



THE STOCK MARKET GAME™

Ticker's Tales

Dow & Then

The Stock Market Game™ is celebrating 30 years of teacher service! While that's a long time, it's a mere tick of my tape when you have been around as long as I have. We stock tickers machines first appeared in 1867.

The Dow Jones Industrial Average (Dow) illustrates changes in the stock market since

The Stock Market Game appeared in 1977. The Dow measures changes in the stock prices of 30 "Blue-Chip" companies. These are large, stable companies with track records of quality for consumers and profitability for investors.

In the summer of 1977 the Dow was 871 points; today, it's around 13,000. Imagine if you had invested \$10,000 in the Dow's stocks back then. Even excluding dividends

over that time, your investment today would be worth more than \$140,000.

Of course, that means you would have hung on during white-knuckle times when the Dow sank and panicky investors were selling their stocks. But the Dow had gone up much more than it had gone down over the years. Investing for the long haul, you would have seen your investment grow more than 14 times — an average of more than 9 percent per year!

The Dow has also changed over the last 30 years. It still has 30 stocks, just as it did in 1977, but 20 of those 1977 stocks were replaced by 20 new ones over the following years. Why the change? One reason was the growing importance of technology companies like Microsoft, entertainment companies like Disney, and service companies like Wal-Mart.

What if you wanted to invest in the Dow's stocks? One way would be to buy shares of each of the 30 companies. Or you could invest in a fund that tracks the Dow. The Diamond Trust, Series 1, (symbol: DIA) is a popular exchange-traded fund (ETF) that does just that.

Write Now

Use the web site below to identify 3 companies that the Dow added or deleted since 1977. Write your own newspaper story explaining how being included/removed from the Dow has impacted the companies you chose. Would you invest in them?

<http://www.djindexes.com/DJIA110/learning-center/>

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