

# The Stock Market Game™

## S&P 500 Index Comparison



The SMG Rankings report includes a column reflecting a comparison of each team's equity to the S&P500. The comparison will be calculated daily as a percentage either above or below the S&P 500 value. The comparison can be found in a new column in the *Regional Rankings Report* headed "% Return Above/Below S&P 500 Growth". This information will be simply referred to as the "S&P Comparison" in all of our materials and communications.

What is the S&P 500? It is an index tracking 500 companies in leading industries: financial services, transportation, technology, utilities, consumer products, health care, energy, communications, services, etc. Many consider it the most accurate reflection of the U.S. stock market today.

The calculation of the S&P Comparison works as follows:

When a student team is created *prior to* the start of the game session, the value of the S&P 500 on the first day of the session will appear in the right corner of the *Account Summary* report (called "Start S&P 500"). This value will not change during the course of the SMG Program session. If a team is created *after* the start of the game session, the "Start S&P 500" will be the value of the S&P 500 the day the team is created (the day the Team ID's are assigned and the team is credited with \$100,000 cash.)

Calculating a team's S&P Comparison is an easy way for students to apply their math learning through The SMG Program. To calculate, use the following formula:

$$100 \left[ \frac{(\text{Total Equity} - \$100,000)}{\$100,000} - \frac{(\text{Current S\&P 500 Value} - \text{Starting S\&P 500 Value})}{\text{Starting S\&P 500 Value}} \right]$$

The result will be the team's percent return compared to the current growth of the S&P 500.