WHAT A SHARE ACTUALLY IS

Vajgrt Labs - Education - Lesson 8 of 72 - 5 min read - Updated Oct 21, 2026

TL;DR

- A share (a stock) is a unit of ownership: buy one and you own a small slice of a real company - its factories, products, cash and debts.

- Owners make money two ways: the slice becomes worth more (price appreciation), or the company pays some of its profit out (dividends).

- Ownership is real but limited: you don't run anything, and your slice's price can fall below what you paid. Both halves matter.

THE TAKEAWAYS

- One share = one unit of ownership in one company, including a claim on its future earnings. That is the whole definition - everything else in this course is built on it.

- Price appreciation: if more people want slices than want to sell them, the price of a slice rises. Nothing new is created; the slice is simply repriced by the next trade.

- Dividends: some companies pay part of their profit straight to owners. SPY passes its companies' dividends out to holders quarterly (State Street, the fund's sponsor).

- What a share is not: a loan to the company (that's a bond), a guaranteed claim on anything, or a say in day-to-day decisions - at any normal size your vote is real but tiny.

RULE: Before any ticker, say what you'd own. If you can't name the business a share slices into, you're not investing in it - you're just renting its price moves.

COMMON MISTAKES

- Saying "I own the companies" about a fund position. You own the fund's shares; the fund owns the companies - the distinction decides what your price means.

- Treating a share like a loan: expecting the company to "pay you back." Companies owe owners nothing on a schedule.

- Assuming a rising price means the business improved. Prices reprice slices for many reasons - Lesson 2 counts them.

- Forgetting the down escalator: a slice can be worth less than you paid, for longer than you'd like.

DO IT - THE OWNERSHIP SENTENCE

Pick the ticker you'd most likely buy first. In your journal, write the one sentence: "Buying it makes me an owner of _____, entitled to _____, and to nothing else." If you can't fill the first blank with a real business, that ticker waits until you can.

Education only - not financial advice. SPY fund facts: State Street SPDR S&P 500 ETF Trust page, checked Oct 15, 2026. SPY Sheet figures: vajgrtlabs.com/spy, Oct 15, 2026. Vajgrt Labs - Education.