

## Sharing the Stock Market

*(Continued from page 60)*

responses acknowledged understanding and a desire to know even more.

In the essay, an example was given of a couple, Mr. and Mrs. Smith, who invested \$500 in the Ward Pencil Company. They bought 100 shares at \$5.00 each, and every three months they received a dividend of \$1.00 per share. After a year, the Smiths sold their shares of stock for \$6.00 a share. When I asked the class if the investment was a good one, it was clear that visions of dollar signs were dancing in their heads. As some students explained their calculations, I put these on the board, and the entire class concluded that it was good investment because the Smiths invested only \$500, but they received about \$1000 from the sale of the stock and the dividends they had been sent throughout the past year. Some students went on to figure out the annual percentage rate of interest the Smiths got on their money from this investment and compared that to the average interest rate on a savings account. I hardly knew where to stop...should I go into mutual funds?

I ended the first day of class by asking, "Suppose you had \$1000 to invest in the stock market. What companies would you invest in?" Japanese students spontaneously suggested none other than Sony, Hitachi, and Honda, while others mentioned familiar American companies, such as Coca Cola and Wendy's. After these responses, I asked students to bring 35 cents to class the next day for a newspaper because they would have the opportunity to invest \$1000 in some companies on the New York Stock

Exchange. In the meantime, I encouraged students to find out from Americans what some major companies were that they could invest in.

### Procedures: The Second Day

The next day, students were given a list of fifteen companies, ranging from Walmart to IBM and from Exxon to Squibb. Briefly, I explained what kinds of products the various companies produced, but I offered no information on the companies' financial status. With the financial section of the newspaper in hand, students were asked to find out how these fifteen companies were doing by looking up the current price of a share of the stock and finding out if it was up or down from the previous day. Students learned how to read the columns of information, and using their own intuitive knowledge of investing, were asked to purchase \$1000 worth of stock either in some of the companies on the list or from any other companies selected.

The only piece of financial advice I volunteered—which was the only fairly safe advice I was capable of offering—was, "Don't put all your eggs in one basket." In other words, "Diversify your investment portfolios." This would require a broadened scope of reading participation in market research and follow-up analysis.

After I explained the conversions of  $1/8$ ,  $3/8$ ,  $5/8$  and other fractions in terms of price per share, each student filled out an individual purchase form that I had prepared which asked for the name of the stock purchased, the price per share, the number of shares purchased, and the total cost. As I circulated around the room, I was pleasantly surprised to find out the

extent to which they were being diverse. Some students were buying as many as six different kinds of stocks, and if \$7.75 was left, they were looking for any stock that was cheap enough to allow them to use every cent they had. When students completed the forms, I collected them. I also kept a copy of the financial page in that day's paper for future reference when students sold their stocks. I also used it to check students' papers to be sure that their calculations were accurate. Finally, I urged students to go to the library periodically to check the newspaper and find out how their stocks were performing.

Since the idea for this activity came to me rather late in the term, students were only able to keep their stocks for three weeks. (It would be better to allow them a longer period to hold their stocks before selling in order to increase the chances for changes in prices, thus adding to the excitement.) Students were given the specific date, which was the last class day before final exams, on which they were to sell their stocks.

#### **Procedures: The Last Day**

The day arrived. I provided three or four newspapers, returned the students' purchase forms, which I had checked very carefully, and corrected any errors. Students then worked in groups looking up their stocks and calculating how much money they had made or lost. The group experience helped students see what companies some of their classmates had invested in and how well or poorly their investments compared to their own. What an exciting day for a few as they discovered their profits! However, as is often the case in the real world of Wall Street, losers far outnumbered gainers.

#### **Benefits**

Needless to say, the three days devoted to the stock market produced many positive results, the primary one being the opportunity for students to practice a variety of reading and communicative skills in a meaningful, cultural context while having fun. From the teacher's perspective, the satisfaction received from hearing the class discussions, observing the exuberant interaction among students, and sharing a vital part of American culture that too often we just assume international students already know made this experience very rewarding.

#### **Variations and Adaptations**

Using the stock market as a culture-based springboard, teachers may provide students with challenging and exciting activities in all the various skill areas.

In reading class, students not only become comfortable with market terminology, but they also practice a variety of scanning skills as they search the Nasdaq symbols on the financial page of the newspaper to find their own stocks. In addition, they learn how to scan columns horizontally and vertically for particular information they need. Once they become "caught up" in the market, they begin analyzing and drawing conclusions about a plunge or a surge in the Dow. Using their own knowledge of the economy, the value of the dollar (of vital interest to all foreign students), and the national deficit, more advanced level students may arrive at very logical reasons for the Dow's movement.

Listening and speaking skills can be practiced by having students listen to the "Nightly Business Report" or the stock market report on the television or radio news and take notes. This activity could be done every night for a week, or one specific night a week for a longer period. Students could keep a journal of market ups and downs, and at the end of the study, they could chart the movement of the Dow on a graph. Following this, they could form groups in class, compare their graphs, and talk about their findings.

The stock market essay in Horning's book could be presented in writing class as a stimulus for a brainstorming activity. Ideas about investing in the market will be interesting and controversial, thus leading to some challenging composition topics, such as "Pros and Cons of Investing in the Stock Market."

Even lower-level classes easily develop an interest in the stock market, especially if activities involve competition. Guide each student to choose a different blue-chip stock in the same price range, for example \$30-\$40. Allow students to make periodic checks of their stocks, and after several weeks calculate to discover

which student's stock advanced the most. In the process, students are learning comparatives and getting practice using whole numbers and fractions.

High teacher-interest in the market, together with the availability of current media, can spark students' enthusiasm for this integral part of the American business world. Getting students involved as participators in the stock market allows for natural learning of the vocabulary needed to practice numerous English skills. The extent and difficulty of involvement depends on the ability level of your students and your creativity as a teacher.

#### About the Author

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## Sharing the Stock Market with ESL Students

Judy A. Cleek, University of Tennessee at Martin

In an effort to introduce intermediate ESL reading students to various aspects of American culture, I perused a multitude of texts seeking interesting articles and essays about American food, the family, male and female roles, dating customs, the educational system, and other cultural topics. When I discovered an essay in Alice Horning's *Readings in Contemporary Culture* (McGraw Hill, 1979) entitled, "The Stock Market," my own personal interest, though not necessarily success, in investing in the market urged me to share the information with my class. The class of fifteen students was composed of both males and females ages 19-35 from Korea, Japan, Thailand, and the Middle East. The results of my attempt were more than surprisingly successful.

### Procedures: The First Day

The first day I introduced the reading by asking the class this question: "If you

have some money, and you want to use the money to make more money, how can you do it?" Several students mentioned a savings account at a bank, while others suggested buying gold. When the latter idea was mentioned, I asked, "What if the price of gold goes down?" When smiles appeared, I seized the opportunity to explain the term *risk*, and moments later they were into other Wall Street terms such as *investor*, *shares*, *stocks*, *stock exchange*, *broker*, and *dividend*. Little did they know that they were in the middle of a crash course in the stock market, and I, as their teacher, was having a ball playing Louis Rukeyser.

With interest high from both student and teacher perspectives, students were given copies of the essay "The Stock Market" to read and comprehend as much as possible. They were asked several questions about the content of the article when they finished reading, and generally their

(Continued on page 57)

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