



## BIZ KID\$

# Episode 121: Bulls, Bears, and Financial Markets

### Episode 121 Synopsis:

**Kids and bulls and bears, oh my! The Biz Kid\$ examine stocks, bonds, commodities, and the markets where each of them are traded. You will discover various ways young people can get involved with the transactions, aim for profit, and avoid risk. Meet some successful entrepreneurs along the way.**

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## Biz Kid\$ Curriculum Package #121



## BIZ KID\$

### BIZ TERMS

#### Episode 121: Bulls, Bears, and Financial Markets

- |                      |                   |
|----------------------|-------------------|
| 1. bond              | 12. invest        |
| 2. bond funds        | 13. investor      |
| 3. bond holders      | 14. issuer        |
| 4. commodities       | 15. maturity date |
| 5. commodity brokers | 16. shareholders  |
| 6. commodity futures | 17. speculate     |
| 7. coupon rate       | 18. stock(s)      |
| 8. defaults          | 19. stockbroker   |
| 9. demands           | 20. variables     |
| 10. face value       |                   |
| 11. fund managers    |                   |

#### Suggestions for using Biz Terms include:

- Have students research and write dictionary definitions.
- Discuss the use of these terms in the episode of "Biz Kid\$".
- Have students construct sentences using these terms.
- Have students write paragraphs, stories, dialogs, "raps", or lyrics.



## Episode 121 Bulls, Bears, and Financial Markets

### Equipment/Materials/Prep needed:

#### Day One and Day Two:

- TV or projection system
- DVD player
- DVD of Episode 121

#### Day Two only:

- Student copies of the "Family Activity Sheet".
- Student copies of the "Biz Terms" Sheet.
- Paper, pens, pencils, color markers, and highlighters for students making ads and posters.
- Computers for students to explore web sites listed.
- Guest speaker to be greeted and directed to the correct location for the session.

#### Preparation:

- Check to be sure needed equipment is available and operational prior to the sessions.
- Gather listed materials.
- Make an appropriate number of copies of the "Biz Terms" Sheet and the "Family Activity Sheet".
- Invite guest speaker from the local community regarding fraud and how to prevent being scammed.



## Episode 121: Bulls, Bears, and Financial Markets

### Day One

#### Previewing Questions:

##### Day One Introduction

Welcome students/youth to **"Biz Kid\$"** and introduce yourself, giving your name and job title.

Explain that **"Biz Kid\$"** is a program to help people become financially educated, learn work-readiness skills, and to even become entrepreneurs...Biz Kids!!! They can view the program **"Biz Kid\$"** with their families on Public Television stations all over the country, and also participate by using the **"Biz Kids"** web site. Today, they get to see an episode with you.

Today's pre-viewing questions:

1. Have you ever worked or provided a service to make money?  
*This may include doing chores for an allowance, or babysitting to earn some extra money.*
2. Ask the students if working for money was hard or easy.  
*Explain that it often takes a lot of work to make the money we need to buy things.*
3. Next ask, if there was a way to make more money, using some of the money they've already earned, without doing as much work, would they like that?



*The students will likely say "yes."*

**Explain that there is a way to have your money work for you, and that is by investing it.**

**4.** What do you think of when you hear the term **investing**?

*Record students' responses on a blank OHP Transparency.*

**Responses may include:**

- Stocks
- Bonds
- Bankers
- Adults
- Stock market
- Piggy banks

*Once students have responded, explain what investing really means.*

**Investing is allocating money to use in a venture or opportunity that offers the possibility of increased value as interest, income, or worth.**

However, though it may seem as if investing is a great way to make a lot of money, it is not quite that simple.

We're going to watch an episode of "**Biz Kids**" and then we'll continue our conversation.

Show Episode 121: "Bulls, Bears and Financial Markets"



Activity to follow viewing the program together:

**Now you see that there are many different ways that people can invest their money.**

Some of these ways are considered to be **safer** because the **investor, or person who puts his or her money into an investment, will always get the money back, plus a bit more.**

There are also **risky investments in which there is no guarantee that you will earn money or even get back your original investment.**

**Why** do you think people would want to take risks with their money? Accept all students' responses and record them on a blank OHP Transparency.

**Explain that the safer investments, such as savings accounts and savings bonds, generally do not make very much money.**

With the **riskier investments**, there is potential to make a lot more money, but there is also potential to lose it.

What were the three main types of investments featured in the episode of "**Biz Kid\$**" we just watched?

*(On a blank OHP Transparency, divide the sheet into three parts horizontally. Label each third with one of these investment types.)*

**Responses should include:**

- Stocks
- Bonds
- Commodities.



**Ask students to tell you what they remember about each of the three investments.**

***Record their responses in the appropriate section of the transparency.***

**Tell students that you will be using this information in the next session on “Financial Markets.”**

You may have heard the terms **“Bull” and “Bear” Markets** previously.

Do you have a different idea of what the terms mean now?

Think about the word **confidence** in relation to those terms, and we’ll learn more next time!

Thank students for their time and attention and participation!



## Episode 121 Bulls, Bears, and Financial Markets

### Day Two

#### Day Two Introduction

Play part of the theme music for "Biz Kid\$" from the episode intro to motivate and engage the students. Then stop the music, welcome the students/youth to today's session, and introduce yourself.

#### Review and Connect with the Previous Session

We've been discussing "**Financial Markets**" and different types of investments people can choose to make their money work for them.

In the first session, you watched the episode of "**Biz Kid\$**" that explained many financial terms related to **investing**.

*Display the OHP Transparency from the previous session listing students' ideas relating to stocks, bonds, and commodities.*

In the video, buying **stocks** was referred to as "getting a little piece of something big", part ownership of a company. **Bonds** were described as loans you make to a government agency or company, for example, money for a city to build schools; and **commodities** were described as being anything people want or need, such as farm products, gold, oil, etc.





You saw **Mr. Cary's math students** from St. Anne's School in Seattle, Washington. They entered the "**Smith Barney Stock Portfolio Contest**" and won! They learned how important it is to do research and learn about different companies. They studied the rise and fall cycles of the stock market.

**William** compared his hobby of orienteering to the stock market. You need to have a clear focus on your goal, and know how to navigate wherever you are. That means getting as much knowledge as possible. Do your research was emphasized again!

**Shelby** has been investing since she was 16 years old. She prefers to be a **conservative investor** and to **diversify** or not "put all her eggs in one basket." She tries to balance risky and less risky investments. The younger you are when you start investing, the more time you have to make your money work for you.

Then there was young **John Paul**, the Financial Literacy Advocate for basic financial education. He has his own web site, his own company, and products, including a book he's written, a CD, and a banking system involving talking piggy banks! Not bad for a young entrepreneur...definitely a Biz Kid!!!

Remember, **you have to have a parent or an adult help you to invest if you are younger than 18 years old.** You should get expert adult advice before doing any investing. Investments have an element of risk.

You've heard adages such as "**Never invest more than you can afford to lose**" and "**Buy low, sell high.**" Those sayings will have more meaning for you as your financial knowledge increases.



## Activity

Explain that in small groups the students will learn about and teach each other about **stocks, bonds, and commodities**.

1. Separate the students into groups of three. *(Ask the teacher for help in grouping the students if needed.)*
2. Give each group a set of **"Markets Make Sense Sheets."** *Each student should take one Sheet from the set.*
3. Next, distribute several **"Create a Question Cards"** to each group.
  - Each student will have time to read their selected sheet.
  - Students should read their sheet, taking special note of any new vocabulary that they learn.
  - Then they will take turns summarizing what they have read to the other members in their group.
  - If needed, explain the concept of **summary**; but allow students to read the entire sheet if they need to do so.
  - Using the **"Create a Question Cards"**, the members of each group will work together to develop **a single question** that focuses on
  - Something they have learned from the **"Markets Make Sense Sheets"**.
  - Tell students that these questions will be used in a classroom challenge.
  - Allow about ten minutes for students to work in their groups.

## Summary and Review

Ask the students to speculate about which of these three investments (**stocks, bonds, or commodities**) is the riskiest and why.



**Responses should include that:**

- Commodities and stocks usually are riskier than investing in bonds.
- The value of a commodity can be affected by variables such as politics and weather.
- Stock values can rise or fall based on the success of the company and the faith of its stockholders.

Distribute the **“Family Activity Sheet”** and the **“Biz Terms Sheet”** for Episode 121 to all students.

Each student should also receive a copy of **each** of the **“Markets Make Sense Sheets”** to share with their families.

Thank students for their participation in today’s session, and wish them well as they continue to gain financial education!



## Episode 121 Bulls, Bears, and Financial Markets

### Family Activity Sheet

#### Episode 121 Synopsis:

**Kid\$ and Bulls and Bears, oh my! The Biz Kid\$ examine stocks, bonds, commodities and the markets where each of them are traded. They look at various ways young people can get involved with the transactions, aim for profit, and avoid risk.**

#### Family Activities:

For a fun way to help your child gain a greater understanding of financial markets, try the classic card game ***Pit*** or the board game ***Stock Market Tycoon***. ***Pit*** allows players to trade with the goal of cornering the market on a single type of commodity, while ***Stock Market Tycoon*** challenges users to buy and sell stock with the objective of being the first investor to earn more than one million dollars.

Do you want to learn more about financial markets? Visit the web sites for the **New York Stock Exchange** ([www.nyse.com](http://www.nyse.com)) or the **Chicago Mercantile Exchange** ([www.cme.com](http://www.cme.com)). Both organizations provide free online educational tools that include simulations, investor materials, and information about participating in live outreach programs.

If your child has shown an interest in the stock market but is not quite ready to invest, conduct a paper-based stock market activity at home. Using a newspaper, talk with your child about the kinds of companies that have stockholders.

Show your child the business section of the newspaper, and have him or her select three or four stocks that are appealing to them. On a piece of paper,



write the name of each of the selected stocks and the value of the stock on a particular day. Each week, on the same day, check the business section of the newspaper to see if the stock has risen or dropped in value since the previous week.

Keep track of this information on your chart. Who knows, your child may have a knack for picking good stocks!