



Ready, Set, GROW!

Basics of the Game and Investments



Game Dates & Competition Levels:

Two Ten Week Games Each Year:

- Fall: October 7th – December 13th
- Spring: Feb 10th – April 17th

Divisions - Competition Levels:

- Grades 3rd – 6th
- Grades 7th – 8th
- Grades 9th -12th
- All Divisions

Registration & Website:

- Current Price is \$10 per game internationally
- **No Charge** for Pennsylvania Schools by registering with PennCFL
- Teachers (only) should register at www.penncfl.org and provide students their User IDs and Passwords.
- Transactions are made through www.penncfl.org

Fall Prizes:

Top Ten Statewide Prizes for each Divisions

- Elementary
- Middle School
- High School

Ten Additional Statewide Prizes for the *All Divisions Combined*

The Highest Total Prize is \$250

Current Prizes: <https://www.penncfl.org/awards-and-winners>

Sponsored Spring County Games:

- Local media provides weekly press and pictures for 12 weeks during the Spring Game.
- Includes the High School and possible Middle School Divisions.
- Increased prizes for sponsored counties

Higher Prizes with Sponsored Games:

- Celebration Luncheon at a local University or College with sponsors and media.
- Suggest a sponsor you're your area and increase your fun!
- By Invitation Only

Game Basics

- Students make investment trades to manage portfolios throughout the game
- Teachers determine team size or individual games
- Each team begins with a hypothetical \$100,000
- Stocks, bonds, ETFs, and mutual funds are available for trading

Game Basics

- 50% maximum equity for a single investment
- Teams may purchase stocks on margin – 8% is charged on these borrowed funds
- 1% interest is earned on cash balances
- The team with the highest portfolio equity at the end of the game wins.
- Portfolios are not liquidated at the end of the game.

Game Basics

- Teams may buy, sell, short sell, or short cover their stocks
- Stocks valued at less than \$10 per share may not be bought
- A \$10 fee is charged for each transaction

Game Basics

- All research can be completed on the Personal Finance Lab website
- Trades can be made between 9:30 am & 4:00 pm
- Trades are processed generally 15 minutes
- Rankings are updated throughout the day

What is the difference between a private and a public company?



- Privately-held companies are owned by the company's founder, management or a group of private investors.
- Public companies sold a portion of itself to the public via an IPO (initial public offering) of some of its stock. Shareholders have claim to part of the company's assets and profits.

What is a stock?

Stock represents an equity ownership in a company.

Instead of loaning a company money, you are buying a little ownership of the company.

If a company has 1,000 shares of common stock outstanding, and you own 10 shares, then you own 1% of the company.

Real World Example:

Apple has 5,860,000,000 shares outstanding. So if you owned 10 shares of Apple, you would own 0.00000017% of the company.

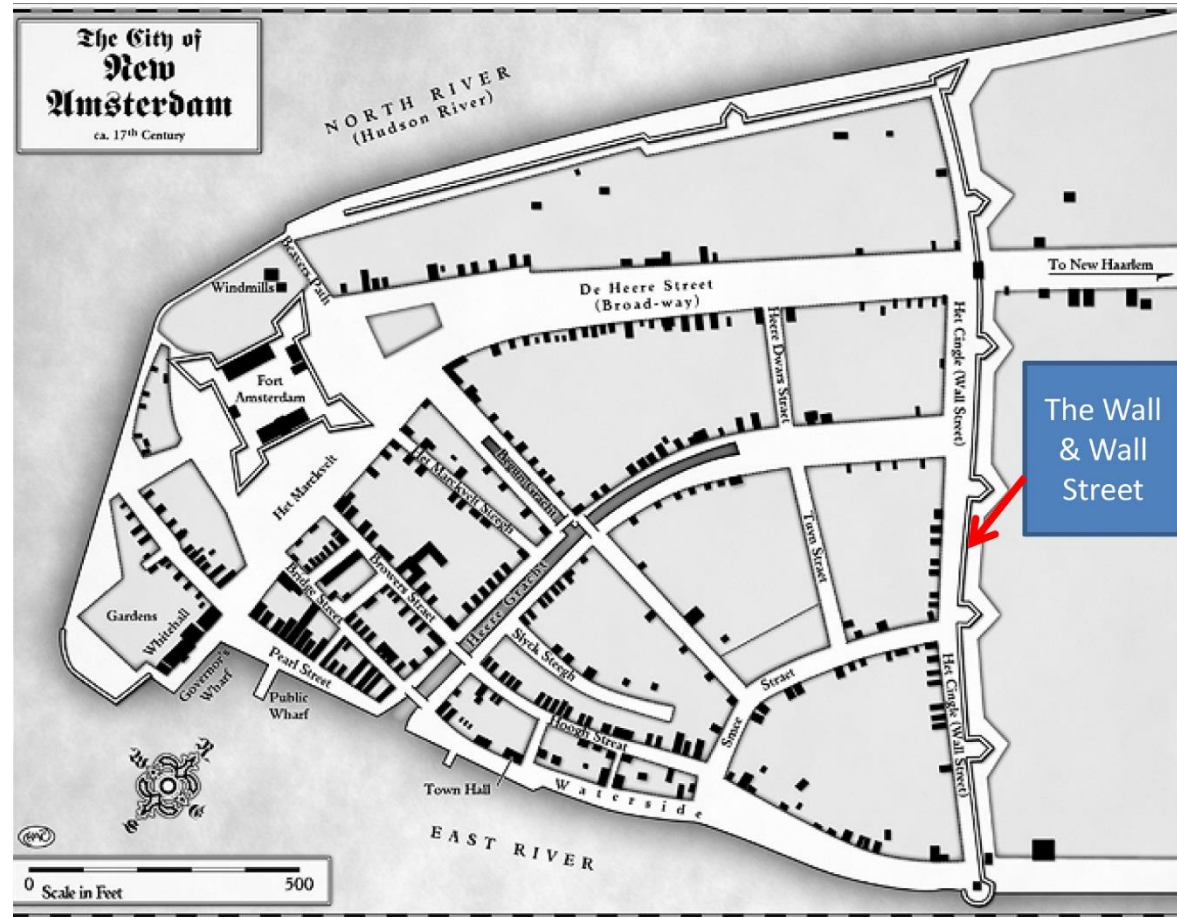


IPO-Initial Public Offering

What is the New York Stock Exchange and why is it called Wall Street?

The NYSE is a “flea market” where buyers and sellers of stocks and other investments come to trade.

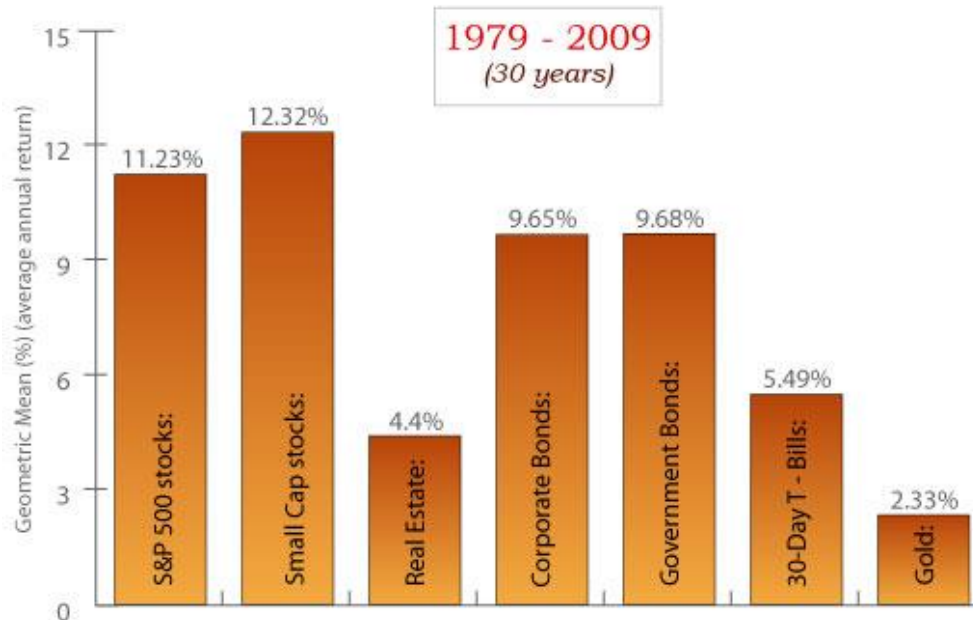
In the 17th century a wall was built around Fort Amsterdam at the southern end of Manhattan Island.



Why should I invest in stocks?



Why should I invest in stocks?



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The Power of Compounding--How do I become a millionaire?-- Save twice as much and have twice as much.

Monthly Savings	\$ 150.00				
Rate of Return	12.0000%				
Monthly Rate	1.0000%				
Starting Balance	Monthly Savings	Monthly Interest	Ending Balance	Month	Year
0	\$ 150.00	\$ 1.50	\$ 151.50	1	
\$ 151.50	\$ 150.00	\$ 3.02	\$ 304.52	2	
\$ 304.52	\$ 150.00	\$ 4.55	\$ 459.06	3	
\$ 459.06	\$ 150.00	\$ 6.09	\$ 615.15	4	
\$ 615.15	\$ 150.00	\$ 7.65	\$ 772.80	5	
\$ 772.80	\$ 150.00	\$ 9.23	\$ 932.03	6	
\$ 932.03	\$ 150.00	\$ 10.82	\$ 1,092.85	7	
\$ 1,092.85	\$ 150.00	\$ 12.43	\$ 1,255.28	8	
\$ 1,255.28	\$ 150.00	\$ 14.05	\$ 1,419.33	9	
\$ 1,419.33	\$ 150.00	\$ 15.69	\$ 1,585.03	10	
\$ 1,585.03	\$ 150.00	\$ 17.35	\$ 1,752.38	11	
\$ 1,752.38	\$ 150.00	\$ 19.02	\$ 1,921.40	12	
	\$ 1,800.00	\$ 121.40			
\$ 15,863.55	\$ 150.00	\$ 160.14	\$ 16,173.69	60	5
\$ 41,192.22	\$ 150.00	\$ 413.42	\$ 41,755.64	120	10
\$ 170,801.13	\$ 150.00	\$ 1,709.51	\$ 172,660.64	240	20
\$ 994,178.11	\$ 150.00	\$ 9,943.28	\$ 1,004,271.39	410	34

Monthly Savings	\$ 300.00				
Rate of Return	12.0000%				
Monthly Rate	1.0000%				
Starting Balance	Monthly Savings	Monthly Interest	Ending Balance	Month	Year
0	\$ 300.00	\$ 3.00	\$ 303.00	1	
\$ 303.00	\$ 300.00	\$ 6.03	\$ 609.03	2	
\$ 609.03	\$ 300.00	\$ 9.09	\$ 918.12	3	
\$ 918.12	\$ 300.00	\$ 12.18	\$ 1,230.30	4	
\$ 1,230.30	\$ 300.00	\$ 15.30	\$ 1,545.60	5	
\$ 1,545.60	\$ 300.00	\$ 18.46	\$ 1,864.06	6	
\$ 1,864.06	\$ 300.00	\$ 21.64	\$ 2,185.70	7	
\$ 2,185.70	\$ 300.00	\$ 24.86	\$ 2,510.56	8	
\$ 2,510.56	\$ 300.00	\$ 28.11	\$ 2,838.66	9	
\$ 2,838.66	\$ 300.00	\$ 31.39	\$ 3,170.05	10	
\$ 3,170.05	\$ 300.00	\$ 34.70	\$ 3,504.75	11	
\$ 3,504.75	\$ 300.00	\$ 38.05	\$ 3,842.80	12	
	\$ 3,600.00	\$ 242.80			
\$ 31,727.11	\$ 300.00	\$ 320.27	\$ 32,347.38	60	5
\$ 82,384.44	\$ 300.00	\$ 826.84	\$ 83,511.29	120	10
\$ 341,602.26	\$ 300.00	\$ 3,419.02	\$ 345,321.29	240	20
\$ 1,988,356.22	\$ 300.00	\$ 19,886.56	\$ 2,008,542.78	410	34

The Power of Compounding—Rate of Return is CRITICAL!

Invest the same but earn 3% vs. 12% makes an 8X difference in 34 years.

Monthly Savings	\$ 150.00				
Rate of Return	3.0000%				
Monthly Rate	0.2500%				
Starting Balance	Monthly Savings	Monthly Interest	Ending Balance	Month	Year
0	\$ 150.00	\$ 0.38	\$ 150.38	1	
\$ 150.38	\$ 150.00	\$ 0.75	\$ 301.13	2	
\$ 301.13	\$ 150.00	\$ 1.13	\$ 452.25	3	
\$ 452.25	\$ 150.00	\$ 1.51	\$ 603.76	4	
\$ 603.76	\$ 150.00	\$ 1.88	\$ 755.64	5	
\$ 755.64	\$ 150.00	\$ 2.26	\$ 907.91	6	
\$ 907.91	\$ 150.00	\$ 2.64	\$ 1,060.55	7	
\$ 1,060.55	\$ 150.00	\$ 3.03	\$ 1,213.58	8	
\$ 1,213.58	\$ 150.00	\$ 3.41	\$ 1,366.99	9	
\$ 1,366.99	\$ 150.00	\$ 3.79	\$ 1,520.78	10	
\$ 1,520.78	\$ 150.00	\$ 4.18	\$ 1,674.96	11	
\$ 1,674.96	\$ 150.00	\$ 4.56	\$ 1,829.52	12	
	\$ 1,800.00	\$ 29.52			
\$ 11,846.45	\$ 150.00	\$ 29.99	\$ 12,026.44	60	5
\$ 23,482.28	\$ 150.00	\$ 59.08	\$ 23,691.37	120	10
\$ 52,699.52	\$ 150.00	\$ 132.12	\$ 52,981.64	240	20
\$ 112,372.02	\$ 150.00	\$ 281.31	\$ 112,803.33	410	34

Monthly Savings	\$ 150.00				
Rate of Return	12.0000%				
Monthly Rate	1.0000%				
Starting Balance	Monthly Savings	Monthly Interest	Ending Balance	Month	Year
0	\$ 150.00	\$ 1.50	\$ 151.50	1	
\$ 151.50	\$ 150.00	\$ 3.02	\$ 304.52	2	
\$ 304.52	\$ 150.00	\$ 4.55	\$ 459.06	3	
\$ 459.06	\$ 150.00	\$ 6.09	\$ 615.15	4	
\$ 615.15	\$ 150.00	\$ 7.65	\$ 772.80	5	
\$ 772.80	\$ 150.00	\$ 9.23	\$ 932.03	6	
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Start Thinking Differently and Buy What You Know!

- Think about products and services that you, your family, and your friends use every month and think about where you spend their money.
- Is there a product that you are using more this month than you did a few months ago?
- Is there a new department store that you are hearing all of your friends talk about?
- Is there a product that's HOT that you must have?

Instead of “going to the store for some food”...
.... try thinking like this:

Yesterday while wearing my **Nike** shoes, **Levi** jeans, and my **Abercrombie and Fitch** t-shirt, I stopped at the **Bank of America** ATM to get some cash pay for the **BP** gas I had to put in my **Ford** car that was rolling on **Goodyear** tires so I could drive to the **Wal-Mart** to buy **Charmin** toilet paper, **Crest** toothpaste, **Nabisco** crackers, **Coca-Cola**, and **Breyers** ice cream. On the way home we stopped at **McDonalds** for a quick bite and then at **CVS** and **Walgreen's** for grandma's prescription and some **Revlon** lipstick!)

What is a ticker symbol?

In order to buy a stock, you must know its “ticker symbol.”

This is a 1 to 5 digit abbreviation or code that is unique to that stock.

KO=Coca-Cola

AAPL=Apple

WMT=Wal-Mart

NKE=Nike

UA=Under Armour



How do I build a portfolio?

Before you login, think about:

- You have \$100,000 and you should have at least 4 different stocks
- That would mean putting about \$25,000 in each one
- The portfolio should be diversified
 - different industries
 - different sized companies
 - different countries
 - and NOT all tech stocks
- You don't have to spend all your money today—sometimes it is best to buy on the dips and sell on the rallies—think DOLLAR COST AVERAGING

