

Lesson Plan: Introduction to the Stock Market

Teacher Overview

This 50-minute lesson introduces middle school students to the stock market. Students will learn why people invest, how buying and selling stocks works, and how money can grow over time. They will engage in a pretend trading activity to practice basic investment decisions.

Objectives

- Understand what a stock is and why people invest in companies.
- Learn the basics of buying and selling stocks.
- Recognize how money can grow or shrink over time in the stock market.
- Practice pretend trading to apply these concepts.

Materials Needed

- Whiteboard or projector
- Chart/diagram of stock growth over time
- Company cards (provided below)
- Fake money or point tokens
- Stock trading record sheet (provided below)

Lesson Outline

1. Hook / Warm-Up Discussion (5 minutes)

Ask students: “Have you ever heard of the stock market? What do you think it is?”

Show logos of companies (Disney, Apple, Nike). Ask: “If you could own part of one of these companies, which would you choose and why?”

2. Mini-Lecture: Stock Market Basics (10 minutes)

- A stock is a share of ownership in a company.
- People invest to grow their money if the company does well.
- Money grows when:
 - Stock prices go up (buy low, sell high).

- Some companies pay dividends (extra rewards).
- The stock market is like a giant online marketplace where stocks are bought and sold.

3. Interactive Demonstration (10 minutes)

Example: Buy 1 share of 'SneakerCo' for \$10. If later it's worth \$15, you make \$5. If it drops to \$7, you lose \$3. Emphasize that investing involves both risk and reward.

4. Pretend Trading Activity (20 minutes)

Step 1 (Setup – 5 minutes):

- Divide students into groups of 2–3.
- Give each group \$100 in pretend money and the list of company cards.

Step 2 (Trading – 10 minutes):

- Round 1: Students buy shares.
- Teacher announces a 'news update' and adjusts prices.
- Round 2: Students may sell or hold. Teacher announces another update.
- Continue for 2–3 rounds.

Step 3 (Wrap-up – 5 minutes):

- Students calculate profit/loss.
- Discuss who made the most money and why. Did luck or strategy play a role?

5. Reflection & Wrap-Up (5 minutes)

Discuss with students:

- What did you learn about how money can grow?
- Why do people take risks when investing?
- How is investing different from saving money in a bank?

Extensions (Optional)

- Track a real stock for one week and graph its price changes.
- Discuss how current events affect stock prices.

Company Cards (for Pretend Trading)

Company	Starting Price	Description
Pizza Planet	\$10/share	Popular pizza chain launching new flavors.
TechTime	\$20/share	Tech company releasing

GreenPower

\$15/share

new smartphones.

Renewable energy
company.

FunZone

\$5/share

Amusement park operator.

SneakerCo

\$12/share

Trendy shoe brand.

Stock Trading Record Sheet

Company

Buy Price

Sell Price

Profit/Loss