

Today is 10/16/17

New packet - Stocks
no calculator needed



Unit 3: Stocks

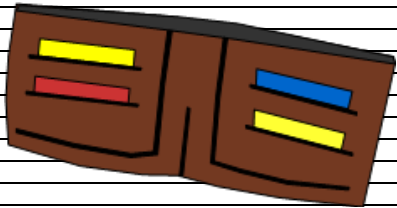
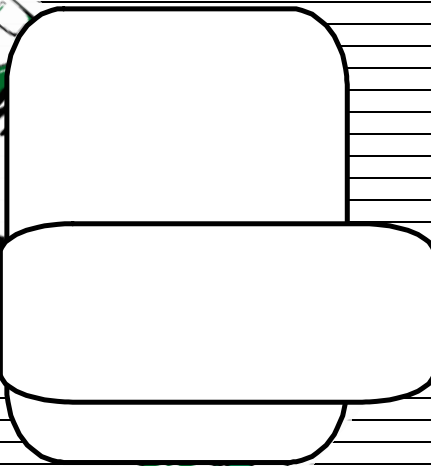


Grab a Chromebook!!

Day 1

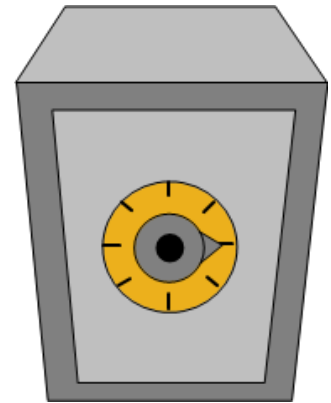
Where do people keep their money?

- 1. Bank
- 2. Mattress
- 3. Locker/Wallet
- 4. Safe
- 5. Stocks
- 6. Box
- 7. Bury in yard
- 8. OFF SHORE ACCT



What are possible risks/threats to money?

1. Robbery
Id theft
2. Fraud / Scams / Counterfeit
3. Inflation
4. YOU - not disciplined
5. Fire
6. Poor investments



Is your money insured? **Yes**

Have a discussion about what you know about insured money.

up to \$250,000

What is FDIC (Federal Deposit Insurance Corporation)?

The Federal Deposit Insurance Corporation (**FDIC**) is a United States government corporation operating as an independent agency created by the Banking Act of 1933.

<http://www.investopedia.com/articles/economics/09/fdic-history.asp>

The FDIC insures member banks and savings institutions and the following items:

(Maximum amount of \$250,000 per bank)

- All types of savings and checking deposits including Certificates of Deposit (CD) and Money Market (MM) accounts.
- All types of checks, including [cashier's checks](#), officer's checks, expense checks, loan disbursements, and any other money orders or negotiable instruments drawn on member institutions.
- [Certified checks](#), [letters of credit](#) and [travelers checks](#) when issued in exchange for cash or a charge against a deposit account.

The FDIC does not insure:

- Investments in stocks, bonds, mutual funds, municipal bonds or other securities
- Annuities
- Life insurance products even if purchased at an insured bank
- Treasury bills (T-bills), bonds or notes
- Safe deposit boxes
- Losses by theft (although stolen funds may be covered by the bank's hazard and casualty insurance)

<http://www.investopedia.com/articles/economics/09/fdic-history.asp>



How is a Credit Union Different than a Bank?

In the United States, credit unions are not-for-profit organizations that exist to serve their members rather than to maximize corporate profits. Like banks, credit unions accept deposits and make loans. But as member-owned institutions, credit unions focus on providing a safe place to save and borrow at reasonable rates. Unlike banks, credit unions return surplus income to their members in the form of dividends.

Favorable Rates and Customer Service

Fees and loan rates at credit unions are generally lower, while **interest rates** returned are generally higher, than banks and other for-profit institutions. Credit unions are democratically operated by members, allowing account holders an equal say in how the credit union is operated, regardless of how much they have invested in the credit union.

Membership Access

Each institution decides who it will serve. In order to join a credit union, potential members must be part of a field of membership, which is typically based on one's employment, community, or membership in an association or organization. Credit unions serve members of modest means. Low-income credit unions provide financial services at reasonable rates in areas that are often underserved by banks.

NCUA Share Insurance Coverage

Federally insured credit unions are regulated by the National Credit Union Administration and backed by the full faith and credit of the United States government. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 increased the share insurance coverage on all federally insured credit union accounts up to \$250,000.

<http://www.mycreditunion.gov/about-credit-unions/pages/how-is-a-credit-union-different-than-a-bank.aspx>

Which do you prefer (credit union or bank) and why?

Fees are less
Lower loan rates
Higher interest rates on savings
Are they insured? Yes



What are stocks?

Take turns describing to your group one thing you know about stocks. Record at least 3 things below.

1. **Fluctuate**
2. **Own % of company**
3. **Crashed in Great Depression**
4. **Private vs. public**
5. **Buy & Sell**

http://www.investopedia.com/university/stocks/stocks1.asp?no_header_alt=true

 **Click on this link and read about Stocks basics (5 minutes)**

Why invest in stocks?

Discuss in small group your thoughts on investing in stocks. Think about why people invest in stocks.

What are they planning to do with this money? Record your thoughts below.

