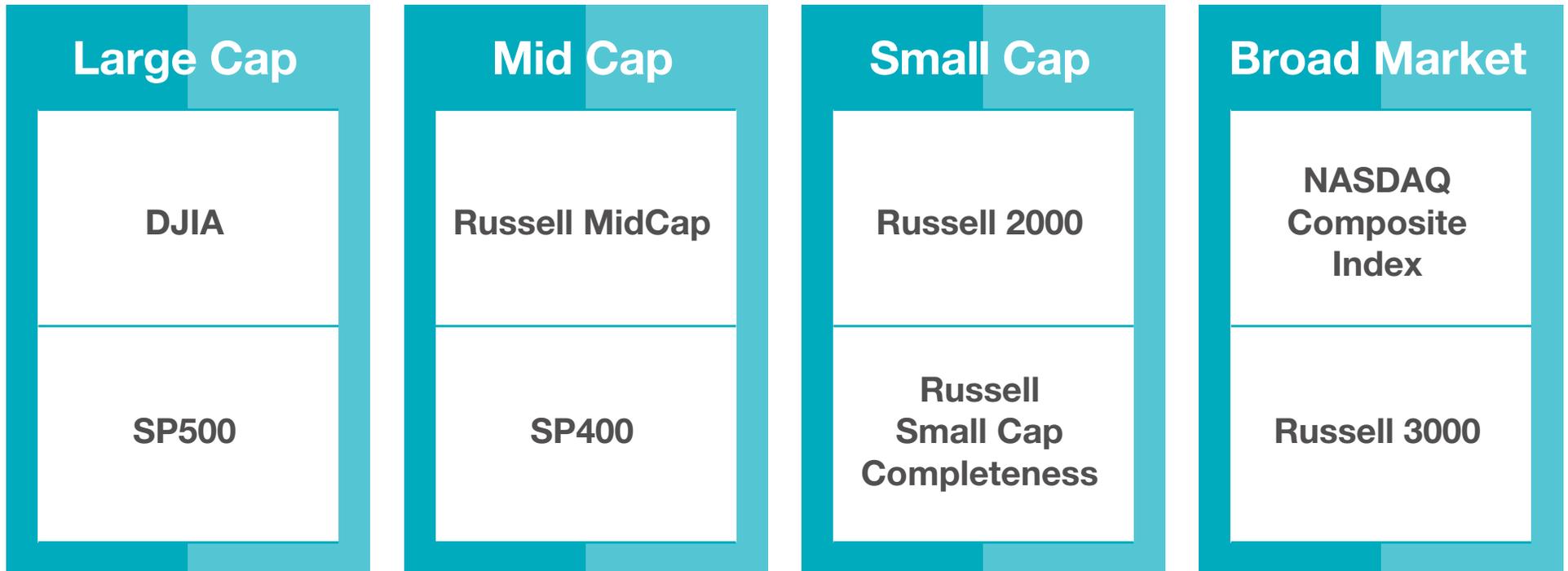
Nikkei 225

DAX

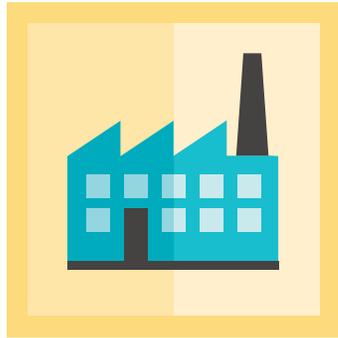
Hang Seng

FTSE 100

Market Cap Indexes (U.S.)



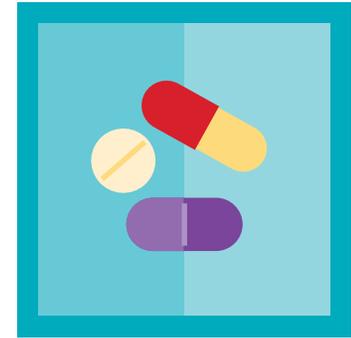
Sector Indexes



Manufacturing



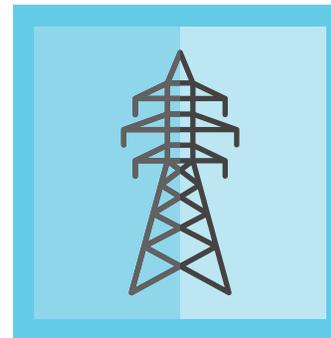
Telecom



Pharmaceutical



High Tech



Energy

Assessment