Pat Riley

From: smabey@neamb.com
Sent: Sunday, May 02, 2010 8:12 AM
To: smabey@neamb.com
Subject: "Works-4-Me" Week 36

Dear NEA Members,

Greetings! There are many new ideas out there to help members. NEA has created a web-site called "Works-4-Me" which are tried and true teaching hints suggested by NEA members. Each week you will receive an e-mail with six helpful (and short) hints to help you in your professional life. They will fall under the following categories:

Teaching Techniques
Content
Getting Organized
Managing Your Classroom
Relationships
Using Technology

In addition, you will get information about your NEA Member Benefits that are available to you through your membership in the Association. Click on the link or visit www.neamb.com.

Teaching Techniques

Strategies for Success

"I spend a lot of time connecting what we do in the classroom with the world of work. For example, students' supplies are their tools for their current job. If they are unprepared, I remind them that in the working world they would not be able to do their jobs if they forgot their tools. I talk to them about how school is their job and their effort and hard work reflect the success they will have when they enter the working world. Establishing good habits now will bring them rewards in the future. Their Pay Day is when I hand out progress reports or report cards. Their effort is directly reflected in the grades they earned. We discuss how far they can go in the world of work with the pay they earned. Discussions of the workplace are supported by a yearlong effort to teach my students strategies for success in all their classes such as test taking, note taking and listening skills as well as personal goal setting. By the end of the year most are taking responsibility for their performance, which reflects growth and maturity. In junior high this is sometimes a monumental achievement!"

Content

Spelling Review

"When I review for a spelling test I put the class in groups of four. I mix all levels together and give each group member a number (one to four). I have popcicle sticks in a can with those four numbers and draw one after having pronounced one of our spelling words. The students who have that number come to the board and write the word. The winner is the first one who correctly spells the word legibly on the board. I then give that team a point. This makes sure they help each other know the word because they don't know who is going to be called on next. The winning team gets a treat."

Getting Organized

Easy Ordering

"Here is a tip that will help every teacher at ordering time in the spring. I use the inside cover of my grade book to record the things I need to order for next year. For example, if I discover that I'm about to use the last box of staples in my cupboard, I immediately write it in my book. I see it frequently throughout the year so I know exactly what I need to order when the time comes."

Managing Your Classroom

Hall Passes I

"In our school, our administration wants every child to have a hall pass when he or she leaves any classroom. However, I find that I could spend my entire period writing passes, so I have the kids do it themselves. Here's how: I have a clip board with a piece of paper that has columns labeled name, destination, time out and time back. When kids ask me, I give them permission at a good transition point and they fill everything out and take the pass to their destination. They're very good about completing the form because they know I check it."

Relationships

Pictures on Seating Charts I

"Our school receives digital student pics (on CD) when we do our annual school pictures. It takes a little time, but I copy my students' pics as PICT files and insert them in my seating chart made up in a Draw program. Anyone can glance at the chart and identify the student."

Using Technology

E-Mail Extras

"I use the digital camera to take pictures of the students participating in class activities. Then I e-mail the pictures to the students in the class. They enjoy seeing their pictures and many times they show the pictures to their parents thus creating a school to home communication link."

NEA Member Benefit of the Week:

MAY
Tuesday

4 National Teacher Day

One day is not enough to express our appreciation.

Every day you make a difference in someone's life. And every day, we want to make a difference in yours. In honor of National Teacher Day, we want to extend our appreciation even more. Come to neamb.com today and you'll find thousands of dollars in gifts, just for members. It's our way of saying "thank you" for all that you do.

To see all the thank-you gifts, including $5,000 in cash, click on "Our Thanks" at neamb.com today.

nea Member Benefits

YOUR DEDICATION DRIVES OURS®

SOURCE: e-mail

NEA Member Benefit Article of the Week:

Bonds: A Riskier Investment Than You Might Think

Invest safely: Don't let bonds tie you up.

Date published: Monday, April 19, 2010

By Mary Rowland

Over the past couple of years, investors have learned that keeping your money in a guaranteed investment like a certificate of deposit or a savings account is a virtual guarantee that you'll only earn pennies in return.

The same has largely been true of U.S. Treasury bills and bonds, which are also guaranteed in principal by the U.S. government. So when the 10-year Treasury bond hit 4% during the second week in April, many investors grew excited. If you are one of them: Stop! Do not invest your money in bonds until you read this.

I think bonds are one of the trickiest investments because they are counter-intuitive. Because they are called "fixed income" investments, many investors mistakenly believe that the most important consideration when buying a bond is the interest, also called the "coupon rate."

This is not true. Bonds carry a heavy interest rate risk. If rates go up—or even if there is talk that rates will go up—the price of the outstanding bonds, which carry lower interest rates, goes down.

Here's how bonds work: The face value of each bond is generally $1,000, which is referred to as 'par.' When the government issues a bond, it promises to repay the face value at some set time in the future, which might be as early as next year or as long as 30 years from now. The issuer of the bond also agrees to pay the bondholder a specified rate of interest, sometimes called a "coupon." (It's called a coupon because bonds once had detachable coupons that the bondholder removed every 6 months and presented to the issuer to get their interest payment.)

Because of these certainties—the face value and the interest rate—bonds have long been considered a safe and predictable investment. One study showed that from 1941 to 1980, inflation-adjusted yields on 5-year Treasury bonds never beat 4%. But the double-digit inflation of the 1980s rewrote these rules. Imagine if you held a 10-year Treasury bond with an interest rate of 4%, such as those that were sold earlier this year...

Let's suppose that the next day, interest rates doubled to 8%. (This is an extreme example, for illustration only.) Because the interest rate on your 4% bond cannot change, the price of the bond must go down to make your bond equal in value to the one selling at 8%. If you paid $1,000 for that bond and the interest rate doubles, your bond must fall in price so that it will offer a return equal to the 8% bond. So you may only be able to sell that bond for $500. True, if you wait 10 years, you'll get your $1,000 back. But you would be losing big in the meantime because you couldn't buy the investments that might

be available at 10% or 12% because your money is locked up in this 4% bond.

Obviously, this risk is the reason that many investors choose a bond fund rather than a single bond. But if you choose a bond fund, the manager is buying and selling bonds, hoping to make a profit. You lose the guarantee that your bond will be worth $1,000 at maturity.

A simple way to demonstrate this problem is to look at your mortgage as a bond, which it is. A banker lends you money to buy a house, establishes a term for the loan and a fixed interest rate (assuming you've chosen a fixed mortgage.)

Suppose your banker loaned you $325,000 to buy a house at an interest rate of 5%. If mortgage rates went up to 16%, as they did in the early 1980s, your banker would be stuck with your 5% mortgage until the end of the term.

Your banker would see the value—or the price he could sell that mortgage for—plunge. But you would feel quite pleased with your deal when you saw your friends taking out mortgages at 16%. So it is with bonds. Both parties carry a significant risk.

One other important factor: The yield on a bond generally goes up with a longer maturity. The very short-term, overnight loans in the money markets have the lowest rates. The rates generally increase with maturity because, the longer the term, the more interest rate risk the bond investor shoulders. The relationship between the interest rate and the time to maturity is what bond investors call the "yield curve." In a perfect market, it would slope gently upward toward the longer maturity. In the real market, sometimes it is nearly flat or sometimes it is inverted, which tells you something about sentiment in the bond market and how investors expect rates to move.

So what's a smart investor to do? Some professional investors—namely those who manage money for large institutions—bought bonds when the rates spiked in early April. Others chose to sell their bonds based on the very same signal.

One of the significant sellers was Bill Gross, manager of Pimco Total Return fund, the world's largest bond fund. The New York Times reported on April 11 that Gross's fund, which held half its assets in U.S. government bonds 9 months ago, was down to 30% U.S. Treasuries, the lowest in the fund's 23-year history. Gross told The Times that he was buying debt from Europe, particularly Germany, and also from developing countries like Brazil because it looked more attractive to him than U.S. debt.

Bonds are today's "hot investment." If you hear friends and neighbors talking excitedly about their new bond funds, remember this: Mutual fund companies, just like individual investors, tend to follow the herd. So when bond funds brought in nearly $400 billion in 2009 compared to an outflow of $9 billion in stock funds, most mutual fund companies decided to open bond funds or to open more bond funds, as reported in Fortune on April 12.

But that's marketing. When investors and the media are talking about bonds, fund companies want to put out some new offerings to get attention. If anything, the sprouting of new bond funds is a contrary indicator, suggesting that the bond rally may be over. That's what Pimco's Bill Gross says. The last 25 years have been a thrilling bond rally as interest rates plummeted, Gross said. But now interest rates have nowhere to go but up, which is a poor environment for bonds.

Here's what Fortune concludes: "It's easy to see why money management firms would invest in bond offerings—but it's less apparent that it's a good move for investors. In fact, market strategists have

turned bearish on bonds in recent months due to concerns that the Fed will hike interest rates."

Most financial advisors say that every investor should keep at least a portion of his portfolio in bonds. If you choose to follow that advice, look for a bond fund with the lowest possible expense ratio, which measures the percentage of the fund's assets that are paid for expenses. Expenses are what make the biggest difference in a bond fund.

Source: http://www.neamb.com/home/1212_4676.htm

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