



Hello parents!

We know talking to your kids about money is never easy, so we created this simple conversation starter to help explain the mysteries of compound interest.

Compound interest can be very complex, which makes sense as many call it the Eight Wonder of the World! In the simplest form, compound interest allows your savings to grow faster over time.

Compound interest is the phenomenon that allows small amounts of money to grow into large amounts over time. It does this by paying interest on the interest earned which grows every month.

Owen and Ella earn the same amount of money and invest it into a savings account that earns 8% interest. Owen starts when he's young because he knows it take time for his money to grow but Ella starts when she is older, and her money doesn't have as much time to grow. Owen ended up with twice as much money because he started young.

For additional information and access to more financial education resources, visit [sctu.org/learn](https://www.sctu.org/learn).

# THE POWER OF COMPOUND INTEREST.

## Owen

Begins saving at 12 years old.  
Saves \$167 each month until he's 22.  
At 58, Owen has \$574,124!

## Ella

Begins saving at 23 years old.  
Saves \$167 each month until she's 58.  
At 58, Ella has \$404,141.

