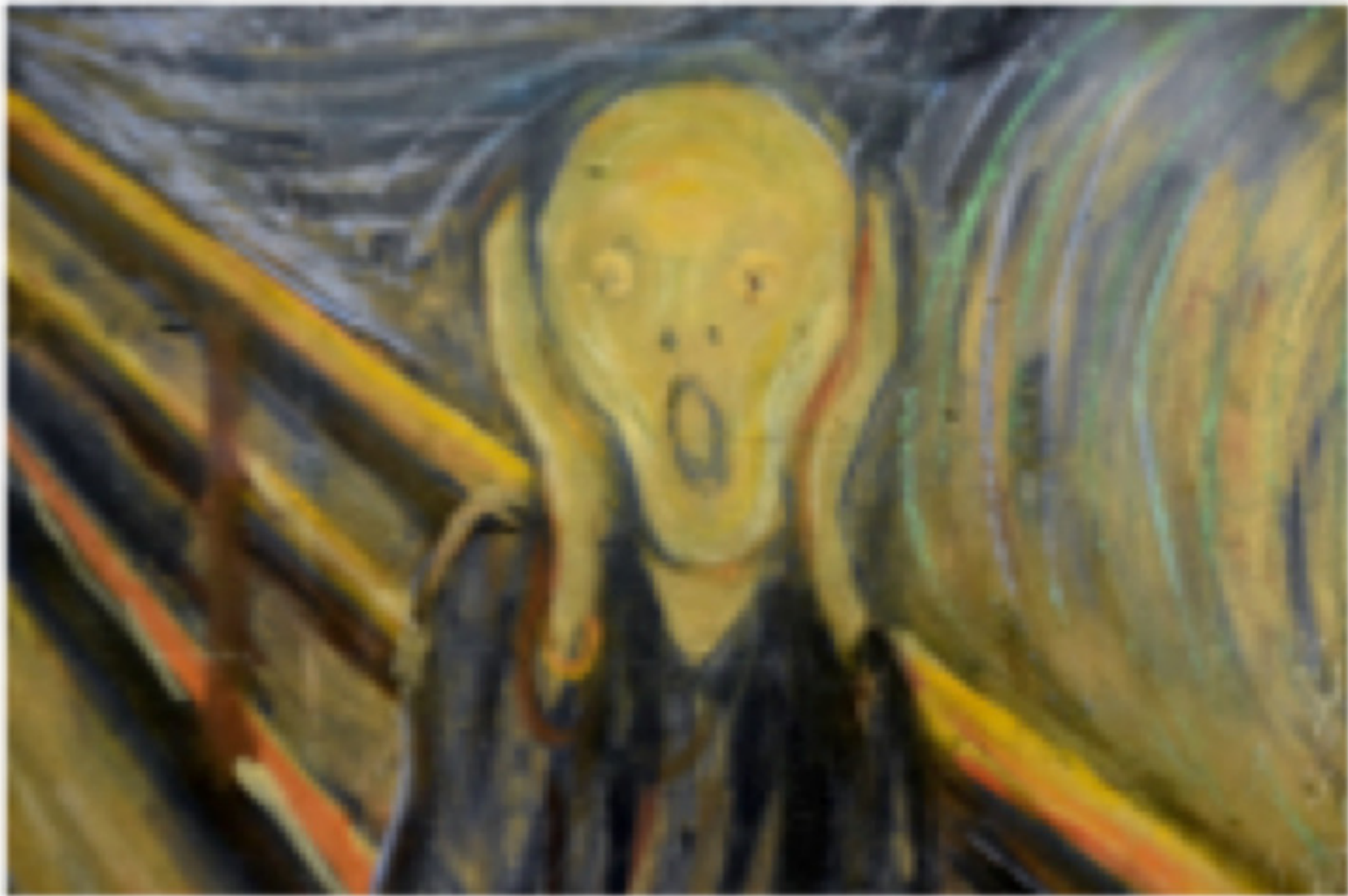


Use the News

Is fear the worst viral pandemic?





Collaborate!

What is the biggest motivating factor in your life?

Poll

Do you find that negative consequences or positive rewards are more effective when helping you make choices?

- ☐ Negative consequences are more effective in helping me make choices
- ☐ Positive rewards are more effective in helping me make choices



How do local and global events impact the economy?

Collaborate!

How do local and global events impact the economy?

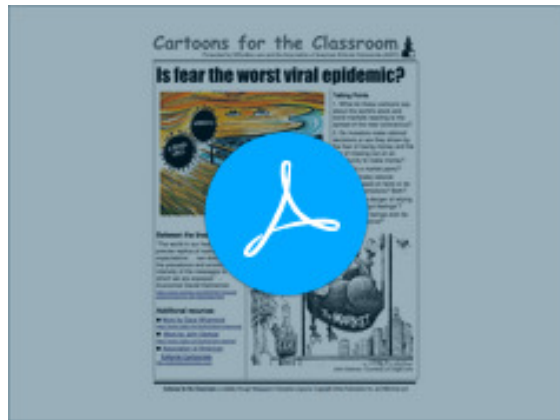
Open Ended Question

Index Drops Amid the COVID-19 Outbreak
U.S. Stock Indexes Drops since 12/31/2019 (as %)



Today, Americans, and individuals throughout the global economy have found fear as a motivating factor to help them make decisions about what to do with money they have invested in the stock market. What global event (in the first few months of 2020) has caused individuals to fear the risk of investing their money in the stock market? Why do you think this has been the case?

Draw It



Take a look at the “Cartoons for the Classroom: Is fear the worst viral epidemic?” What do you see in the cartoon. What do you think? What do you wonder?



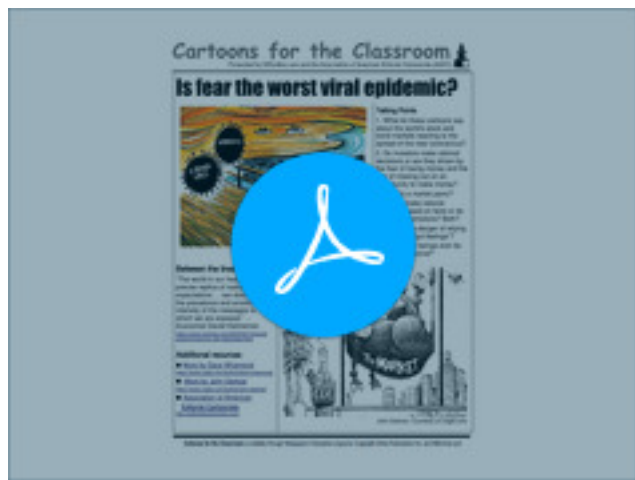
Dave Whamond / Courtesy of Cagel.com



Collaborate!

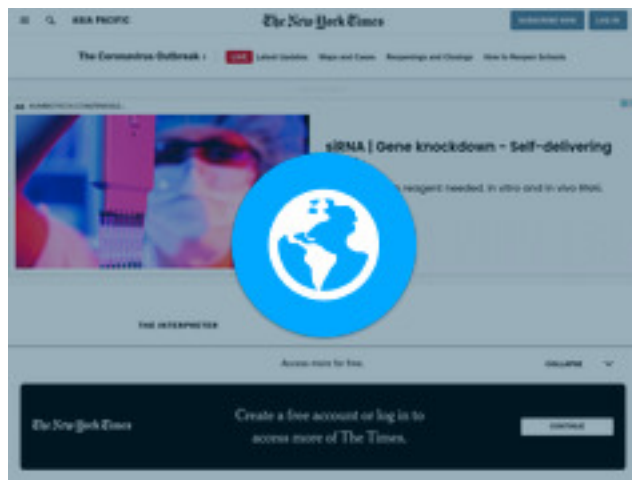
Cartoon Connections

Open Ended Question



Using the cartoons, answer the talking points questions: 1. What do these cartoons say about the world's stock and bond markets reacting to the spread of the new coronavirus? 2. Do investors make rational decisions or are they driven by the fear of losing money and the fear of missing out on an opportunity to make money? 3. What is a market panic? 4. Do you make rational decisions based on facts or do you react to emotions? Both? 5. What is the danger of relying only on your "gut feelings"? 6. Can human beings ever be completely rational?

Open Ended Question



In the Between the Lines section, there is a quote by Behavioral Economist Daniel Kahneman from the New York Times: “The world in our heads is not a precise replica of reality. Our expectations ... are distorted by the prevalence and emotional intensity of the messages to which we are exposed.” How does this quote relate to the cartoon?

Draw It

John Darkow has created a black and white cartoon to provide an idea of what is going on in "The Market." Looking at the sketch, what do you see? A bull is labeled as "The Market." To which market is this referring? What does Darkow want to tell his viewers is going on in "The Market?"



John Darkow / Courtesy of Cagel.com



Collaborate!

Fear and Consequences

Open Ended Question



Why do you think human emotion affects the decisions people make with their money? Check out the video. What advice did Warren Buffet give about fear and the stock market during COVID? What do you think?



Collaborate!

Risk Takers

The longer amount of time you have to invest typically allows you to take riskier actions when investing. Match individuals with the risk they should be taking.

<div>^</div> <div>years old, plans to invest for retirement, has only \$1,000 available to invest now.</div>	<div>Aggressive)</div> <div>ent</div> <div>ns: Real</div> <div>state, mutual</div> <div>Large/</div> <div>\$</div> <div>with</div>	<div>Investment</div> <div>Options:</div> <div>Government Bonds,</div> <div>Money Market</div> <div>Accounts, CDs,</div> <div>Cash</div>
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Matching Pairs

Draw It

What may be the best solution for the recovery of the global market when there is widespread fear? (What kinds of wise economic decisions must be made?)