

BUILDING BLOCKS FOR RETIREMENT

Investment Strategy

Now Open: Mom And Dad's School Of Investing

Line up the kids, set up the blackboard, and put the chairs in a semicircle. Investing class is about to begin.

It's never too early to introduce kids to the world of finance. Even very young children can learn basic money skills. So check your lesson plan and get started.



This Little Piggy . . .

Before kids tackle the topic of investing, they need to learn the importance of saving money. One of the simplest ways to teach this is by opening savings accounts for your children. Explain to them that the money they put in the bank earns more money just by leaving it in the account. Your child's school may even have an arrangement with a local bank that allows kids to open a savings account and

deposit money at school every week on "banking day."

Talk About Goals

Suggest that your children save at least part of the cash they get for birthdays and holidays or earn doing chores. Having a specific goal, such as buying a video game or a bike, can make saving easier for kids and encourage them to put money away for the things they want. When children are old enough to learn about investing, not only will they understand the value of saving, but any extra money they've saved can be used to buy their first investments.

Fun with Stocks

As your kids get older, introduce them to some simple investing concepts. Tell them that owning a stock means owning a small piece of a company. If your newspaper has financial pages devoted to investment news, show your child how to read the stock prices. Discuss how a ticker symbol identifies a company listed on a stock exchange and point out a few of the clever ones, such as CAKE (The Cheesecake Factory) and DNA (Genentech), among others.

Got Game?

Most kids like games, so using them to help your child understand the stock market can be fun and instructive. You can find a number of board games at toy and department



stores that show how the market works. If you have a computer at home, consider searching the Internet for investing games that kids can play online.

And don't forget about books. A visit to the library may turn up books on investing written specifically for children in a variety of age groups.

Practice Makes Perfect

Kids can get some investing practice by tracking the stock prices of a handful of companies. Choosing companies that are familiar to them, such as The Walt Disney Company, Chuck E. Cheese's (CEC Entertainment), and The Coca-Cola Company, may make the exercise more interesting and personal. Let them decide how frequently they will check the stock prices — once a day, once a week, etc. Then show them how to keep a log of the price changes to see how well their selections have performed.

Hands-on Experience

Once your kids have some "experience" under their belts, allow them to try their hands at the real thing by investing a small sum of money in a few stocks. Consider setting up a custodial account and having your child contribute part of his or her savings. You may want to offer to match any contributions your child makes.

Some companies allow investors to purchase additional shares or fractional shares of stock by reinvesting their cash dividends through Dividend Reinvestment Plans, or DRIPs. DRIPs can be a good way for young investors to buy more stock.

The most important lesson of all is to make learning about investing fun for kids. Maybe, just maybe, you'll have the makings of the next Warren Buffet in your classroom.

This material is provided solely for informational purposes and does not constitute investment, tax, legal or accounting advice on the matters addressed. Neither Pentegra Services, Inc., its subsidiaries, nor any of their respective employees intend that this material should be relied on as investment advice, which should be sought from a professional advisor. Performance information shown reflects past performance and does not indicate or guarantee future investment results. Current and future results may be lower or higher than those shown. ©2018 Pentegra Retirement Services



701 Westchester Ave, Suite 320E, White Plains, New York, 10604