

- IT'S A -  
**MONEY  
THING®**

**Junior**

# GROWING MONEY

BROUGHT TO YOU BY

**CapEd**  
CREDIT UNION

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



**It's safe and it pays a little interest**

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**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

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The image features four coins with dollar signs on their faces. One is gold and three are silver. They are arranged in a loose pattern around the central text. The gold coin is positioned above the text, while the silver coins are placed around it, one to the top right, one to the right, and one to the bottom left.

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

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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**

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# Just compare \$100...

A blue circular icon with a white border and a long shadow, containing the text "1%".

1%

in a savings  
account earning  
1% interest  
per year

A blue circular icon with a white border and a long shadow, containing the text "5%".

5%

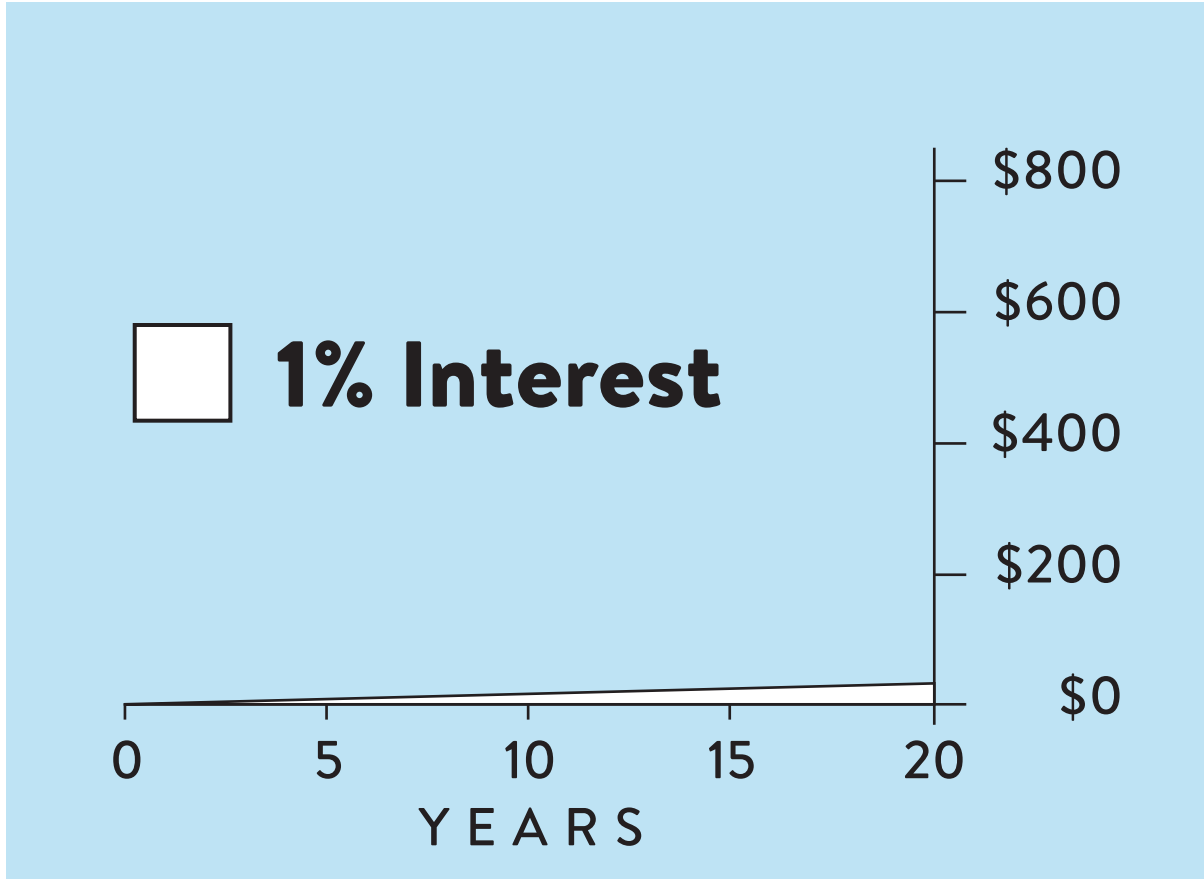
in an investment  
earning a return  
of 5% per year

A blue circular icon with a white border and a long shadow, containing the text "10%".

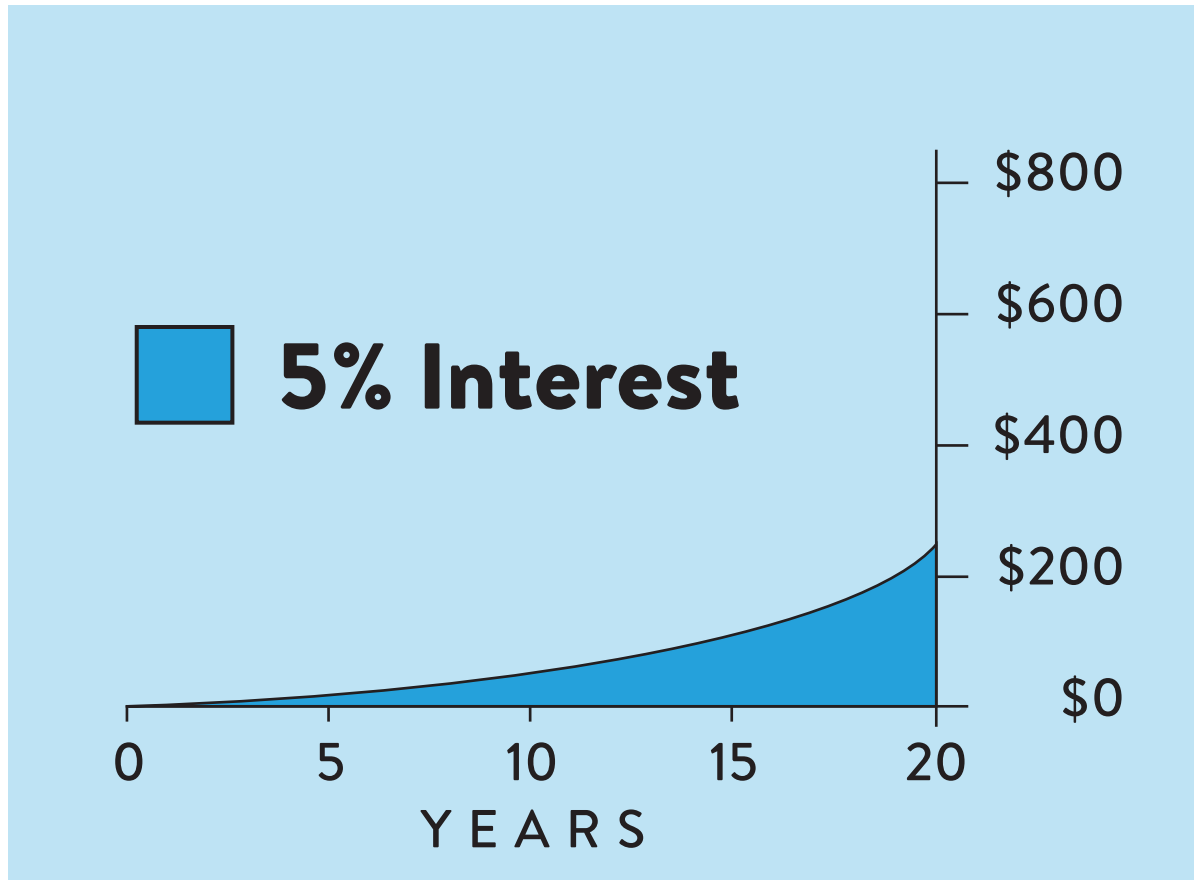
10%

in an investment  
earning a return  
of 10% per year

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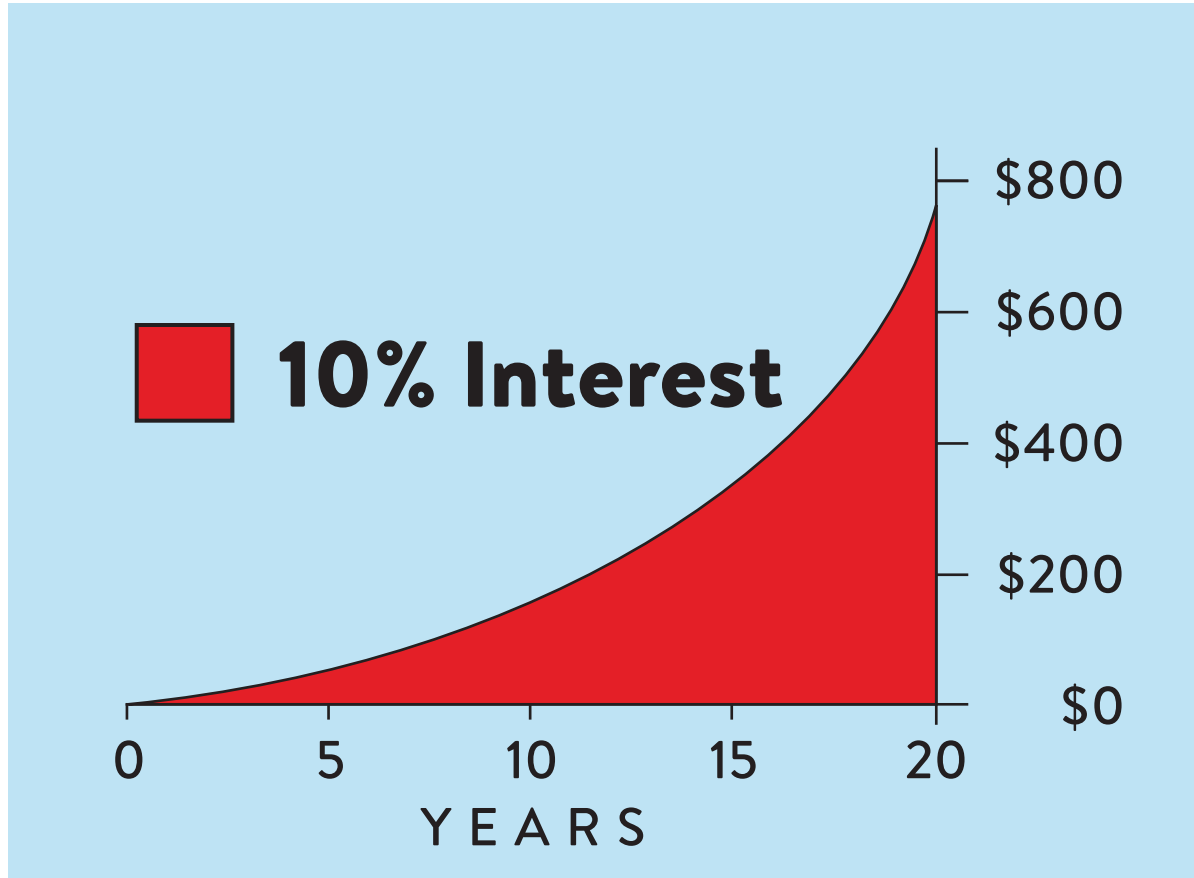


**At 1% interest,**  
you're earning  
just a few  
pennies per  
year; after 20  
years, you've  
earned **only \$20**



With a  
**5% return,**  
you more  
than double  
your money to  
**\$271.85** after  
20 years





And with a **10% return**, your money grows more than seven times to **\$738.70** 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...

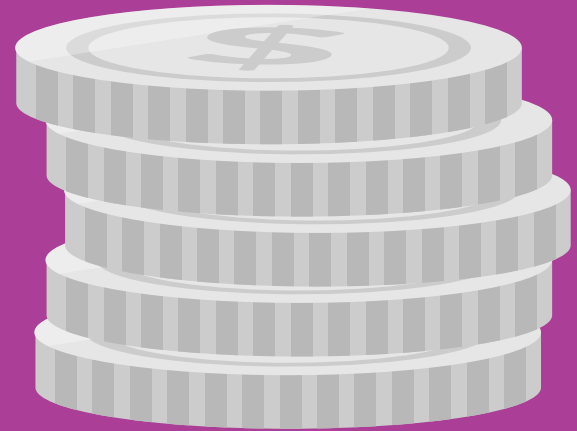
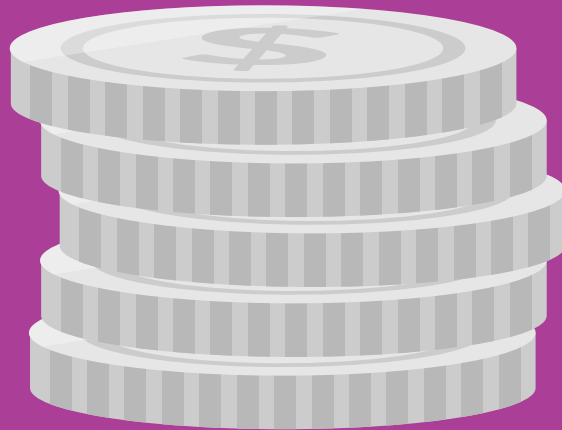
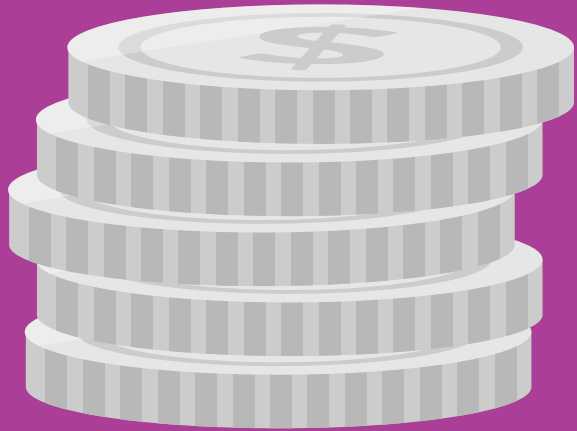
## **BUT I'M ONLY A KID!**

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**?





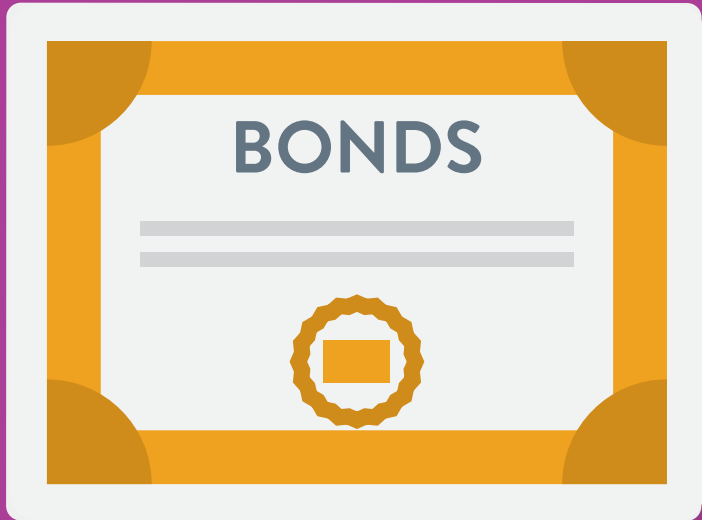
## CERTIFICATE OF DEPOSIT

- 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





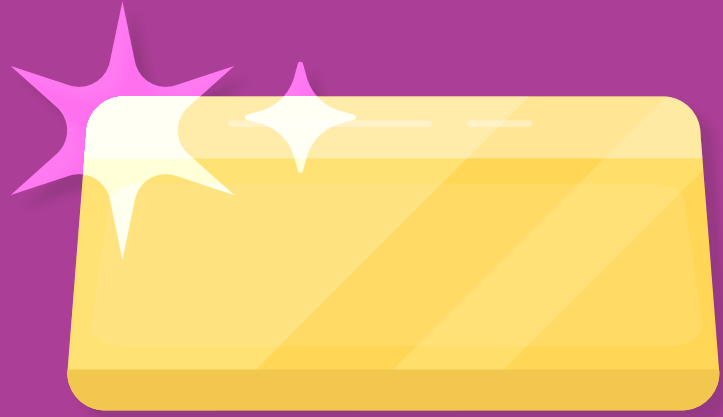
## REAL ESTATE

- 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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