



## Stocks, Bonds, and Investing: Oh, My!

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**Facilitator:** Aaron Clarey

Aaron Clarey received his Bachelor's of Science in Finance with High Honors from the University of Minnesota. He has been teaching community education and college courses in Minneapolis and St. Paul for the last five years. His courses include Researching, Valuing, and Analyzing Stocks, Investing Online, Investment Alternatives to the Stock Market, The Class I Wish I Had in High School, and Everybody Loves Economics. Aaron also enjoys teaching swing dance and hosts fossil hunting expeditions for children.

**Requirements:** Internet access, e-mail, and the Internet Explorer, Netscape, or Firefox Web browser.

**Description:** Stocks, Bonds, and Investing; Oh My! is an enjoyable class that walks you through the fundamentals of investing. The course will not only teach you about the stock markets, 401k plans, and retirement, but it will also address personal financial issues that are often ignored, but absolutely essential, to your success as an investor.

This course won't just throw a bunch of terms at you, expecting you to memorize everything. The instructor takes the time to explain concepts in detail so you understand how and why things work in the investment world. You'll leave this course with a comprehensive and thorough education in personal finance and investment. And you will have provided yourself with the independence, confidence, and peace of mind you'll need to make your own investment decisions.

Full of solid advice and good common sense, this course is bound to make life just a little easier for you.

**Syllabus:** A new section of each course starts monthly. If enrolling in a series of two or more courses, please be sure to space the start date for each course at least two months apart. Two lessons are released each week for the six-week duration of the course. You will have access to all the released lessons until the course ends.

You do not have to be present when lessons are released. An interactive discussion area accompanies each lesson and automatically closes two weeks after the lesson is released.

The final exam is released the same day as the last lesson. Once the final exam has been released, you have two weeks to complete all course work, including the final exam. A 10 day extension is available if you fall behind.

### Week One

#### Wednesday - Lesson 01

Welcome! In this first lesson, you'll get to know a little about me, but more importantly, I'll get to hear from all of you. I like it when people post messages, so don't feel shy about posting any comments or questions you have! This is also the lesson where we'll set forth our game plan, reviewing what we'll cover and putting things in context so you can get your bearings and get the most out of the class.

#### Friday - Lesson 02

Hold on, there—we can't have you just running around, investing randomly in different investments! You need to fully and fundamentally understand the theories, laws, and concepts that govern investing. In this lesson, you'll learn what really gives money its value, how to increase that value, the power of compounding, and how much money

you'll need to save for retirement. Then we'll look at how all of this pertains to the three most important investments you'll make: retirement, education, and housing.

## **Week Two**

### **Wednesday - Lesson 03**

With a solid understanding of investing, we'll then apply a timeline or a schedule. Which investments should you make first? Would it be more beneficial to invest in an IRA or should you be thinking about college? Or might this perhaps be a good time for you to invest in rental property? We'll explore all of the benefits and drawbacks of these options to help you decide when to incorporate which investments into your lifetime plan.

### **Friday - Lesson 04**

Mutual funds, IRA accounts, 401k plans, and most other investments are primarily composed of two simple building blocks: stocks and bonds. So before we get too far along, we'll need to take a closer look at them. In this lesson, we'll go into intricate detail about stocks and bonds, discussing exactly what they are, what gives them value, how to look up their prices, and much more.

## **Week Three**

### **Wednesday - Lesson 05**

Understanding stocks and bonds allows us to understand a whole new set of securities and investments that are available to us. Things like mutual funds, options, ADRs, ETFs, REITs, and much more. Today we'll discuss these different investments, how they work, why you might want to invest in them, as well as any pros and cons to investing in them.

### **Friday - Lesson 06**

But where do you purchase said stocks, bonds, mutual funds, and other investments? Never fear—there are many different exchanges throughout the world that are here to serve your trading needs. Need to purchase an indexed mutual fund? The AMEX is more than happy to help you. Looking for a tech stock with a promising future? You'll find tech stocks aplenty at the NASDAQ. In this lesson, I'll help you get familiar with all the major (and perhaps a bit more obscure) markets and exchanges throughout the world. If you're already investing, chances are you've been making purchases within one or more of these exchanges.

## **Week Four**

### **Wednesday - Lesson 07**

In this lesson, you'll meet all the different people and visit the institutions involved in trading and investing. Brokers, brokerages, traders, routers, etc., as well as the different types of brokerages you may want to choose from—traditional, discount, or online. You'll also learn more about the roles they play in getting your trade through. Perhaps most important, you'll learn what these people's real incentive is in trading for you: it isn't charity!

### **Friday - Lesson 08**

How are all these different stocks, bonds, and mutual funds traded? How does everything come together with the traders, brokers, and processes? And how do you know you're getting the best deal from your broker? You'll need an intricate understanding of the trading process, traders, brokers, and their incentives, not just in order to make investments, but to know when you're getting a good deal. In this lesson, you'll learn how to tell if you made a good trade or not.

## **Week Five**

### **Wednesday - Lesson 09**

While we briefly touched on the topic of retirement programs in our first lesson, the options are so varied, detailed, and important that they deserve a lesson all to themselves. So here we'll take a detailed look at the operations, contribution limits, tax advantages, and withdrawal requirements of IRAs, Roth IRAs, SEP Plans, 401ks, 403bs, 529 plans and many other plans.

### **Friday - Lesson 10**

Eat healthy, don't smoke, don't drink, get plenty of exercise, get an education, get a

house, invest in your 401k, invest in a 529 plan, and get a good night's sleep. Who are we kidding? Almost everyone has that itch to go to Vegas, stay up all night, bet a grand on blackjack, have a martini, have a steak, and maybe even smoke a cigar. Lots of people have the same itch to invest in an unknown stock, make a fortune on it, and then retire in the Bahamas. While investing in your 401k may be good for your long-term investment plan, sometimes risk is a good thing. In this lesson, we'll look at stock valuation and analysis, and we'll review some of the basics of taking calculated investment risks.

## **Week Six**

### **Wednesday - Lesson 11**

In this continuation of Lesson 10, you'll discover research techniques that you can use to analyze and pick stocks, such as fundamental analysis and technical analysis, as well as valuation techniques used to price stocks. You'll also learn how to read a company's annual report, then you'll gain some insight into the details of stock analysis and research. This is required reading if you plan to make it big by investing in stocks!

### **Friday - Lesson 12**

We've covered a lot of ground thus far, and it wouldn't be fair to expect you to commit all of it to memory. That's why we'll spend some time here in Lesson 12 researching resources, looking at a vast array of Web sites, publications and other sources of information that will help guide your future investments.