



The Stock Market Game™ Stockbroker Presentation

During The SMG Program, it may be valuable to have an investment professional (stockbroker, financial advisor, investment banker, money manager, etc.) visit the class and provide some information on the stock market. Many investment professionals will freely offer their services as support to your SMG unit and will visit your classroom to assist in your presentation of market topics.

Following is some information that may be conveyed to the volunteer in advance of the class visit, along with a suggested outline. These are some guidelines for your first experience with a volunteer investment professional in your classroom.

General

- Investment professionals are accustomed to giving presentations, but probably to adults, not students in a classroom. Your volunteer may need to be briefed on what you expect of them.
- Investment professionals generally earn a commission, so time away from the office is scarce. Be as flexible as possible in setting a time for your speaker to visit.
- Discuss with your volunteer the topic to be covered (see page 2 for some ideas.) Let them know of any relevant topics you have been discussing with your students, and how their presentation fits into your SMG unit and curriculum.
- Although your students may want to know most, “What is a hot stock that will make our team lots of money in the short term of The SMG Program’s simulation?”, make sure your students know that is NOT the reason for the presentation, and they should not request that kind of information.

Background

Brief your volunteer with the following information:

- *Timing.* A talk of _____ minutes, with _____ minutes allowed for question and answer.
- *Audience.* Students will number _____ and range in age from _____ to _____.
- *Students’ background.* SMG is being used with course in _____
- *Key curriculum* concepts currently being studied are _____

Volunteer’s Introduction

- Name, title and firm
- Specific responsibility or title at work
- Why I became an investment professional
- Volunteer should open with
 - some story about a company recently in the news, or
 - brief discussion of some current economic news or event, or
 - current event to make the talk relevant to the students

Possible areas to cover, including related terminology, include:

- ◆ What to look for in potential companies – basic financials, P/E ratio, dividends, yield, 52-week high/low, etc.
- ◆ A discussion about risk and the importance of diversification. Tell your volunteer of the two Illinois rules: 4-stock minimum and 30% maximum equity. For advanced or older students, a discussion of the need to balance a portfolio with both high and low Beta stocks for the short-term SMG simulation.
- ◆ A simple explanation of the various sectors/industries in relation to diversification.
- ◆ For advanced or older students, brief descriptions of short selling, buying on margin, timing the market, etc. Although you (and your investment volunteer) might not suggest your students use these strategies, your volunteer can explain what they are and their implications for investing.
- ◆ The importance of learning about companies before investing, e.g., company news, what various firms' recommendations mean (buy, sell, hold, accumulate, etc.)
- ◆ An overview of general investing issues, such as equities versus other types of investments, risk pyramid, selecting savings and investment methods according to life stages; the time value of money, setting personal financial goals and objectives.