

InvestWrite Essay

Abbey N.
White Eagle Elementary School,
Naperville, District 204
National 6th Place Award, grades 4-5
Sharon Phares, Teacher/Advisor



Essay Background

Think of something you would like to save the money to pay for when you graduate from high school. (For example: a car, a senior trip, a contribution to a cause you care about, a first apartment, college). Suppose you earn some money now by doing things like baby-sitting, mowing lawns or shoveling sidewalks when it snows.

Essay Topic

Talk about what you have chosen to save for and why (It does not have to be one of the above). How would you grow your savings? Would your investments include stocks, bonds, mutual funds or some combination of these three? Talk about the company or companies, the funds or types of bonds you would choose and why. Also talk about what you learned in The Stock Market Game that helped you make those choices.

From Fearsome To Fearless

“There is nothing to fear but fear itself.” This is what President Roosevelt said to the American people during the Great Depression. These words apply even today for anyone playing The Stock Market Game. As this was my team’s first time playing the game, we were very afraid of losing money and so it took some time for us to begin trading. But eventually we overcame our fears by replacing it with knowledge of new vocabulary, research skills and information.

For instance, I didn’t know what stocks were until my teacher began to prepare our class for The Stock Market Game. She taught us how companies are structured and how to collect and analyze stock related information about public companies.

When we were ready to trade, our team bought Motorola stock for several reasons. First, the stock was under \$10 but more than \$5 which placed it in the right price range for our team. Second, Motorola is known for inventing the original cell phone and the once popular Razor, so we believed that Motorola would continue to produce exciting technology that the customer would want. Third, over the past year the stock has grown 110.16%. Fourth, although small, Motorola paid an annual dividend of \$0.05 per share. Fifth Motorola is a global company which should help the company to get through the global recession since some countries where Motorola does business are coming out of their recession.

Probably the biggest reason that we used in selecting the companies that we invested in was the level of risk. The three types of risks are low, moderate, and high. I think my group preferred to take moderate risk. This is the reason we chose not to buy

new companies like A123 and instead selected a company like Motorola with a long history of technology successes and a few failures. For our team Motorola was not very high nor very low risk, but moderate.

I will use a similar stock investment strategy as I select stocks to place in my own college investment portfolio. My parents and I are opening an online investment account where I can invest part of my college savings. For Christmas and future birthdays I will also request that instead of receiving presents that I receive bonds or a contribution to my stock fund. My starting investment will be \$1000 and I hope to grow it to \$10,000 over the next 8 years.

The lessons that I learned from The Stock Market Game will help me be successful in not just doing future trading on my own but in a number of areas of my life. From this game I improved my critical thinking and research skills. I learned how to acquire relevant information from online data bases such as Plunkett, Data Monitor, Value Line, and Morning Star to name a few. I also started reading articles from the Wall Street Journal and listening to reports on CNBC and Bloomberg.

So as President Teddy Roosevelt said "There is nothing to fear but fear itself". Thanks to a good teacher, resources, and a fun game our team replaced our investment fears with knowledge. Now we can be better consumers of investment information and successful traders even in the current economic crisis.