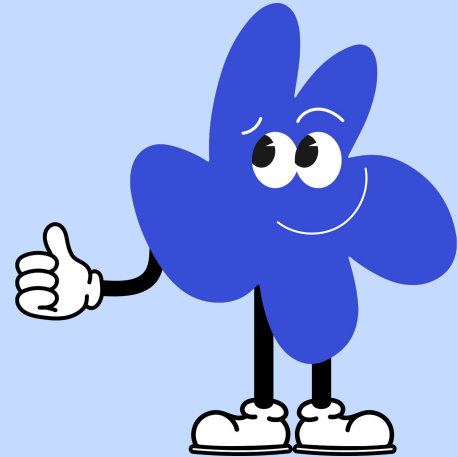


Fourth Grade

Financial Literacy

Lesson 6
Becoming an Active Investor



Vocabulary

Watchlist

For people who trade and invest, it's a good idea to have a list of stocks or other investments that you monitor for potential opportunities.

A well-organized watchlist can help identify trading opportunities, track performance, or monitor popular stocks.

For instance, if a stock price drops to a certain point it could be a good time to buy. Or if a stock price hits a certain high point, it could be a good time to sell.

You Already Have One!

Stock Research

Today's Date: _____

Company Name	Stock Symbol	Stock Price When Last Researched	Stock Price Today	Change in Price

Activity: Check Your Watchlist

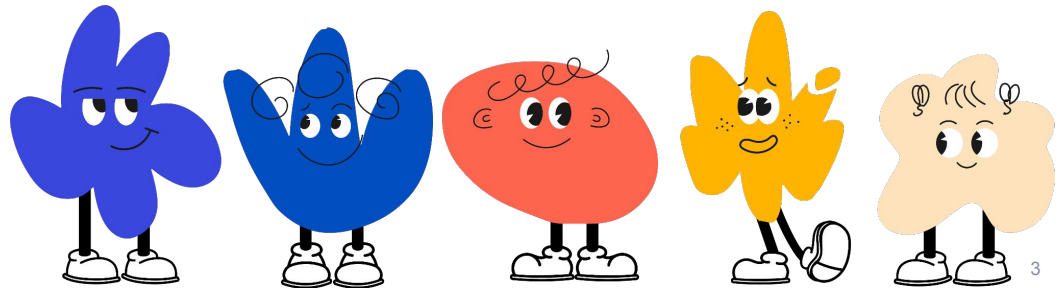
Pull out your stock research worksheet from lesson 5 and check the stock prices again.

- How has the stock price changed since you last checked?
- If you were a day trader which of these do you wish you would have invested in at the beginning of this lesson? Why?

Stock Research

Today's Date: _____

Company Name	Stock Symbol	Stock Price When Last Researched	Stock Price Today	Change in Price



Vocabulary

Penny Stocks

Not all stocks are expensive, meaning they have a high price per share.

Penny stocks trade for less than \$5 per share, often because they are stocks for small or little known companies. Because the amounts are small, the prices change often.

While traders may make a lot of money trading penny stocks, there are also risks of losing a large amount of an investment in a short period.

What stock on your watchlist has the highest price per share?



What Type of Investor Are You?

Investing and trading are two approaches to making money from the financial markets. The biggest difference between these two has to do with time and risk, and how they handle their financial portfolio.

Traders

Traders make frequent transactions, often daily or several times a day, such as the buying and selling of stocks, commodities, or other investments.

The goal is to generate profit that performs faster than buy-and-hold investing. Traders, generally, take more risk and must be more actively engaged with monitoring stock performance.

VS

Long-Term Investors

Long-term investors take a buy-and-hold approach to the stocks they own.

For example, most people who save for retirement are investing, not trading. So they might not sell a stock for 20 or 30 years. This means if a stock's price drops this month, it may rebound next month and a year from now may be worth more money.

A Day in the Life of a Day Trader

Day Traders are a type of trader who buys and sells throughout the day. They must analyse their watchlist all day long, and adjust their purchases by the hour, minutes, or even seconds. The time of day a trade happens can be important to consider.

As a rule, the first and last hour of a trading day are the busiest, but the middle of the day tends to be a little calmer.

Between 9:30 and 10:30 a.m. EDT is often one of the best hours of the day for day traders because the biggest changes in price happen in the shortest amount of time.



Getty Images Plus

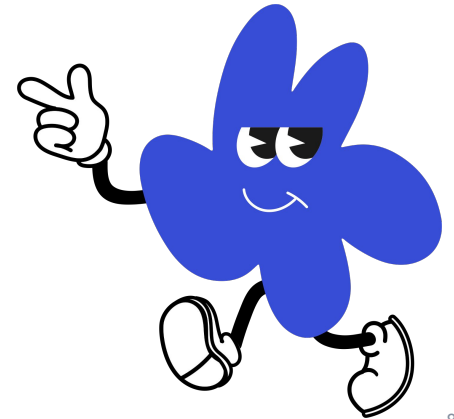
Active Investor: Value vs. Growth

Value investing is a strategy where investors actively look for stocks they believe are undervalued, meaning their share price is less than it should be. They determine this by examining financial statements to look for good companies with strong foundations that have a share price that is fair.

Growth investors look for young or small companies that are expected to grow quickly and surprisingly. Sometimes these companies can be a risky investment because they haven't proven their long-term value.



VIDEO: What's His Investing Strategy?



Activity: Re-check Your Watchlist

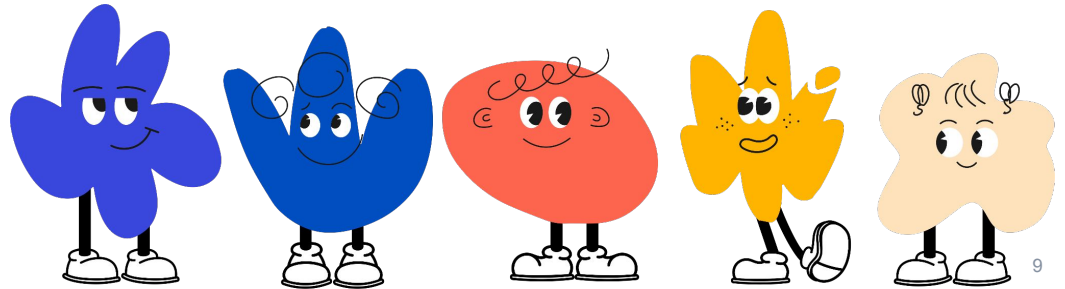
It has been a few minutes since you last updated your watchlist. Re-check it now.

- How has the stock price changed since you last checked?
- If you were a day trader which of these do you wish you would have invested in at the beginning of this lesson? Why?

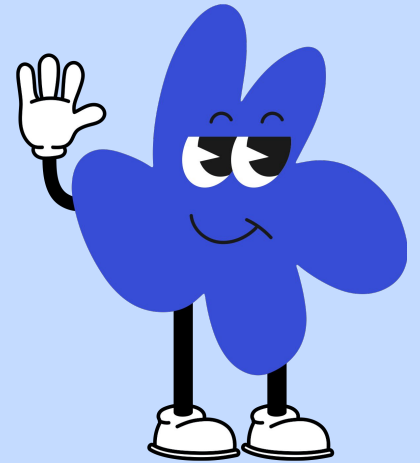
Stock Research

Today's Date: _____

Company Name	Stock Symbol	Stock Price When Last Researched	Stock Price Today	Change in Price



thanks.



APPENDIX: Resources and Activity Worksheets

Slide 3: Check Your Watchlist

- Print another copy of the “Stock Research” worksheet in this appendix for each student. Have them fill it out again, comparing their new online research to their worksheet from lesson 5.
 - Today’s stock price should go under “today” price header, and the price recorded in lesson 5 should go under the “When Last Researched” header.
- Discuss questions on Slide 3 as a group once complete.

Slide 9: Re-Check Your Watchlist

- Have the students pull out their “Stock Research” worksheet from earlier during this lesson.
- They should check the price of each stock again, noting what has changed in the last column for each stock.
- Discuss the questions listed on slide 9 as a group once complete.

Stock Research

Today's Date: _____

Company Name	Stock Symbol	Stock Price When Last Researched	Stock Price Today	Change in Price