IT'S A MONEY THING® Junior

GROWING MONEY

BROUGHT TO YOU BY

ServU Credit Union

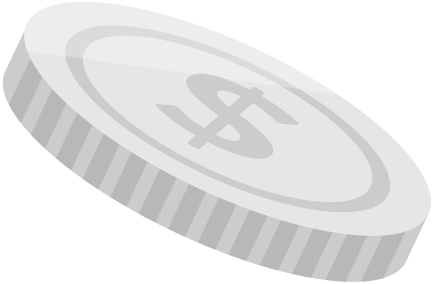
A **savings account** is a great place to store your money at first

It's safe and it pays a little interest

But it won't make you rich!

Growing your money requires that you move some of it into investments with a higher rate of return

Investing means putting your money into something that can potentially make you **more** money



Many financial experts suggest that your money should be growing somewhere between

5% and 10% per year

You won't get that from a savings account these days

Just compare $100...

1%

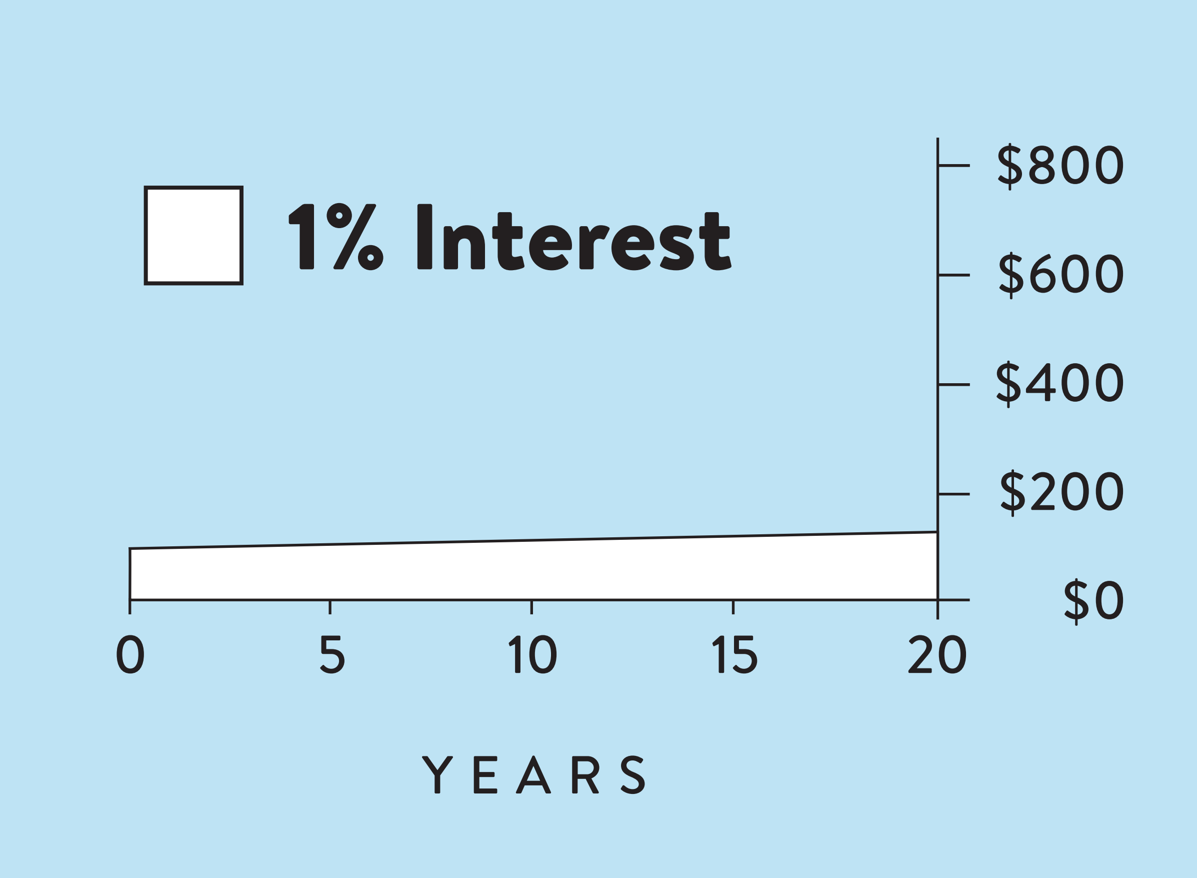
in a savings account earning 1% interest per year

5%

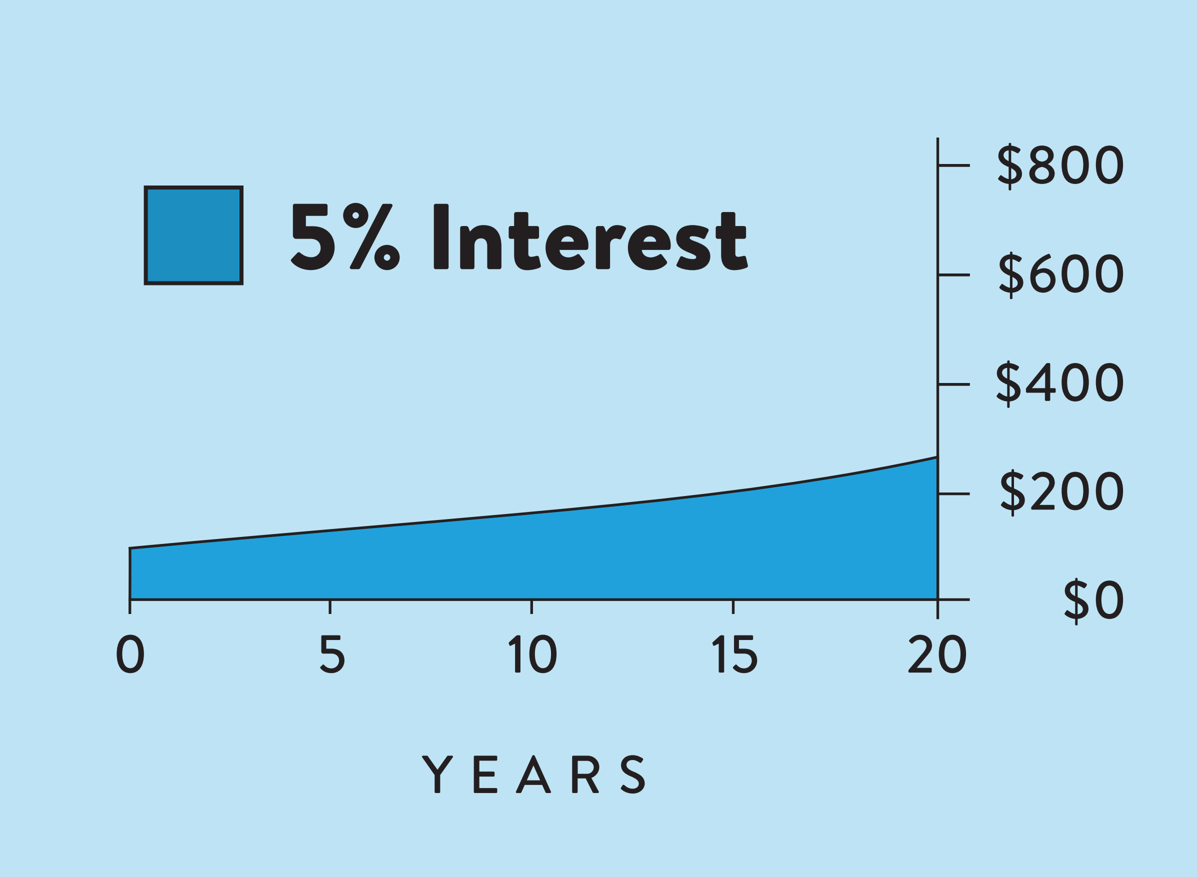
in an investment earning a return of 5% per year

10%

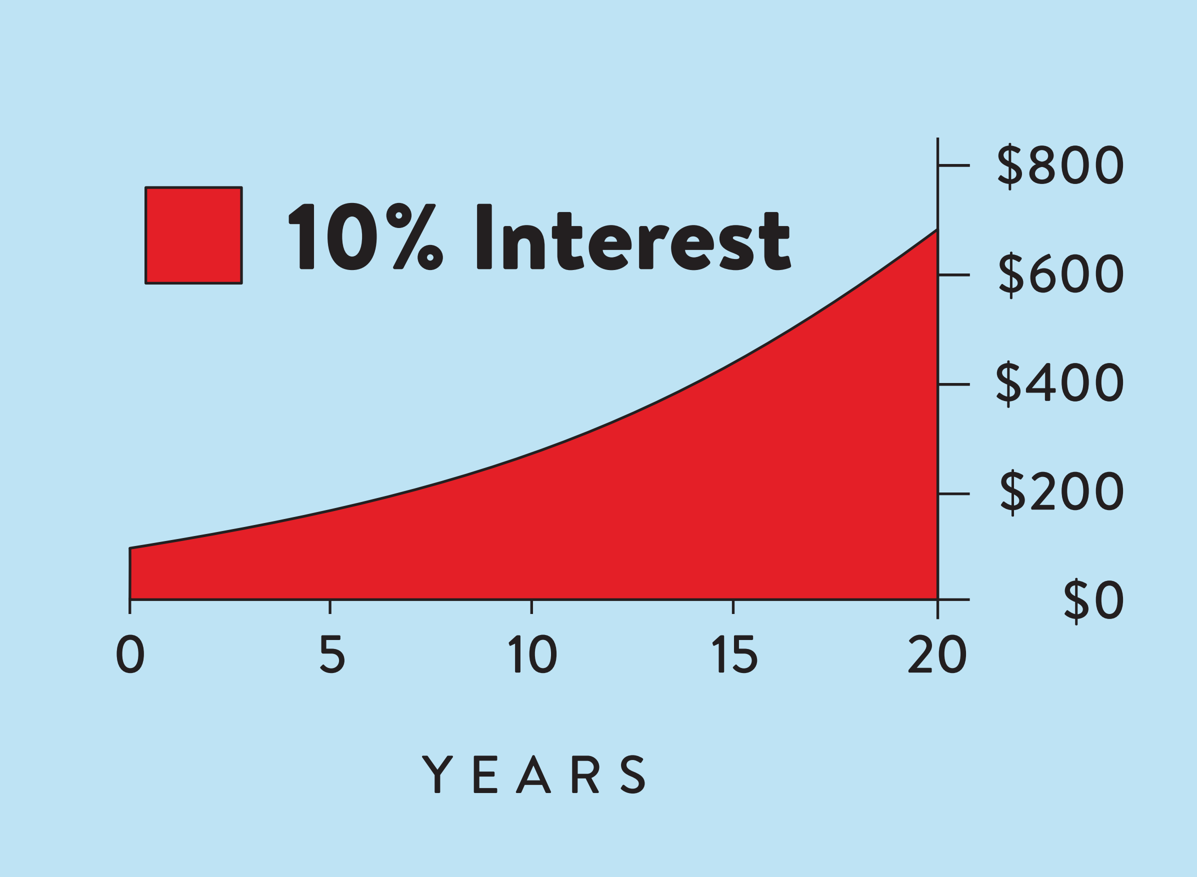
in an investment earning a return of 10% per year



At **1% interest,** your investment won't increase much; after 20 years, you will have **$122.02**



With a
5% return,
you more
than double
your money to
$265.33 after
20 years



And with a **10% return,** your money grows more than six times to **$672.75** after 20 years!

BUT I'M ONLY A KID!

Many of the investments that are described here are only available if you are over the age of 18...

BUT I'M ONLY A KID!

However, if you do want to invest now, ask your parents or guardian to look into a custodial account with a broker

BUT I'M ONLY A KID!

You legally own the money in the custodial account; your custodian makes the investments on your behalf

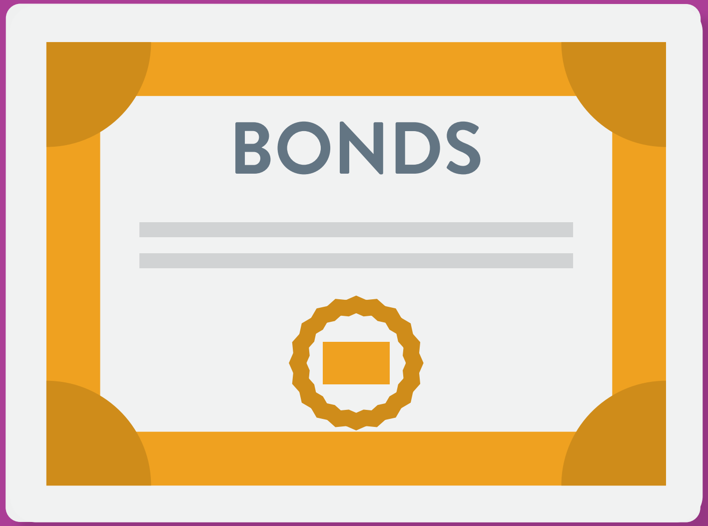
What can you put your **money** **into** to potentially make you **more money**?

CERTIFICATE OF DEPOSIT

- Certificates of Deposit pay a little more interest than a savings account
- Low risk
- Available at your credit union or bank

STOCKS

- You become a part owner of a public company
- You can invest in a range of stocks, from “penny” (high risk) to blue chip (lower risk)
- Available through a stockbroker



BONDS

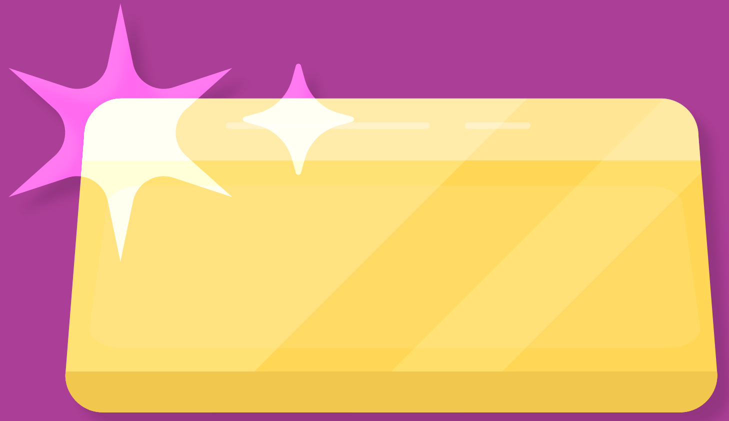
- You loan money to a company or to the government
- They promise to repay you with interest
- Bonds, which are usually a slightly lower risk than stocks, are rated by credit agencies for risk

REAL ESTATE

- Invest directly in residential (like a house or condo) or commercial property (like a shopping mall)
- Invest indirectly or through real estate investment trusts (REITs)

COMPANIES

- You can invest in a company directly by lending the owners money
- You can also become one of the owners yourself
- High risk, with potential for high returns



COMMODITIES

- Commodities are the raw materials—such as precious metals, coffee beans, lumber and oil—that are used to make other things
- You can purchase a contract to buy commodities at a certain price

REMEMBER

All investment comes with risk

Do your research

Only invest money you can afford to lose

Diversify to spread the risk

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