

34. Stock Market

The stock market has become the center of our lives. It affects us all, investors and non-investors alike. Even governments rise or fall on the way the market behaves. It's all a big game of chance, of course. Lucky investors may get rich overnight, but the unlucky become impoverished just as quickly. The illusion is that stock prices always go up, but that just is not true. And even when the market average goes up, there are lots of individual stocks that plummet in price-often because of rumors or conditions that have nothing to do with how well-managed the company is or what its real financial future is likely to be. If I were a gambler, I wouldn't bet on the market, I'd go to the race track-at least there, someone always wins.

Comprehension

1. Why is investing in the market a gamble?
2. If the overall market value is rising, and I have money invested in it, does that mean I'm making money?
3. How do we know if a stock is going to be a good investment?

Your opinion

1. Why do many people invest when markets are erratic?
2. Do you own stock? Do you plan on buying any? Why or why not?
3. Do you have an investment strategy?
4. Do you know a better investment than stocks?
5. Why do some people sell their stock for less money than they paid for it?
6. Why don't people who have made a lot of money just take it out while they still have a profit to show?
7. Why do noninvestors worry about market conditions?
8. What is your opinion of people who never invest?
9. Is it possible to buy stocks that are guaranteed to make money?