

Adventures in the Stock Market
National Standards in Economic and Personal Finance

Lesson 1 – What We Want Someday

ECONOMICS CONTENT STANDARDS

Standard 1—Scarcity

- **Benchmark 1 for 4th grade:** People make choices because they can't have everything they want.
- **Benchmark 2 for 4th grade:** Economic wants are desires that can be satisfied by consuming a good, service or leisure activity.
- **Benchmark 7 for 4th grade:** The opportunity cost of a choice is the value of the best alternative given up.
- **Benchmark 8 for 4th grade:** People whose wants are satisfied by using goods and services are called consumers.

Standard 10—Role of Economic Institutions

- **Benchmark 2 for 4th grade:** Saving is the part of income not spent on taxes or consumption.

Standard 13—Role of Resources in Determining Income

- **Benchmark 2 for 4th grade:** People can earn income by exchanging their human resources (physical or mental work) for wages or salaries.

PERSONAL FINANCE STANDARDS

Income Standards

- **Benchmark 1 for 4th grade:** People can get income by earning wages and salaries or by receiving money gifts.

Spending and Credit Standards

- **Benchmark 3 for 4th grade:** Every spending decision has an opportunity cost.

Saving and Investing Standards

- **Benchmark 1 for 4th grade:** People save for future financial goals.
- **Benchmark 2 for 4th grade:** Every saving decision has an opportunity cost.
- **Benchmark 1 for 8th grade:** Saving is for emergencies and short-term goals, and investing is for long-term goals. Funds for investing often come from savings.

Lesson 2 – Waiting Makes My Savings Grow

ECONOMICS CONTENT STANDARDS

Standard 1—Scarcity

- **Benchmark 6 for 4th grade:** Whenever a choice is made, something is given up.
- **Benchmark 7 for 4th grade:** The opportunity cost of a choice is the value of the best alternative given up.
- **Benchmark 8 for 4th grade:** People whose wants are satisfied by using goods and services are called consumers.

Standard 2—Marginal Cost/Benefit

- **Benchmark 2 for 4th grade:** A cost is what you give up when you decide to do something.
- **Benchmark 3 for 4th grade:** A benefit is what satisfies your wants.

Standard 4—Role of Incentives

- **Benchmark 1 for 4th grade:** Rewards are positive incentives that make people better off.
- **Benchmark 2 for 4th grade:** Penalties are negative incentives that make people worse off.

- **Benchmark 3 for 4th grade:** Both positive and negative incentives affect people's choices and behavior.

Standard 10—Role of Economic Institutions

- **Benchmark 1 for 4th grade:** Banks are institutions where people save money and earn interest, and where other people borrow money and pay interest.
- **Benchmark 2 for 4th grade:** Saving is the part of income not spent on taxes or consumption.

PERSONAL FINANCE STANDARDS

Income Standards

- **Benchmark 1 for 8th grade:** People can earn income from interest.

Saving and Investing Standards

- **Benchmark 3 for 4th grade:** Banks, savings and loan associations, and credit unions are places people can save money and earn interest.

Lesson 3 – Where to Save?

ECONOMICS CONTENT STANDARDS

Standard 1—Scarcity

- **Benchmark 1 for 4th grade:** People make choices because they can't have everything they want.

Standard 10—Role of Economic Institutions

- **Benchmark 1 for 4th grade:** Banks are institutions where people save money and earn interest, and where other people borrow money and pay interest.
- **Benchmark 2 for 4th grade:** Saving is the part of income not spent on taxes or consumption.

PERSONAL FINANCE STANDARDS

Saving and Investing Standards

- **Benchmark 4 for 4th grade:** Piggy banks, savings accounts, and savings bonds are alternatives for savings.
- **Benchmark 6 for 8th grade:** The Rule of 72 is a tool for estimating the time or rate of return required to double a sum of money.

Lesson 4 – Why Are Markets Important?

ECONOMICS CONTENT STANDARDS

Standard 7—Markets

- **Benchmark 2 for 4th grade:** A market exists whenever buyers and sellers exchange goods and services.
- **Benchmark 3 for 4th grade:** Most people produce and consume. As producers they make goods and services; as consumers they use goods and services.

Standard 14: Profit and the Entrepreneur

- **Benchmark 2 for 8th grade:** Entrepreneurs accept the risks in organizing resources to produce goods and services because they hope to earn profits.
- **Benchmark 4 for 8th grade:** Entrepreneurs and other sellers incur losses when buyers do not purchase the products they sell at prices high enough to cover costs of production.

PERSONAL FINANCE STANDARDS

Spending and Credit Standards

- **Benchmark 4 for 4th grade:** People pay for goods and services in different ways.

Lesson 5 – Different Kinds of Businesses

ECONOMICS CONTENT STANDARDS

Standard 1—Scarcity

- **Benchmark 3 for 4th grade:** Goods are objects that can satisfy people's wants.
- **Benchmark 4 for 4th grade:** Services are actions that can satisfy people's wants.
- **Benchmark 8 for 4th grade:** People whose wants are satisfied by using goods and services are called consumers.
- **Benchmark 15 for 4th grade:** People who make goods and provide services are called producers.

Standard 2—Marginal Cost/Benefit

- **Benchmark 2 for 4th grade:** A cost is what you give up when you decide to do something.
- **Benchmark 3 for 4th grade:** A benefit is what satisfies your wants.

Standard 14—Profit and the Entrepreneur

- **Benchmark 1 for 4th grade:** Entrepreneurs are individuals who are willing to take risks, to develop new products, and start new businesses. They recognize opportunities, like working for themselves, and accept challenges.
- **Benchmark 2 for 8th grade:** Entrepreneurs accept the risks in organizing resources to produce goods and services because they hope to earn profits.

PERSONAL FINANCE STANDARDS

Income Standards

- **Benchmark 5 for 4th grade:** Entrepreneurs, who work for themselves by starting new businesses, hope to earn a profit but accept the risk of a loss.

Lesson 6 – Stocks and Bonds: How Companies Grow

ECONOMICS CONTENT STANDARDS

Standard 1—Scarcity

- **Benchmark 6 for 4th grade:** Whenever a choice is made, something is given up.

Standard 2—Marginal Cost/Benefit

- **Benchmark 2 for 4th grade:** A cost is what you give up when you decide to do something.
- **Benchmark 3 for 4th grade:** A benefit is what satisfies your wants.

Standard 14 : Profit and the Entrepreneur

- **Benchmark 2 for 8th grade:** Entrepreneurs accept the risks in organizing resources to produce goods and services because they hope to earn profits.

PERSONAL FINANCE STANDARDS

Saving and Investing Standards

- **Benchmark 3 for 8th grade:** There is usually a positive relationship between the average annual return on an investment and its risk.
- **Benchmark 8 for 8th grade:** People can buy and sell investments in different ways.

Lesson 7 – How Does the Stock Market Work?

ECONOMICS CONTENT STANDARDS

Standard 1—Scarcity

- **Benchmark 6 for 4th grade:** Whenever a choice is made, something is given up.
- **Benchmark 7 for 4th grade:** The opportunity cost of a choice is the value of the best alternative given up.

Standard 6 : Specialization and Trade

- **Benchmark 1 for 4th grade:** Economic specialization occurs when people concentrate their production on fewer kinds of goods and services than they consume.
- **Benchmark 4 for 4th grade:** Greater specialization leads to increasing interdependence among producers and consumers.

Standard 10—Role of Economic Institutions

- **Benchmark 2 for 4th grade:** Saving is the part of income not spent on taxes or consumption.

PERSONAL FINANCE STANDARDS

Spending and Credit Standards

- **Benchmark 3 for 4th grade:** Every spending decision has an opportunity cost.

Saving and Investing Standards

- **Benchmark 2 for 4th grade:** Every saving decision has an opportunity cost.
- **Benchmark 8 for 8th grade:** People can buy and sell investments in different ways.

Lesson 8 – Learning About Companies

ECONOMICS CONTENT STANDARDS

Standard 1—Scarcity

- **Benchmark 6 for 4th grade:** Whenever a choice is made, something is given up.
- **Benchmark 4 for 8th grade:** The choices people make have both present and future consequences.

Standard 9 : Role of Competition

- **Benchmark 1 for 4th grade:** Competition takes place when there are many buyers and sellers of similar products.
- **Benchmark 1 for 8th grade:** Sellers compete on the basis of price, product quality, customer service, product design and variety, and advertising.

PERSONAL FINANCE STANDARDS

Money Management Standards

- **Benchmark 1 for 8th grade:** Financial choices that people make have benefits, costs, and future consequences.

Saving and Investing Standards

- **Benchmark 8 for 8th grade:** People can buy and sell investments in different ways.

Lesson 9 – Which Stocks to Buy

ECONOMICS CONTENT STANDARDS

Standard 1—Scarcity

- **Benchmark 6 for 4th grade:** Whenever a choice is made, something is given up.
- **Benchmark 7 for 4th grade:** The opportunity cost of a choice is the value of the best alternative given up.
- **Benchmark 3 for 8th grade:** Entrepreneurs and other sellers earn profits when buyers purchase the product they sell at prices high enough to cover the costs of production.

Standard 9: Role of Competition

- **Benchmark 1 for 4th grade:** Competition takes place when there are many buyers and sellers of similar products.

PERSONAL FINANCE STANDARDS

Income Standards

- **Benchmark 5 for 4th grade:** Entrepreneurs, who work for themselves by starting new businesses, hope to earn a profit, but accept the risk of a loss.

Saving and Investing Standards

- **Benchmark 2 for 4th grade:** Every saving decision has an opportunity cost.
- **Benchmark 1 for 8th grade:** People can buy and sell investments in different ways.

Lesson 10 – Why Do People Buy Stocks?

ECONOMICS CONTENT STANDARDS

Standard 1—Scarcity

- **Benchmark 6 for 4th grade:** Whenever a choice is made, something is given up.
- **Benchmark 7 for 4th grade:** The opportunity cost of a choice is the value of the best alternative given up.

Standard 4—Role of Incentives

- **Benchmark 2 for 8th grade:** Changes in incentives cause people to change their behavior in predictable ways.

Standard 14: Profit and the Entrepreneur

- **Benchmark 2 for 8th grade:** Entrepreneurs accept the risks in organizing resources to produce goods and services because they hope to earn profits.
- **Benchmark 4 for 8th grade:** Entrepreneurs and other sellers incur losses when buyers do not purchase the products they sell at prices high enough to cover costs of production.

PERSONAL FINANCE STANDARDS

Saving and Investing Standards

- **Benchmark 2 for 4th grade:** Every saving decision has an opportunity cost.
- **Benchmark 3 for 8th grade:** There is usually a positive relationship between the average annual return on an investment and its risk.
- **Benchmark 4 for 8th grade:** Compound interest is earned on both principal and previously earned interest.
- **Benchmark 6 for 8th grade:** The Rule of 72 is a tool for estimating the time or rate of return required to double a sum of money.

Lesson 11 – Who Sets the Price?

ECONOMICS CONTENT STANDARDS

Standard 7: Markets – Price and Quantity Determination

- **Benchmark 1 for 4th grade:** A price is what people pay when they buy a good or service, and what they receive when they sell a good or service.
- **Benchmark 1 for 8th grade:** Market prices are determined through the buying and selling decisions made by buyers and sellers.
- **Benchmark 3 for 8th grade:** The market clearing or equilibrium price for a good or service is the one price at which quantity supplied equals quantity demanded.

Standard 8: Role of Price in Market System

- **Benchmark 1 for 4th grade:** High prices for a good or service provide incentives for buyers to purchase less, and for producers to make or sell more. Lower prices for a good or service provide incentives for buyers to purchase more, and for producers to make or sell less.

PERSONAL FINANCE STANDARDS

Saving and Investing Standards

- **Benchmark 1 for 4th grade:** People save for future financial goals.
- **Benchmark 1 for 8th grade:** People can buy and sell investments in different ways.

Lesson 12 – Who Wants to Be a Millionaire?

ECONOMICS CONTENT STANDARDS

Standard 1—Scarcity

- **Benchmark 6 for 4th grade:** Whenever a choice is made, something is given up.
- **Benchmark 4 for 8th grade:** The choices people make have both present and future consequences.

PERSONAL FINANCE STANDARDS

Money Management Standards

- **Benchmark 1 for 4th grade:** People make choices because they have limited financial resources and cannot have everything they want.
- **Benchmark 2 for 8th grade:** A key to financial well-being is to spend less than you earn and save the difference.