

MONEY MATTERS

THE ✨MAGIC✨ OF COMPOUND INTEREST

Have you ever heard the saying, “Money makes money”? That’s exactly what happens with compound interest. Compound interest is when your money earns money (called interest) and then that new money earns even more over time!

Imagine someone gives you choice the between \$1,000 now or a penny that will double every day for month. At first, it seems like a no-brainer to go with the \$1,000 but if you choose the penny, here’s where things get interesting:

On the first day, you have \$0.01. On the second day, \$0.02. Day three, \$0.04. It doesn’t look like much at first, but by day 30, that tiny penny turns into over **\$5,000,000!** That’s the power of compounding!

Of course, in real life, there’s no magic penny that doubles overnight but compound interest can still work its magic. Even if you start with just \$10 in a savings account, your money grows slowly at first—but over time, that growth adds up. The earlier you begin saving, the more your money can grow, and start reaping the benefits of compounding!



A piggy bank is a great place to start saving but you need to save your money in a bank account in order for it to grow and take advantage of compound interest!





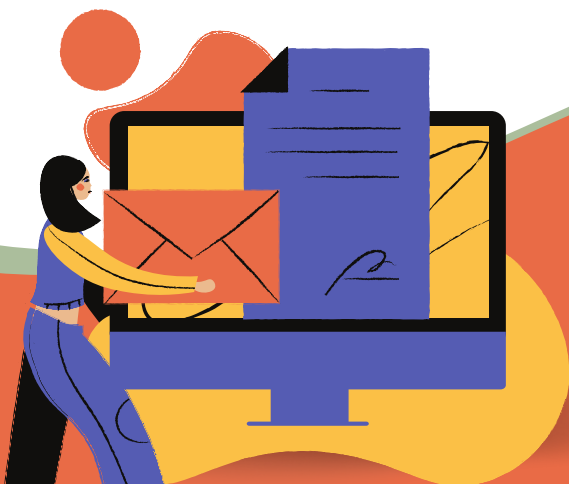
INFLATION 101

LIGHTS, CAMERA...PRICE HIKE?

Have you noticed that going to the movies seems a little more expensive than last year? That's called inflation. Inflation is when prices for goods and services slowly increase over time. Typically, prices tend to go up by 2-3% per year. Inflation is normal, and it affects everything from toys to clothes and even your favorite snacks!

Imagine last summer a movie ticket cost \$10, and a small popcorn was \$5. This summer, the same ticket costs \$11, and the popcorn is \$5.50. That extra cost is inflation in action. The movie theatre charges a little extra to help cover the rising costs of things like hiring staff, slushie machines repairs and even the price of the butter. Over time, prices on your favorite things will creep up little by little, so the money you have today might not buy as much in the future.

One way to keep up with inflation is by saving or investing. (See *page one article on the magic of compound interest*). If you give your money time to grow and earn interest, it can help you keep up with the rising prices!



Want to learn more?

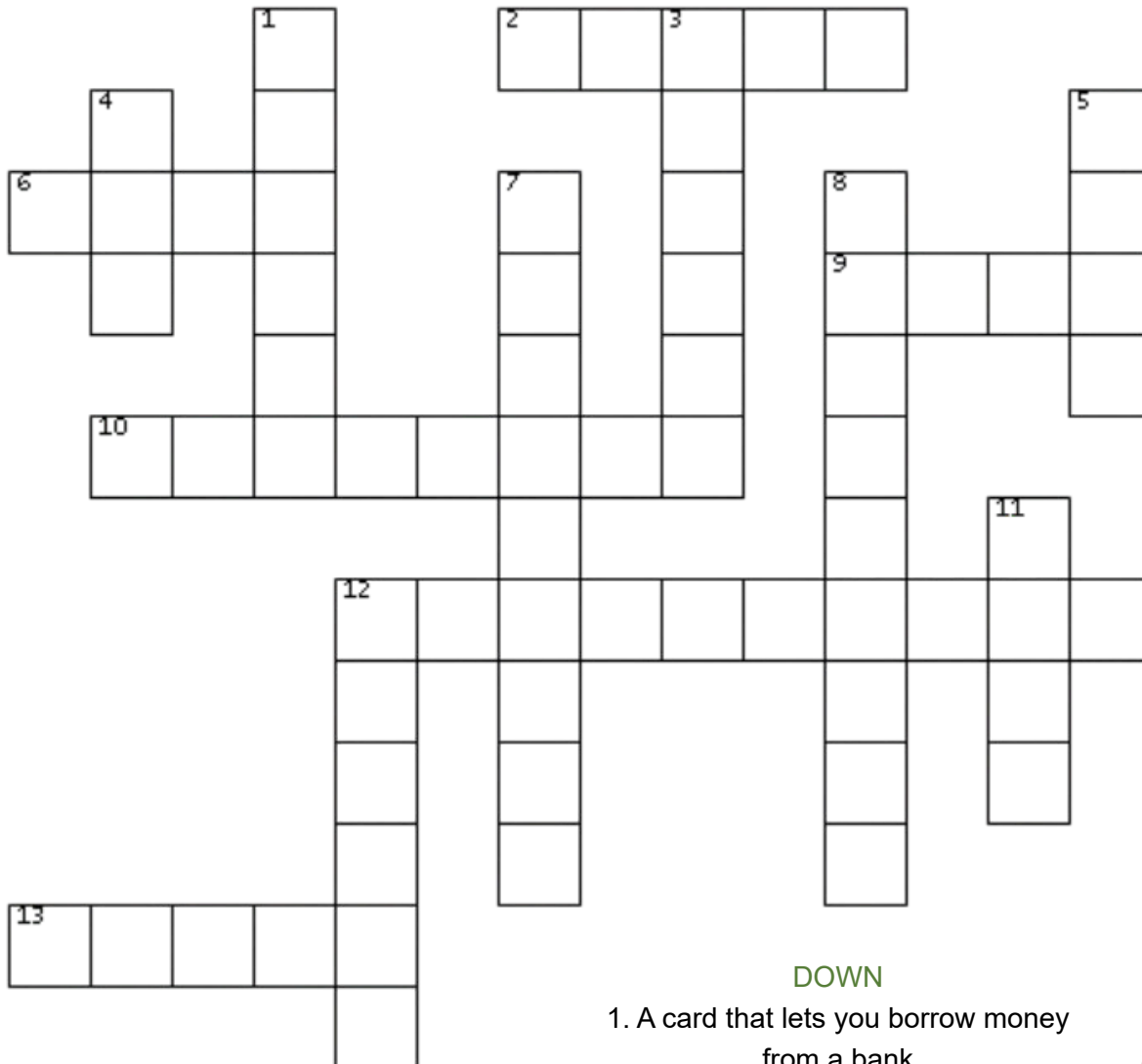
We want to answer your questions! After asking your parents' permission, write to us at marketing@altairadvisers.com and tell us the money questions and issues you would like to see covered in the next edition of Money Matters.

See disclosures at the end of the document

PUZZLE TIME

CAN YOU FIND ALL THE MONEY TERMS?

Let's test your money smarts! This crossword is full of money words like savings, bank, debt, and investing. See if you can fill in all the squares while practicing your money vocabulary. It's a fun way to remember important money terms and show off how much you know!



ACROSS

2. A card that takes money directly from your account
6. You do this with money you set aside for a goal
9. Money someone gives you that you have to pay back later
10. Money earned from savings at a bank
12. Taking money out of your bank account
13. How much something costs

DOWN

1. A card that lets you borrow money from a bank
3. A plan for how you spend or save money
4. To give money in exchange for goods or services
5. A place where you keep your money safe
7. This helps your money grow
8. Money you may get for doing chores
11. Physical money you can hold in your hand
12. Something you carry to hold money and cards

TEEN CORNER:

YOUR FIRST PAYCHECK

You've landed your first summer job—congrats! Whether you're scooping ice cream, lifeguarding, or working at a coffee shop, earning your own money feels amazing. But when your first paycheck arrives and it's smaller than expected, it can be confusing. The amount you earn is called your **gross pay**, but that's not what ends up in your bank account because of taxes, FICA and deductions.

- **Taxes** – A portion of your earnings goes to the government to help pay for public services like schools, roads, parks, and emergency services. These may include:
 - Federal Income Tax – Paid to the national government.
 - State Income Tax – Paid to your state (most states have this).
 - Local or City Tax – Some cities also collect income tax.
- **FICA (Federal Insurance Contributions Act)** – Even though retirement may feel far away, you're contributing to these important programs with every paycheck and you will receive benefits from them in the future.
 - Social Security – Provides income for retirees and people with disabilities.
 - Medicare – Helps cover healthcare costs for people aged 65 and older.
- **Other Deductions** – Depending on your job, there may be additional deductions, such as:
 - Uniforms or Work Supplies
 - Union Dues
 - Retirement Contributions (like a 401(k), if offered - and voluntary on your part)
 - Health Insurance (less common for summer or part-time jobs)

What you actually take home is called your **net pay**. It's important to check your pay stub and make sure everything looks right—you're the boss of your own money now.



GET INTO GOOD MONEY HABITS EARLY

Now that you're earning your own money, it's important to start learning good money habits like saving.

Try to set aside at least 10-20% of each paycheck towards your future goals.

Whether those are short term like a purchase or long term like retirement, Altair can help you learn about different saving vehicles.

PARENT'S CORNER:

WHERE IS YOUR CHILD ENTERING YOUR CREDIT CARD?

With platforms like TikTok Shop, shopping has become incredibly seamless and the line between entertainment and purchasing is becoming almost invisible. Products are now embedded directly into videos and checkout takes seconds with just a tap on screen to add to cart.

For kids and teens, this means they can go from “just watching” to entering payment information in a matter of clicks. Many of these purchases aren't happening through traditional, well-known retailers but through third-party sellers, pop-up storefronts, or links from influencers that may not always be secure or vetted. It can be easy for young consumers to trust a product or a website without fully understanding where their (and your) information is going.

And it's not just social media. App store downloads can lead to unexpected charges as well. A colleague recently shared that her daughter downloaded what appeared to be a simple game, only to discover it carried a \$50 price tag. Because the credit card information was already saved to the device, the purchase went through instantly. Situations like this are more common than many parents realize.



WAYS TO STAY PROACTIVE

Have the conversation early

Make sure your child understands that not every checkout page is created equal. Just because it's on a familiar app doesn't mean it's a familiar or trustworthy seller.

Set boundaries around payment access

Consider removing saved credit cards from apps or requiring approval before purchases are made. Enabling parental controls and purchase authentication settings on devices can add an extra layer of protection and prevent accidental or unauthorized downloads.

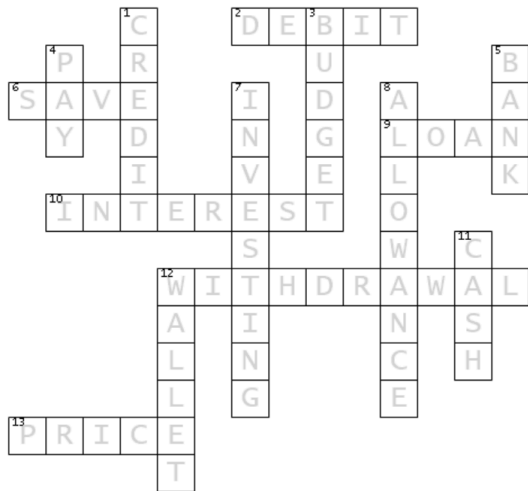
Use this as a financial literacy moment

This is a great opportunity to reinforce that spending isn't just about what you buy but how you buy it and protect your personal information in the process.

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ALTAIR

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Parents: connect with us!

