



Fall 2020 InvestWrite Question All Grades

Describe something you've done to adapt to change or overcome an obstacle. How will this experience guide your future success? Now describe something a publicly traded company has done to adapt to change and explain how that makes it a good long-term investment. What other stocks, bonds or mutual funds would you combine with this company for a successful long-term portfolio and why?

Performance Objectives

Students will be able to:

- Develop social/emotional learning skills related to self-awareness, decision-making and setting goals
- Utilize critical thinking skills to apply concepts and terminology from the Stock Market Game
- Identify the main ideas in the InvestWrite prompt
- Write an essay that informs and/or persuades its readers
- Use appropriate grammar, spelling, structure, and language to convey intent

www.investwrite.org

Maryland InvestWrite
FALL 2020 Writing Prompt and OFFICIAL Winning Essay

Middle School
STATE Winner

STUDENT: Tessa D

Change is everywhere, in nature, in you, and even in the stock market. The stock market is always changing, even the stocks you buy change. One day you could be earning money and the next you could be losing money. The question becomes when change takes a negative turn, what can we do to adapt? What can we do as people and what can companies do to adapt and increase their value?

Everyone must overcome obstacles. Some obstacles are harder to overcome than others. It does not matter how big they are, it matters how you get over them. I had to overcome the obstacle of anxiety and depression. I would feel like I was not good enough and that I would never amount to anything. Some days I would have trouble motivating myself to get work done or even get out of bed. My family grew to call this “lumping.” Now, because of adaptation and positive changes, I know that this is not true, and I have learned from my experience. I learned that it was okay to ask for help and that it is okay to be sad sometimes. This experience will positively affect me in the future. Not only will I be less stressed, but I will openly accept help from others. This will help me both in school and in the future.

I am not the only one who changes, so do companies. The Walt Disney Company (DIS) demonstrates this as it has gone through many changes since it has gone public in 1957. It is the most well-known film company in the United States, if not the world. One of their most important recent changes was buying Lucasfilm in 2012. Lucasfilm, of course, is most famous for their “Star Wars” franchise. Millions of people enjoy Star Wars and Disney and knew if they were to buy it, they would have massive profits. Not only could they make more movies and shows, but they could also make attractions based on “Star Wars.” Disney paid \$2 billion in cash and \$1.8 billion in stock to acquire Lucasfilm. The Disney Star Wars movies have made almost \$5 billion in profit, as of 2018, so they have made roughly \$1 billion just from the movies. Disney also bought Marvel for \$4.2 billion in 2009. Even if the franchise only had a few movies out Disney bought all 4,000 characters. Now Disney has made \$18 billion from Marvel! Disney’s procurement of these two well-known companies has increased their revenue dramatically. Recently they released their plans for future projects, and their stock has gone up by \$24 per share since then. The companies Lucasfilm and Marvel will continue to make Disney money, so it was a smart investment. Disney is a great stock to buy as it has been going up steadily and is reliable. It has not had any big drops, except at the start of the pandemic, and it has been around for a long time. Disney is a great stock to buy for a good portfolio.

While buying Disney stock is a great investment, you need a diverse portfolio to maximize your investments. To have a diverse portfolio you need companies from different industries, or sectors, and of different sizes. The Walt Disney Company falls under the entertainment industry. Rather than investing in companies in the same industry, to have a more diverse portfolio you would pick other companies to invest in. Buying stock from Tesla would be smart,

Maryland InvestWrite
FALL 2020 Writing Prompt and OFFICIAL Winning Essay

as it is a reliable and strong company that falls under a different sector. Not to mention At Home stock. It is a smaller company so there is less risk and is a safer, smarter investment. That is just the tip of the iceberg though. To have a well-diversified portfolio you need to have stock in many companies both big and small. You also need to buy mutual funds and bonds. A good mutual fund to buy would be the Vanguard 500 Index Fund (VFINX). Mutual funds are great because there is less risk in buying them, so they are a safe investment.

As you can see, the stock market is dynamic and full of change, and of course money. It is an important part of our economy and gives people an opportunity to earn money. It helps companies to get extra money, and people get to help their favorite brands. It is important even in these times of loss, caused by the pandemic. After the pandemic is over the stock market will be stronger than ever.