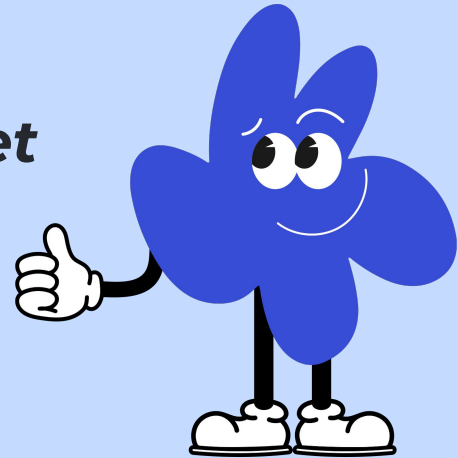


Fourth Grade

Financial Literacy

Lesson 4
Introduction to the Stock Market
Part 3



Vocabulary

Broker

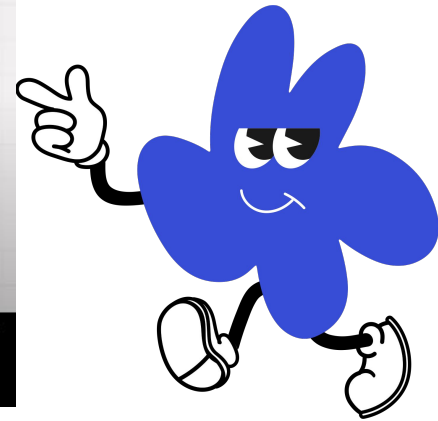
A broker is an individual or firm that acts as an middle person between an buyers and sellers. There are lots of different types of brokers such as real estate brokers that help people buy and sell homes.

Stockbroker

A stock broker is a type of broker that sits between investors and stock exchanges. They must follow specific rules to make sure they are serving their clients (investors) with good advice.



VIDEO: What Does a Broker Do?



Vocabulary

Stock Certificate

A stock certificate is a physical piece of paper that represents a shareholder's ownership stake in a company. They include information such as number of shares owned, date of purchase, and signatures of the owners. The first stock certificate was issued in 1606 by the Dutch East India Company.



Qingwa / Getty Images

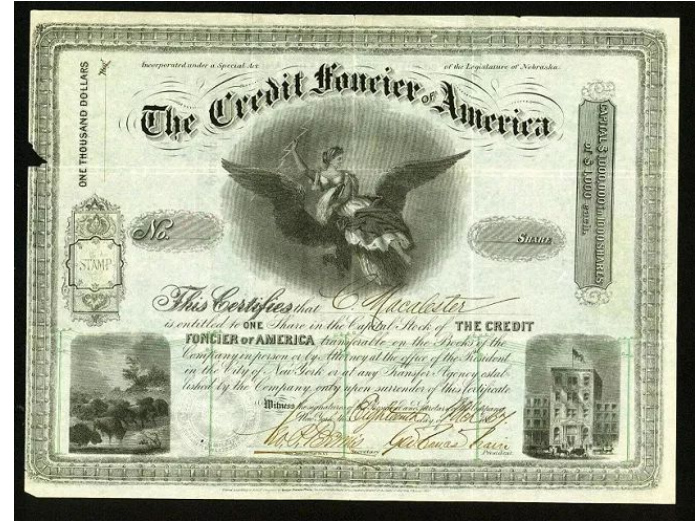
Stock Certificate Collecting

In the past, stock certificates were a physical piece of paper. They showed your ownership of a share in a company and they contained stamps and signatures that made them official.

Today paper certificates are extinct, thanks to digital records, but people now collect the old paper versions, which is a hobby called [Scripophily](#).

What makes a paper stock certificate valuable:

- Physical condition and paper quality
- The engraving or printing
- The rarity and face value
- Stamps and signatures



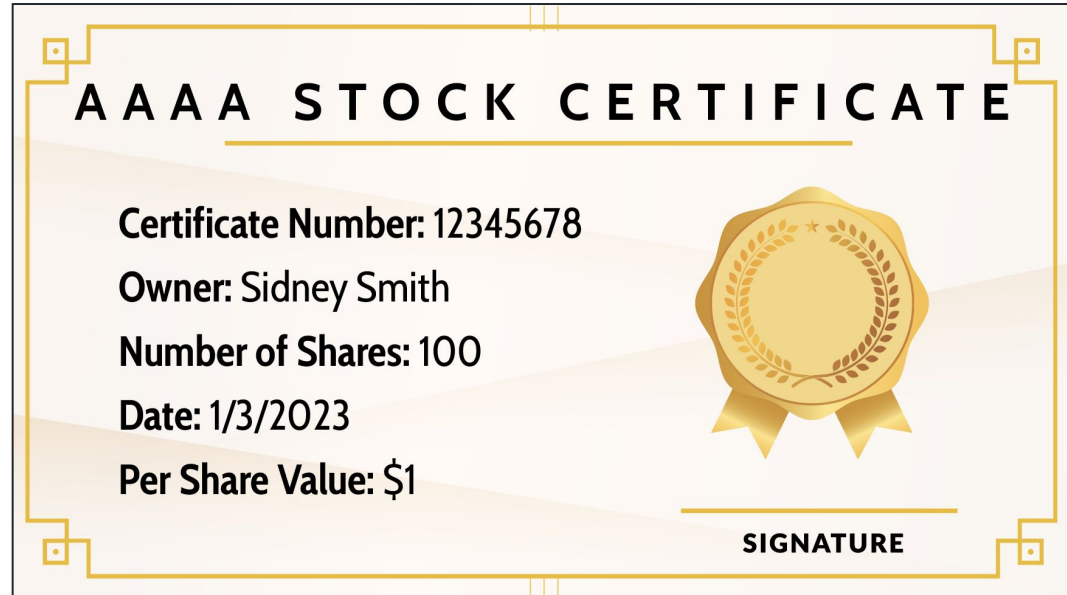
This certificate is was bought for \$70,000 on eBay in 2012. It is from the IPO for the 1867 Union Pacific Railroad Land Stock.

What are some other currencies that people collect?

Activity: Design a Stock Certificate

1. Create a company name
2. Create a stock ticker based on that company name
3. Design an official "seal" for that company
4. Include a certificate number, shareholder's name, date, number of shares, share value as of that date, and your signature

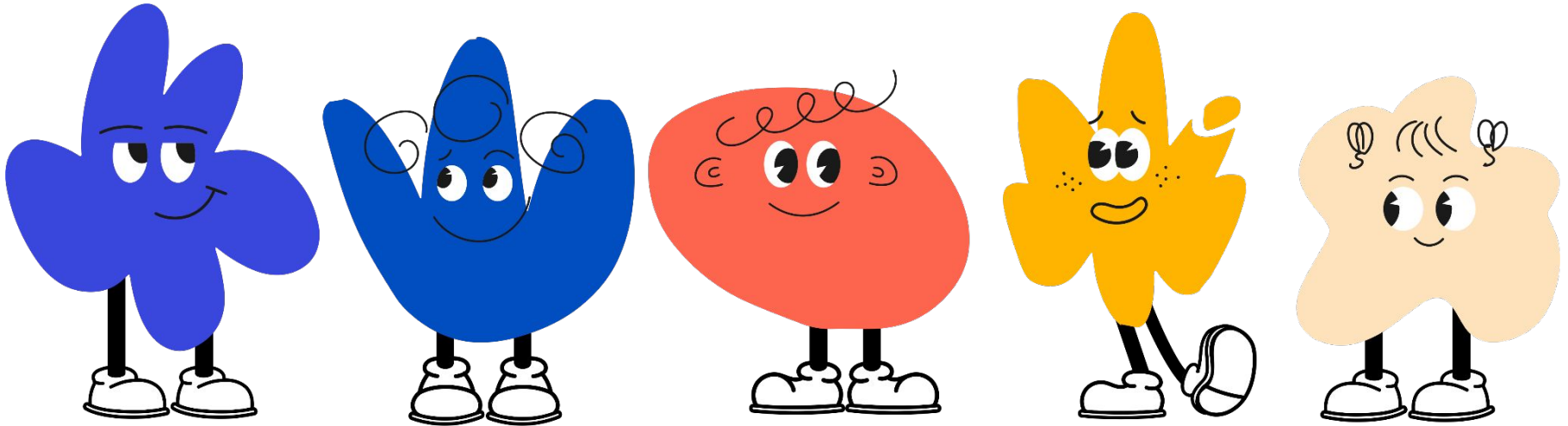
EXAMPLE:



Activity: Follow The Stock

We need volunteers for the following roles!

- Money
- Stock Certificate
- Stock Broker
- Stock Exchange
- Seller
- Buyer



Follow The Stock: Start Moving!

How does a stock certificate get from a seller to a buyer?

1. The Seller takes the Stock Certificate to the Broker.
2. The Broker takes the Stock Certificate to the Exchange.
3. The Buyer takes the Money to the Broker.
4. The Exchange takes the Stock Certificate Back to the Broker.
5. The Broker takes the Stock Certificate to the Buyer.
6. The Broker the Money to the Seller.

NOTE: For round 2: add another Broker, Buyer, Seller, Money, and Stock Certificate. Have the Exchange swap Stock Certificates between buyers and sellers.



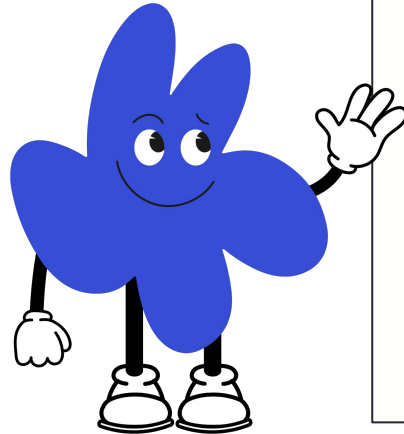
HABY / Getty Images

What should the buyer do with the stock certificate now? Save it or sell it to a different buyer?

Activity: Revisit Your Companies

On a new sheet, research those same companies you picked out and note the price change since the last time you looked.

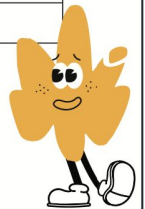
- How have the stock prices changed since last month?
- Does that mean these stocks are worth more or less?



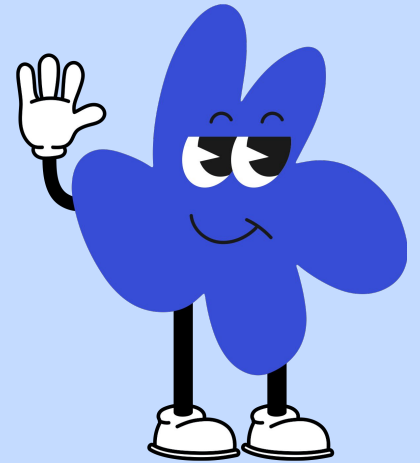
Date: _____

Researching Companies

Products I need are made by...	Stock Exchange	Stock Ticker	Stock Price
1.			
2.			
3.			
4.			
5.			
Products I want are made by...			
1.			
2.			
3.			
4.			
5.			



thanks.



APPENDIX: Resources and Activity Worksheets

Slide 6: Design a Stock Certificate

- Using whatever paper and drawing materials you have on hand, have each student design a stock certificate for their hypothetical company that includes all key certificate details outlined on slide 6.
- Keep slide 6 visible for the students while they work as an example

Slide 7: Follow The Stock

- Print the role play cards in on the subsequent slides.
- Ask for 6 volunteers to take on one of each of the 6 roles and come to the front of the classroom, holding their role card paper.
- Read aloud the “Follow the Stock” process on slide 8. The students should act out each step as instructed, walking the students in the roles of “money” and “stock certificate” over to the next student, per the stock buying process and instructions.

APPENDIX: Resources and Activity Worksheets

Slide 9: Revisit Your Companies

- Print another copy of the “Researching Companies” worksheet that is behind the role play cards on the following slides for each student.
- Students will also need their “Researching Companies” worksheets in front of them from lesson 3.
- Students should research their companies again, recording the updated information on the new, blank worksheet.
- Encourage students to think about the following questions:
 - How have the stock prices changed since last month?
 - Does that mean these stocks are worth more or less?
- Once worksheets are complete, ask for volunteers to share an example of a company that had a dramatic change in stock price since the last lesson

Money

Stock Certificate

Stock Broker

Buyer

Seller

Stock Exchange

AAAA STOCK CERTIFICATE

Certificate Number: 12345678

Owner: Sidney Smith

Number of Shares: 100

Date: 1/3/2023

Per Share Value: \$1



SIGNATURE