

GED 2002 Teachers' Handbook of Lesson Plans

Area/Skill - Social Studies	Cognitive Skill Level - Synthesis	Correlation to Framework - 02.05; 01.05	Lesson Number - 01
<p>Activity Title – Economic Market Pain</p> <p>Goal/Objective</p> <p>To comprehend a reading passage and write an interpretation of the message for a class newspaper.</p> <p>Lesson Outline</p> <p>Introduction</p> <p>In early 2001, there were some very major changes to the economic market. Huge losses occurred and people started to get worried about the outcome. People were listening to what the experts were saying and were trying to decide based on the expert's opinions just what to do about their losses.</p> <p>Activity</p> <p>Provide a copy of the handout to each student. Briefly discuss the economic market. Divide the class into small groups of 4-6 students. Assign one section of the article to each group. Have them read this section and report on it to the whole class. After reading and discussing the article, have the students write their own newspaper article about their findings. Compile the students' newspaper articles and create an economic newspaper for the class.</p> <p>Debriefing/Evaluation Activity</p> <p>Have the students discuss what implications the economic market fluctuation has on their lives. Discuss the need for students to understand that the economic market can affect their jobs, which in turn can affect their way of life.</p>			<p>Materials/Texts/Realia/Handouts</p> <ul style="list-style-type: none"> • Handout – Top Experts Say Pain Isn't Over/USA Today • Paper, pencil, graph • Newspapers - financial or money sections • Dictionary
<p>Real-Life Connection</p> <p>How many of you have stocks? Does your place of employment have stock buying programs? Has the price of that stock gone up or down in the past six months? Have you thought about selling or buying more of your stock?</p> <p>Have the students locate the financial section of a local newspaper and identify the different investment systems available. Examples could be savings accounts, money markets, stocks, bonds, the futures, etc. Have them create a definition for each of the different types of investments that they have identified and discuss their findings.</p>			<p>Extension Activity</p> <p>Bring copies of the business section of the local newspaper and have students look up a stock of their choice. Have the students document the price of their stock for a specified period of time. Have them create a graph that shows the stock price and how it changes from day to day or week to week.</p> <p>ESE/ESOL Accommodations</p> <ul style="list-style-type: none"> • Highlight important points of the text. Have students read these points first. • Give the student a graphic organizer to use for the project. • Have the student highlight the name and price of the stock in the newspaper. • Provide new vocabulary terms in a handout.

GED 2002 Teachers' Handbook of Lesson Plans - Script

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Activity Title - Economic Market Pain

Introduction

Ask: Have any of you been watching what has been happening lately with our economic market? Answers should include the dropping/raising/stable trend in the market. *Ask:* Were any you watching the stock market during the first quarter of 2001? Report some of the findings listed in the first section of handout.

Main Activity

Say: Today you are going to examine an article discussing the economic market during the first quarter of 2001. *Ask:* What had just occurred in our country during this time period? Answers should include such things as a new president, a difficult election process, etc. Provide handouts to the students. *Say:* Today, we are going to read some people's ideas about the market during that time in 2001. Divide into small groups and I will ask that each group read a specific section of the article. After you are through reading your section, discuss what the writer was trying to say and report to the class. Next, you are going to be a newspaper reporter. Using the information from your article, write a newspaper article that reflects what the writer is trying to say. We will then compile all of your articles into a newspaper format for the class.

Closure/Conclusion

Ask: Knowing what you know about the economic market today, would you invest money into stocks right now? Why or why not? Has the market ever went up or down so drastically that people either made a lot of money or lost anything.? You may wish to end the activity by briefly discussing the Great Depression of the 1930s when the stock market crashed and then the late 1990s when the stock market was extremely profitable for many people.

Follow-Up Lessons/Activities

Pick a stock that you would like to watch for a week. Each day, follow that stock's price, either in the newspaper or if you have Internet access, you may wish to watch the stock on the net. Create a graph to visually show how the stock did. You may wish to use a line graph to depict whether the stock went up or down. Share your findings with the class.

GED 2002 Teachers' Handbook of Lesson Plans
Social Studies Lesson Plan 1
Newspaper Article from the World Wide Web

Top experts say pain isn't over. March 15,2001. USA Today. Retrieved from the World Wide Web March 16, 2001. <http://www.usatoday.com/>.

Even the most ardent bulls are having a hard time ignoring the recent nasty turn of events on Wall Street. Disappointment with the Federal Reserve's failure to cut short-term interest rates more than a half percentage point appears to have yanked what little support the stock market had left. After the Dow Jones industrials' second consecutive 2.4% drop Wednesday, the blue-chip average is 19.1% off its January 2000 high and close to entering a bear market drop of 20% or more. The Standard & Poor's 500 is 26.5% off its high. And the Nasdaq is sporting the granddaddy of bear market declines, a record 63.8% drop. USA TODAY reporters asked leading Wall Street analysts and money managers what they see ahead.

Byron Wien, strategist, Morgan Stanley Dean Witter:

The continued sell-off of blue chips means that the market is approaching a selling climax, Wien says. "This is part of an ending process. In the end, (investors) take everything with them."

But the pain is not over, especially for sectors like biotechs and techs that have suffered most. Despite those stocks' drops, Wien says they're still vulnerable because of lofty price-earnings ratios.

He says there's one big missing factor that's needed to end this bear market: capitulation as disgusted investors bail out. "People are complacent," Wien says. "We need investors to give up on the stock market."

Scott Black, president, Delphi Management:

The sharp downdraft in stock prices this week, while painful, was inevitable, Black says. "The fact is corporate profits are weak," he says. And even if the Fed had lowered rates by three-quarters or even a full percentage point, Black says it would still take 6 to 9 months for that to help boost the economy.

Besides, lower interest rates alone won't revive the economy, he says. Fiscal stimulus from the White House also is needed to offset the reverse wealth effect caused by the nasty bear market. "This economy is in real trouble," Black says. "We need tax cuts immediately. We need to put money into consumers' hands as quickly as possible."

The bear market is becoming less of a stock market phenomenon and more of an economically driven slowdown, he says. "It's a leap of faith to assume that economic growth will suddenly turn up on July 1 or Sept. 1," Black says.

Tim Kearney, senior international economist, Bear Stearns:

The Fed has been far too slow to cut rates, says Kearney, who is hoping to see a cut of another 50 basis points before the next Fed meeting to help ease downward pressure on the economy. "If interest rates don't come down soon, we are going to start exporting our weakness overseas," Kearney says.

John Rogers, portfolio manager, Ariel Fund:

"I guess we're 80% of the way through this bear market," Rogers says. But he doesn't think we've had the much-talked-about "capitulation" yet. "People aren't selling the stocks in their 401(k) plans or swearing off stocks forever," he says. That's important, Rogers says, because bear markets usually don't end until the public's faith in stocks is severely damaged.

What would bring a bottom? "Just a bunch more down days," Rogers says. "We need people to say that even the biggest, safest blue chips could get hurt."

Hugh Johnson, strategist, First Albany:

Johnson also says the stock market won't be taking off again anytime soon, even if the Fed cuts interest rates even more. Lower interest rates alone won't get consumers who have seen the value of their stock portfolios plummet to spend again right away. "Consumers are so shell-shocked by declining stock prices, they're trying to rebuild their nest eggs," Johnson says.

It's similar to how rate cuts didn't stem stock market losses in 1990, he says. Even though the Fed kept cutting interest rates then, the economy wasn't stimulated because banks stung by losses on bad loans were reluctant to lend more money.

Johnson agrees that the market won't rise until investors who are holding on to money-losing stocks finally sell. Right now, he says, too many investors are hoping for a rebound. "You need to get stocks to levels that they're dirt cheap." When that final capitulation comes, he says a new bull market will be "ignited."

Christine Callies, strategist, Merrill Lynch:

The Fed won't let the stock market slide get so bad that asset destruction "becomes part of the social and political fabric," Callies says. In fact, falling interest rates and lowly stock prices should mean a big rally once the market finally starts to rebound. She says stock valuations now are at levels similar to the start of bull market runs in 1982, 1990 and 1998.

But investors shouldn't expect quick relief. Callies says the full impact of lower rates will probably not be reflected in the market and economy until next year.

William Fleckenstein, president, FleckensteinCapital:

This longtime bear says the selling is close to being exhausted. Fleckenstein says the day is nearing when the market gets the blitz of panic selling it needs to clear out nervous money and set up the next bull. "We're building toward a crescendo," he says.

But he still thinks a further drop is needed before that happens. "When the bottom is near, people will discuss the end of Western civilization," he says. "It won't be the end, but it'll feel like the end."