Make Money With Your Money

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It doesn't make ~~fun~~ **/ sense** to keep your money at home. You're **tempted / warned** to spend it, and the prices of the things you want keep going **up /down**. The longer you hold on to your money, the **less / more** it's worth. Wait! Don't rush out and spend all your money right now. There are many ways you can save your money so that the **amount /risk** you put in actually grows, even if you don't add a cent more. When you do that, you are making your money earn more money for you. You are **a scrooge / an investor.**

All investors **fear / hope** to get paid for letting other people use their money for a while. Banks, companies, cities, and even countries all **need / avoid** to go to investors – lots of investors – to get the money they need. There **is only one way / are many ways** to invest money. The most common ways are in savings accounts at banks, in bonds, in stocks, and in mutual funds.

Banks **want money from you / pay you** for keeping your money in a savings account. The bank uses your money while it's in **your pocket / the account**. If you want to take out some or all of your money, you **can't do that. / may do that at any time.**

After you open a savings account, you will get bank statements in the mail to keep track of how much money is in your account. Some banks send **love letters / statements** every month. Many bank also allow you to view your account information on line at their Web sites.

When you look at your statement, you can see a record of every deposit and every withdrawal you made. You will also see **the fast food / extra money** that the bank has deposited into your account. That extra money is called **interest / pocket money**. The bank is paying you that extra money because you are letting them use the money in your account.

Bonds are **presents / loans** to companies or governments. The company or government that borrows your money promises **to pay back by specific date / not to use it** and also pay you interest for the use of your money.

When you **invest in a bond / waste your money**, you may get a bond certificate. The bond certificate spells out the details of the bond: how much money has been borrowed, how much interest you will be paid for the use of your money, and the **deadline / reward** for paying you back.

Stocks are small pieces (or shares) of companies. People who own stock in a company are called **shepherds / shareholders**. When you are a **shoplifter / shareholder**, the company may share some of its profits with you... if the company has profits.

When you buy stock in a company, you are not lending money to the company. Companies do not **promise / forget** to pay back money that they get when you buy shares of their stock. If you do want your money back, you **aren't allowed to / may try to** sell your stock to someone else. When you sell your stock, the price of the stock **may / must not** be much higher than it was when you bought it. If that happens, you will make a lot of **money / fun** on the sale. But the price of the stock also can be lower than it was when you **bought /sold** it. If that happens, you will lose money if you sell it.

Mutual funds are collections of lots of different stocks or bonds. A fund **manager / member** chooses a group of stocks (or bonds) for the collection. When you **sell / buy** shares in a mutual fund, you and many other people each own a portion of this whole collection, but you don't own any specific stock or bond. With mutual funds, as with individual stocks, you **can / can't** make or lose money.