

The Stock Market Game™



Week In Review

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Happy back to school and welcome to The Stock Market Game's Week in Review. The Stock Market Game is sponsored nationally by the SIFMA Foundation for Investor Education (<http://www.sifma.org/education/education.html>). For those of you new to the program, this weekly e-newsletter is designed to tie current economic events to the program and SMG curriculum. I will also discuss basic economic principles helpful for your students as they participate in the program. Be on the lookout for them in your inbox every Monday.

This semester of The Stock Market Game is shaping up to be an exciting one with new enhancements to our program, but also in terms of recent events and their impact on the market. While the passing of Michael Jackson and Teddy Kennedy, the H1N1 virus, healthcare, and the new Chief Justice were in the headlines over the summer, the hot topic as of late has been the question of whether or not the economy is truly on the rebound. Despite unemployment at 9.7%, its highest level since 1983, and inching higher each month, the majority of analysts feel an economic expansion, while uneven, is beginning. In terms of the markets, the S&P 500 is up more than 50% since March 2009. According to Jerry Goss, a managing director with Wells Fargo Advisors, "the markets always respond before recessions end, but it's fairly obvious that the recession is reaching a bottom."

As you begin this semester of The Stock Market Game program, your students should expect that many of the stocks they buy will continue to have downside risk in the short term, which is why it's important for you to stress research and the long-term benefits of saving and investing. Goss' advice to investors is also appropriate for our SMG students: "Investors should be adaptive and flexible. They need to be willing to make adjustments as conditions and markets change. People also have to realize that there is more to the market than U.S. stocks. Foreign stocks, bonds, commodities, currencies and even cash are all good investments."

If you have yet to introduce your students to the "What is a Company?" and "What is a Stock?" lessons, you should know that these are the natural starting points for using SMG in your classroom – both are available in the "In the Classroom" section of the Teacher Support Center (<http://www.stockmarketgame.org/>). If you've already covered these topics, your students may be ready for the concept of diversification and the "What is Diversification?" lesson. In addition to common stocks, the SMG program also offers the trading of mutual funds and bonds.

In other news, the SMG program is very proud to report some impressive news! For more than 30 years, we have seen anecdotal evidence that the program is a highly effective teaching tool. Now we have proof. Learning Point Associates, in conjunction with the FINRA Foundation for Investor Education, recently commissioned a nationwide survey examining the impact of playing the SIFMA Foundation's Stock Market Game on student achievement on mathematics and investor knowledge tests. The results of the [study](#) conclude that students who participated in the program significantly outperformed students who did not play the game on both the mathematics and investor knowledge tests. Additionally, the 2007 Nation's Report Card on Economics found that SMG significantly improves student economic knowledge.

We hope you share the good news with your administration and encourage other teachers in your school to get involved!