

The Stock Market Challenge

In 2007 the Gallup Poll reported that approximately 65% of American households owned stock, either directly through personal investments, or indirectly through mutual funds or employee retirement plans. By 2016 that figure had fallen to 52% in the wake of the most significant financial crisis since the Great Depression. Clearly, the health of our economy, and our own financial security, are closely tied to the stock market, yet few of us have a clear understanding of what stocks are, much less how the stock market works. Over the next few weeks we'll work to obtain a better understanding of the stock market by creating hypothetical investment portfolios and tracking their performance in the market.

Initially each student will have \$5,000 to invest for a 3 week period beginning on Friday, April 19th. At that time, you must select 5 to 7 companies in which to invest. Each week you will need to check an online source to track your portfolio's performance. **At the end of each week** you will prepare a "Weekly Earnings Statement" which reports the earnings or losses for each of your stocks, and the total value of your portfolio. At the conclusion of the 3 week period we will compare and analyze portfolio performance, and reflect upon what we have learned.

Students should finalize their portfolios by Friday, April 19th, and begin tracking stock performance on Monday, April 22nd. Your first "Weekly Earnings Statement" should be completed on Friday, April 26th, your second "Weekly Earnings Statement" on Friday, May 3rd, and your final "Weekly Earnings Statement" on Friday, May 10th. The 3 week trading period concludes on Friday, May 10th. The following week, Wednesday, May 15th, each student will submit a "Portfolio Performance Report" which contains the following elements:

1. A cover page.
2. An "Executive Summary" (1 typewritten page) summarizing overall portfolio performance. (Written in narrative form, the "Executive Summary" should briefly describe the performance of each of your stock picks as well as your portfolio's overall performance.)
3. Three separate "Weekly Earnings Statements."
4. A brief reflection (no more than 1 typewritten page) discussing what you learned from completing this project.

Stock Research

Excellent online information about publicly traded stocks and stock investing may be found at various places on the web including *Yahoo! Finance*, *The Motley Fool*, and *Seeking Alpha*. *Yahoo! Finance* and *Seeking Alpha* enable you to establish online investment portfolios which will electronically track your stocks' daily performance. Other good online stock trading websites may be found by simply using the search terms "stock market investing."

Good luck, and happy investing !!!

Name: _____

Dates: _____

Week: _____

Weekly Earnings Statement

<u>Stock Name</u> <u>(Symbol)</u>	<u># of Shares</u>	<u>Original (4/19)</u> <u>Purchase Price</u>	<u>Current Price</u> <u>(Each Friday)</u>	<u>Per Share</u> <u>Gain or <Loss></u>	<u>Total</u> <u>Gain or <Loss></u>
1.					
2.					
3.					
4.					
5.					
6.					
7.					

Cash Reserve (minimize your cash reserve):

Total Gain or <Loss> To Date:

(Total from far right column + Cash Reserve)

Current Total Portfolio Value:

(# of Shares x Current Price for all stocks owned)