



## PC's AND UNDERSTANDING

### Understand what you invest in.

Elena invests her allowance in a computer repair business that she doesn't know much about. And when the business fails so does her investment. If you invest in something that you don't understand, you have no way of knowing if it's a good business or not.

**Ask kids:** Why is it important to understand where you put your money? What are some ways to learn about something you don't understand?

**Encourage kids to think things through before they act.**

Just like in business, our everyday actions affect others. Role-play some scenarios with kids to prompt them to think before they act. Some situations: (1) A woman at the store drops her wallet, but she doesn't notice it fall. (2) A friend gives you a video game as a birthday gift that you already have. (3) You've been saving up a for a new guitar, but then spot a baseball cap that you really want.

**Activities:**

1. Imagine your child has \$1,000 to invest in a business. Have your child think of some things he enjoys and knows something about such as sports, clothes, food, technology, or music. Ask: What types of companies would you want to invest that money in? Remind your child that when you buy stock in a company you become a part owner of that business. That's why it's key to understand the business.
2. After you complete the first activity, encourage your child to learn more about the companies of interest. You can find out about them by reading news stories, doing research, and obtaining their annual reports. Encourage your child to look at what is going on in the world. If everyone is buying a certain type of computer, chances are that company's stock will grow. With older children, choose a company's stock to follow and see how it does over the course of time.

**Tip:** Help kids recognize that we often need to be open to someone's point of view so we have a full understanding of a situation before we make a decision. Invite kids to look through magazines to make a collage of words and pictures that represents being open to another's point of view. Or they can write some of their own phrases: *Treat others with respect. Be accountable for your actions. Listen to others.*

