



Gifts For Young Investors

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One of the more everlasting gifts is one that will teach young people about personal finances and encourage them to save.

With the number of holidays, birthdays, graduations, and weddings to shop for, many people find themselves drawing a blank when it comes to finding the perfect gift. Nobody wants to spend hard-earned cash buying an unwanted present or something that will get buried in the back of a closet. One of the more everlasting gifts that family and friends can bestow is one that will teach young people about personal finances and encourage them to save. Want to give a gift that keeps on giving? Try this idea as a distinctive gift for young investors.

Stock Shares

Gift givers can purchase a single share of a company through websites such as oneshare.com and giveashare.com. Rules established by the Securities and Exchange Commission prohibit these companies from selling certificates worth more than one share of stock; you can, however, buy multiple, one-share certificates. In addition, to comply with SEC regulations, these companies must provide fair prices on stock shares and market their products as gifts--not investments.

Often, the shares represent kid-friendly stocks--companies that kids have heard of and that they like, such as Disney (DIS - news - people). This makes the gift of stock appealing to young people. Of course, for the high school or college graduate on your list, you can purchase a share of Starbucks (SBUX - news - people). Another option for stock gifts is to purchase a small amount of shares of a particular stock in order to start a DRIP plan. A DRIP is a dividend reinvestment plan, run by a public corporation, which allows investors to reinvest dividends and/or purchase additional shares of the stock directly from the company.