

Get Your Kids Started With

STOCK INVESTING



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It is important for children to learn about stock investing from an early age. We all know how grandparents try to get back at us by overloading our kids with holidays full of latest gadgets and electronics that money can buy. Whether you have \$20 or \$200 stashed away in your kid's drawer, there is an opportunity to get your children started in the stock market. The way you can get them started is by enrolling in a dividend reinvestment plan (DRIP). ***A dividend reinvestment program or dividend reinvestment plan (DRIP) is an equity investment option offered directly from the underlying company.*** The investor does not receive quarterly dividends directly as cash; instead, the investor's dividends are directly reinvested in the underlying equity. (The investor must still pay tax annually on his or her dividend income, whether it is received or reinvested.) Here are a few smart money move ideas to help get you started in a DRIP plan.

1. WWW.COMPUTERSHARE.COM-

This was the first place that we suggest to get a kid into stock investing. When they are learning about topics like percentages in school, being able to track a stock that they would enjoy following is a great idea to buy for them. For example, through Computershare, we were able to invest in something called the McDirect program for McDonald's stock. In a plan like McDonalds, the minimum investment for a custodial account is \$100 or \$500 for a regular account. Today, you only need to buy one share of stock within a custodial account to open up a Computershare plan. When McDonalds pays dividends, they will automatically buy fractional shares of the stock and reinvest those dividends. In addition, you can add money anytime to

2. WWW.ONESHARE.COMPROCESS-

We found this website many years ago and used it generally to purchase presents for family members or friends when they had a new baby. Oneshare is the ultimate way to connect someone to their favorite company. You can choose from hundreds of different companies to literally buy your child one share of their favorite company whether it is Krispy Kreme or Disney. The stock that you buy can be matted and framed for the child, or simply sent in the mail. After you purchase the initial one share of stock, you can add money along the way to continue to buy fractional shares while the dividends automatically get reinvested. There is an upfront registration fee for about \$50, but after that initial fee you'll be on your way to stock ownership.

3. WWW.BETTERINVESTING.ORG-

The National Association of Investors Corporation is a non-profit organization that teaches individuals and investment clubs how to employ fundamental analysis to become successful long term investors. You can get started with them for a small registration fee and then begin buying stock through a dividend reinvestment plan.

One of the great things about getting a stock plan started for your kids is that you can always go directly to the website of the company and purchase the stock directly from the company. You may want to consider getting your kids involved and talk to them about the brands of companies that they truly love. This is a great place to get started, and then see if that particular company offers a DRIP program. Wouldn't it be great if your kids wanted to save more than they wanted to spend? It could be time to start dripping them the path to real financial success.

