

Is the Stock Market Gambling?

Stock markets have become a central part of our economic system and are reported on in our daily news. The purpose of a stock market is to facilitate the buying and selling of shares in publically owned companies and to reduce the risk of investing by setting rules and providing information. Really, a stock market is nothing more than a super-sophisticated farmers' market, linking buyers and sellers. Before there were stock exchanges, people traded shares in companies in local coffee shops.

The most prestigious exchange in the world is the New York Stock Exchange (NYSE), founded in 1792. The Toronto Stock Exchange (TSX), created in 1861, is one of the largest stock exchanges in the world.

Some people suggest, “Investing in the stock market is just like gambling at a casino.” Investing and gambling both involve risk and choice. This lesson explores the similarities and differences between gambling and the stock market at the core of our economic system.

Instructional Strategies

- Have students watch this [TED Talk about the stock market](#). (If desired, stop the video before the promotional line at the end.) Then start a class discussion with questions such as:
 - What do you think about the video? What does it tell you about the stock market?
 - Based on what you have learned from the video, what factors do you think play a role in someone becoming a successful stock market investor?
 - Some people may argue that investing in the stock market is a form of gambling. Do you agree? Why or why not?
- Have students read this [article comparing investing and gambling](#), which discusses similarities and difference between investing in the stock market and gambling. Facilitate a brief discussion about the article using questions such as:
 - What did you think about the article?
 - Did you learn anything interesting? Did anything in the article surprise you?

Have students use a simple Venn diagram (see right) to compare and contrast investing in the stock market with gambling, based on their reading of the article. Then facilitate a class discussion on their findings.



- After introducing the [video](#) and [article](#) above, facilitate a class discussion and have students discuss in groups these questions:
 - Is it possible to gamble in the stock market? Is some investing in the stock market less of a gamble? When is it gambling, and when is it not?
 - What role do you think luck plays in the stock market vs gambling? What role does knowledge play in the stock market vs gambling? What about skill?
 - Why may some people find gambling appealing, but would not choose to invest in the stock market (or vice-versa)? Think about which factors may play a role here (gender, socio-economic status, etc.) and discuss your answer.
 - Think about the way investing in the stock market and gambling are framed in our culture (e.g., in the media). What are some differences that you see between these two activities (in terms of how they are represented in the media and our culture)? What about similarities?
 - Is investing in the stock market advertised in the same way as gambling? If yes, how so? If not, why not? How does that impact people and the choices they make about these activities?

- f. Think about the potential risks associated with gambling, as well as the risks associated with investing in the stock market. Are those risks similar/different? How so?
- g. How can these risks be mitigated/prevented?
- h. How do you feel about someone who loses a lot of money gambling? What if they lost the same amount buying a hyped-up stock that went bust? What if they lost the same amount because they invested in a local company that closed down because it couldn't compete with foreign imports? Do you feel the same about all of these? If not, why not?

Gambling Literacy

Big ideas

- Gambling can be a fun recreational activity but can also lead to significant harm
- As humans, both individually and as communities, we need to learn how to manage gambling in our midst
- We can learn how to control gambling by examining the different ways people have thought about it, engaging in critical self-reflection and listening to each other

Competencies

- Assess the complex ways in which gambling is linked to human culture and impacts the health and wellbeing of individuals, families, communities and societies
- Recognize binary constructs (e.g., win vs lose or success vs failure) and assess their limitation in addressing complex social issues like gambling
- Consider dominant social discourses and assess their impact on the distribution of risk and benefit associated with gambling
- Develop personal and social skills to reflect on and manage personal behaviour and choices related to gambling

For a complete look at the gambling literacy competencies, as defined by the Canadian Institute for Substance Use Research, see: www.uvic.ca/research/centres/cisur/assets/docs/iminds/hs-gambling-curriculum.pdf

Links to Curriculum

First Peoples' principles of learning

- Learning ultimately supports the well-being of the self, the family, the community, the land, the spirits, and the ancestors
- Learning involves recognizing the consequences of one's actions



Curricular competencies (Social Studies 10)

Big idea

- The development of political institutions is influenced by economic, social, ideological, and geographic factors

Competencies

- Use Social Studies inquiry processes and skills to: ask questions; gather, interpret, and analyze ideas; and communicate findings and decisions
- Assess how prevailing conditions and the actions of individuals or groups affect events, decisions, and developments
- Recognize implicit and explicit ethical judgements in a variety of sources (ethical judgement)