

## Stock Investing Terminology for Class

<b>Beta</b>	A measure of the volatility (risk) of a stock relative to an overall market index during a given time period. The market has a beta of one; therefore, a security with a beta of one is exactly as volatile as the market. A beta of less than one indicates lower volatility than the market; a beta of more than one indicates higher volatility than the market. Sometimes, beta values can be negative, indicating that the stock moved in the opposite direction of the market index during the given time period. In most cases, negative betas are short-lived and not indicative of the underlying volatility of the stock.
<b>Bottom Up Approach</b>	An investment approach that emphasizes the analysis of company performance over the industry and market contexts.
<b>Cash Flow</b>	Cash flow, to put it simply, is what a company makes minus what it spends. A company's cash flow is its income (minus investment earnings) less what it spends on rent, equipment, and other costs. Some investors use cash flow instead of earnings to judge how well a company is doing.
<b>Dividend</b>	Members of the board of directors makes an elective payment out of company earnings to stockholders. It is usually expressed as a dollar amount per share.
<b>Dividend Discount Model</b>	A financial model (formula) that requires assumptions about the future level of dividends, the growth rate in dividends, and the investor's risk-adjusted required rate of return. The model provides an estimate of what the stock is worth. If the value obtained from the DDM is higher than what the shares are currently trading at, then the stock is undervalued.
<b>Earnings per Share</b>	How much profit a company has made per share within a given period. EPS is a fairly arbitrary number by itself, because the company can control the number of shares outstanding. But comparing a company's most recent EPS to its EPS in previous years and quarters (adjusted for any splits) is one of the most common ways of telling how fast the company's profits are growing.
<b>Fiscal Year (FY)</b>	A 12-month period established by the company as its reporting year. The fiscal year may differ from the calendar year.
<b>Fundamental Analysis</b>	Analysis of a security based on the fundamental facts about a company such as sales, revenue, expenses, and dividend prospects.
<b>Index Mutual Fund</b>	A type of mutual fund with a portfolio constructed to track a particular index and to match its returns. Example: the Standard & Poor's 500 Index (S&P 500).
<b>Intrinsic Value</b>	True underlying value of a stock in contrast to the price the stock is currently selling for.
<b>Market Price</b>	The price a share of stock is currently selling for.
<b>Multiple</b>	A class of financial models (formulae) that are based on a typical ratio

<b>Models</b>	of price to a fundamental measure of company performance. For example, if a stock's price is typically 20 times its earnings, then the future price of the stock can be approximated by multiplying 20 by the estimated future earnings of the company.
<b>Mutual Fund</b>	When you invest in a mutual fund, your money is pooled with that of other investors, and then it is managed by a group of professionals who try to earn a return by selecting stocks for the pool. Each mutual fund has a specified objective, e.g., health care stocks, the S&P 500.
<b>Overvalued Stock</b>	A stock with a market price that is higher than supported by the company's financial strength.
<b>P/CF Ratio</b>	The ratio of a stock's price to its cash flow per share. There is no optimal price-to-cash-flow ratio. A low ratio in the single digits suggests the stock is undervalued; a higher ratio suggests the stock is overvalued.
<b>P/E Ratio</b>	The ratio of a stock's price to its earnings per share. A common measure for identifying undervalued and overvalued stock. It uses the relationship between a company's earnings and share price to value a company's stock. A stock's P/E ratio gives you a sense of what you are paying for a stock in relation to its earning power.
<b>Portfolio</b>	A group of financial assets such as stocks, bonds and cash equivalents.
<b>Risk Tolerance</b>	The degree of risk as measured by the variability in investment returns that an individual is willing to withstand.
<b>Russell 3000 Index</b>	An equity index composed of the 3,000 largest U.S.-traded stocks. The index is constructed by the Russell Investment Group.
<b>Top Down Approach</b>	A method of analyzing stock values by first evaluating the macroeconomic environment and industry before focusing on the details of the company's performance.
<b>Trailing Twelve Months (TTM)</b>	A stock's financial performance over the trailing twelve months indicates the performance over the immediate prior 12 months.
<b>Undervalued Stock</b>	A stock with a market price that is lower than supported by the company's financial strength.
<b>Wilshire 5000 Total Market Index</b>	An equity index composed of the 6,700 largest U.S.-traded stocks. The index is constructed by the Wilshire Company.

## Finance Resource Guides and Glossaries

Social Security	<a href="http://socialsecurity.gov/">http://socialsecurity.gov/</a>
Social Security and Disability Resource Center	<a href="http://www.ssdrc.com/">http://www.ssdrc.com/</a>
Finra	<a href="http://www.finra.org/">http://www.finra.org/</a>
Morningstar	<a href="http://library.morningstar.com/default.html">http://library.morningstar.com/default.html</a>
Investment Clubs	<a href="http://www.better-investing.org">www.better-investing.org</a>
Yahoo	<a href="http://finance.yahoo.com/">http://finance.yahoo.com/</a>
Global Investor	<a href="http://www.finance-glossary.com/">http://www.finance-glossary.com/</a>
Tax Glossary	<a href="http://www.teogathalaw.com/tax-glossary.php">http://www.teogathalaw.com/tax-glossary.php</a>
Tax Foundation	<a href="http://taxfoundation.org/">http://taxfoundation.org/</a>
Business Dictionary	<a href="http://www.businessdictionary.com/">http://www.businessdictionary.com/</a>
Investopedia	<a href="http://www.investopedia.com/">http://www.investopedia.com/</a>
Investment Terminology	<a href="http://www.investorwords.com">www.investorwords.com</a>
CNN Money	<a href="http://money.cnn.com/magazines/moneymag/money101/">http://money.cnn.com/magazines/moneymag/money101/</a>

## Investment Sites (Includes Some For-profit Sites)

Hoover's	<a href="http://www.hoovers.com">www.hoovers.com</a>
Value Line	<a href="http://www.valueline.com">www.valueline.com</a>
Daily Stocks	<a href="http://dailystocks.com">dailystocks.com</a>
Investing in Bonds	<a href="http://www.investinginbonds.com">www.investinginbonds.com</a>
Investor Guide	<a href="http://www.investorguide.com">www.investorguide.com</a>
Best of the Web	<a href="http://botw.org/top/Business/Investing/Investment_Guides/">http://botw.org/top/Business/Investing/Investment Guides/</a>
CBS Market News	<a href="http://cbs.marketwatch.com">cbs.marketwatch.com</a>
Wall Street Journal	<a href="http://online.wsj.com/home-page">http://online.wsj.com/home-page</a>
Emergent Markets Companion	<a href="http://www.emgmkt.com">www.emgmkt.com</a>
Investor's Daily	<a href="http://www.investors.com">www.investors.com</a>
Motley Fool	<a href="http://www.fool.com">www.fool.com</a>
American Association of Individual Investors	<a href="http://www.aaii.com">www.aaii.com</a>
Bloomberg	<a href="http://www.bloomberg.com/">www.bloomberg.com/</a>
SEC	<a href="http://www.sec.gov/investor.shtml">www.sec.gov/investor.shtml</a>
EDGAR	<a href="http://www.sec.gov/edgarhp.htm">www.sec.gov/edgarhp.htm</a>
Public Register's Annual Reports	<a href="http://www.prars.com">www.prars.com</a>
MSNBC	<a href="http://www.msn.com/en-us/money">http://www.msn.com/en-us/money</a>
Investopedia	<a href="http://www.investopedia.com/university/">http://www.investopedia.com/university/</a>

## Useful Financial Planning Sites (Includes Some For-profit Sites)

Huntsville Madison County Library	<a href="http://hmcpl.org/mym">http://hmcpl.org/mym</a>
Financial Education Research Center of the Chicago Fed	<a href="https://www.chicagofed.org/region/community-development/cedric/financial-education-resource-center">https://www.chicagofed.org/region/community-development/cedric/financial-education-resource-center</a>
NAPFA (National Association of Personal Financial Planners) – look for Planning Perspectives	<a href="http://napfa.org/">http://napfa.org/</a>
Blueprint for Financial Prosperity	<a href="http://www.bargaineering.com/articles/">http://www.bargaineering.com/articles/</a>
Frugal Living	<a href="http://frugalliving.about.com">frugalliving.about.com</a>
The Money Alert	<a href="http://www.themoneyalert.com">www.themoneyalert.com</a>
Quicken Tips	<a href="http://www.quicken.com/money-management-tips">http://www.quicken.com/money-management-tips</a>

## Protect Yourself

Finra	<a href="http://www.finra.org/Investors/ProtectYourself/">http://www.finra.org/Investors/ProtectYourself/</a>
Avoid Investment Scams	<a href="http://www.sec.gov/investor/pubs/cyberfraud.htm">www.sec.gov/investor/pubs/cyberfraud.htm</a>
Consumer Protections	<a href="http://www.ftc.gov/">www.ftc.gov/</a>
Reviewing Brokerage Firms	<a href="http://www.brokerage-review.com">http://www.brokerage-review.com</a>
Consumer Financial Protection Bureau	<a href="http://www.consumerfinance.gov/">http://www.consumerfinance.gov/</a>

## Web Calculators

Social Security Retirement Calculator (can use your personal information for more accuracy)	<a href="http://www.ssa.gov/retire2/estimator.htm">http://www.ssa.gov/retire2/estimator.htm</a>
Finra Retirement Calculator	<a href="http://apps.finra.org/Investor_Information/Calculators/1/RetirementCalc.aspx">http://apps.finra.org/Investor_Information/Calculators/1/RetirementCalc.aspx</a>
Financial Calculator (variety of calculators)	<a href="http://www.financialcalculator.org/">http://www.financialcalculator.org/</a>
Yahoo! Finance Calculators	<a href="http://finance.yahoo.com/calculator/index/;_ylt=A0LEVvf6LqNUa24AhdSPxQt.;_ylu=X3oDMTBya3R2ZmV1BHNIYwNzcgRwb3MDNARjb2xvA2JmMQR2dGlkAw--">http://finance.yahoo.com/calculator/index/;_ylt=A0LEVvf6LqNUa24AhdSPxQt.;_ylu=X3oDMTBya3R2ZmV1BHNIYwNzcgRwb3MDNARjb2xvA2JmMQR2dGlkAw--</a>
Ultimate Calculators	<a href="http://www.ultimatecalculators.com/">http://www.ultimatecalculators.com/</a>