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My good friend bought himself a used car. It was a bit of a heap, but he planned to fix it up and sell it for a profit. When he got to working on it, he discovered that the engine was in such bad condition the car would likely never run again. So he sold the car for scrap and was told by his parents that the car had been a very bad investment. I think that was the first time I really understood the concept of an investment.

FLIP OVER FOR YOUR NEXT CHALLENGE



EARN THIS NUGGET

Present two investments to your parents. Something that you think would be highly likely to return a profit to you. Discuss it with them and listen to their wisdom as they tell you whether they believe it would be a sound investment or a risky investment. Feel free to have some fun with it.



So, what are investments? Really an investment is anything that we expect to get a return or a profit on. If a person asked you to lend them ten dollars and they would in turn be able to pay you back twelve, then that in itself would be an investment of sorts. If you were to buy a collectible, keep it in mint condition still in the box, the hope would be that in a few years it would be a good investment.

Now, when we hear in the business world about investments, it's normally buying stock in a company or a precious metal like gold. You are buying a portion of something hoping that it will go up in value and then selling it before it goes down.

How is that different from gambling? The difference is that there are experts figuring out what is a good investment and what is not. But they are not always right, so I guess that is gambling as well. Well, Cragman, I don't think that you want to be a gambler. So I want you to look at your world, people you know, and see if you can isolate an investment that you think might return well for you.

