

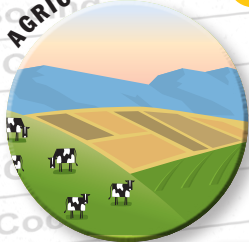
TIME
FOR KIDS

YOUR \$

FINANCIAL LITERACY FOR KIDS

Made possible by
the PwC Charitable
Foundation

AGRICULTURE



DEFENSE

CONSTRUCTION



ENERGY

TRANSPORTATION



BIOTECH

READY, SET, INVEST!

Learn about the stock market and what it means to invest.

TAKING STOCK

If you've ever had a job or done chores to earn an allowance, you know that earning money is hard work. Wouldn't it be nice if that money could grow on its own by working hard for you? It can if you invest it.

Traders at work on the floor of the New York Stock Exchange, on Wall Street

When you invest, you buy a stock, bond, piece of property, or something else that you believe will grow in value. In general, the longer your money is invested, the more it will grow. That's why the best time to start is when you're young, says Avi Lele, CEO of Stockpile. His company allows investors to buy stock through gift cards.

Growth separates investing from saving. If you save \$100 in a bank and it earns 1% interest, in 10 years, you'll have \$110. But if you invest it in the stock market, which has historically increased by an average of 10% a year, in 10 years, you'll have about \$200.

But risk is an element to consider. Money in the bank may not grow in value, but it won't lose value. But stocks and other investments can lose money. Looking back over long periods

of time, we see the stock market has gone up. But during shorter periods, it sometimes has gone down. For that reason, only invest money you will not need for at least five years. If you need that money sooner, you should put it somewhere safer, like a bank.

How Stocks Work

Companies—think Apple, Facebook, and Disney—need money to pay workers and produce products. One way they raise money is by selling pieces of their company, called shares or stocks, to the public. When you buy a stock, you become an owner, or a **shareholder**.

The stock market is like a store in which you can buy, sell, and trade stocks. Stock markets exist all over the world, but many investors in the U.S. use the New York Stock

Exchange or the NASDAQ. If you're under 18, you need a parent or guardian to help you buy stocks.

Your goal is to buy stock, hold onto it while it grows, then sell it for a higher price to make a **profit**. Since individual stock prices vary based on a combination of how well the company is doing at the moment and how well people expect it to do in the future, choosing stocks isn't easy. It's best to do research, says Lele. Start with companies whose products you know, then go online and read about their future plans. There are many opinions, so read several sources.

Consider Nintendo's stock price. Five years ago, one share of Nintendo stock cost about \$21. But over time it fell to about \$12. Why? Its handheld gaming device didn't sell well during that period. But

in the last year, Nintendo's stock price climbed to \$38. Why? Because Pokémon Go became a huge hit.

Lower Your Risk

It's a smart strategy to buy many types of stocks at the same time. Diversifying, or spreading your money out over many stocks, lowers your risk. Even if one goes down, there's a good chance others will do better, says Rick Roman, founder of GiveAshare.com.

One easy way to diversify is to invest in an index fund, an investment that holds many stocks in a particular group at the same time. The S&P 500 is probably the best-known index. It holds shares of 500 very large companies. If the prices of those companies rise overall, the S&P 500 index rises with them. Are you ready to start investing?

—By Kelly Hultgren

POWER WORDS

profit *noun*: a financial gain

shareholder *noun*: someone who owns a part of a company or business

FAMILY CHALLENGE

Pick a stock.

Think of a company you'd like to buy a share in, and explain your reasoning to your family. Then go online to read about how the company is expected to do in the future. Do you still want to buy it? Why or why not?

How to Keep Track

It's good to keep a close eye on your investments and the stock market, both of which will go up and down every day. Here are key pieces of information to pay attention to.

Apple Inc. (AAPL) [Add to watchlist](#)
NasdaqGS - NasdaqGS Real Time Price. Currency in USD
107.40 -0.30 (-0.28%)
As of 11:13 AM EDT. Market open.


Ticker symbol:
 The abbreviation used to identify a company's stock

Color coding: Green to show the stock grew in value; red to show the stock's value dropped

Summary	Conversations	Statistics	Profile	Financials	Options	Holders	Historical Data	Analysts
Open	107.86	Market Cap	579.53B					
Prev Close	107.70	P/E Ratio (Ttm)	12.54					
Bid	107.41 x 700	Beta	1.52					
Ask	107.42 x 2400	Volume	8,739,538					
Day's Range	107.28 - 108.00	Avg Vol (3m)	32,099,142					
52wk Range	89.47 - 123.82	Dividend & Yield	2.28 (2.12%)					
1y Target Est	123.66	Earnings Date	Oct 25, 2016 - Oct 31, 2016					

The close: The price the stock closed at the previous day

52-week high/low: The highest and lowest price the stock traded at during the previous year



A Visit to the New York Stock Exchange

► Finn Lytle talks to Jonathan Corpina, senior managing partner of Meridian Equity Partners.

►► Nicole Petallides, of Fox Business Network, chats with Finn.



◀ Gerard Farco, a floor broker, shows Finn how to make trades on an electronic device.



DON HENY FOR TIME FOR KIDS (3)

On assignment for *Your \$*, Finn Lytle, 13, visited the New York Stock Exchange. He spoke with traders and other experts. Here's what he learned:

What is the stock market?

"It's a place where companies come to raise **capital**," says Robert Airo, a NYSE executive. They can use that money to grow their businesses. It's also a place for individual investors to buy shares of companies.

How do you make money?

"When you buy a stock, there's a price for the stock," says Jonathan Corpina, senior managing partner of Meridian Equity Partners. "You hope that stock [price] goes higher, so

you can sell it and make a profit," he says. "So, for example, if you buy a stock at \$10 and it trades up \$1, to \$11, you make a \$1 profit."

How do you start?

Buy stock through a broker or brokerage company that is licensed to sell stock. "You can pick a company you like," says Nicole Petallides of Fox Business Network. But, she warns, don't invest any money you're not willing to lose.

POWER WORD

capital *noun*: money

Read more at timeforkids.com/nyse.



Meet a Shareholder

Noa Polish, 12, has been a shareholder of Mondelez International (the company that makes Oreos, Chips Ahoy!, and Ritz Crackers) since her ninth birthday. After receiving her shares, she started attending yearly shareholder meetings. "I like listening to the CEO discuss our business," she says. "I even asked a question at the meeting a few years ago—I was nervous at first, but it felt great." A few months ago, she saw the CEO of GoPro on television and is considering buying its stock, too. "My advice is: If you have a company you really like and you trust that the product is good, try investing in it."

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