

## 5 Financial Gifts For The Holiday Season

With the holidays in full swing, the chaos of Christmas shopping can be overwhelming to say the least. Especially if you have already fought through traffic and crazed crowds to realize you still have a few more presents left to buy. Sometimes the best gifts are not found in a store at all. Below are a few unconventional financial gifts for the holiday season that carry value long after they are opened.

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### Cold Hard Cash

Instead of getting your nephew socks again this year, consider something he'll actually want. You can't go wrong with gifting cash to friends and family, especially if you're struggling to find the perfect gift for them. This is a great way to show your thoughtfulness without running the risk of buying something they will want to return immediately. Not to mention, it saves time running from store to store or scouring the internet for hours.

There are plenty of ways to spice up gifting cash as well, so that it shows you put some thought into the gift. Create a fun money box for kids by taping cash end to end, roll it all up, place into a tissue box and slip the first bill through a slit in the lid and close the box. They will feel like they are pulling money out for days!

### Fund a Savings Account or CD

From kids to young adults, giving the gift of a savings account or certificate of deposit can have wonderful benefits. These financial tools teach children and teens the value of putting money aside every so often, so they can save up for something special on their own. By setting up a CD for a child, you can explain the value of earning interest over time and even supplement the gift with a tangible activity that drives home the concept. For example, to help your child understand *compounding* interest, put a penny into their piggy bank and for 11 days pay them interest equaling the amount he already has, and by day 11, they will have \$10.24.

Kids aren't the only ones who can benefit from saving. For young adults that are working towards a big life goal, consider funding their savings account or gifting them a certificate of deposit. While material gifts are great to open, sometimes offering financial support towards a loved one buying or renovating a home, planning a trip abroad, or having a child can be the most thoughtful gift of all.

### Stocks, Bonds, and Money Markets

While gifting someone stocks and bonds may sound a bit old school, it really is a gift that lasts a lifetime. Do you know any young adults that were lucky enough to have their grandparents set up a portfolio? It might not have meant that much to them at the time, but now, that person has

a down payment for their first home or a large chunk towards their child's college fund.

Money markets are also a great long-term gift. However, unlike stocks and bonds, funds in a money market account carry even lower risk as they are fully FDIC insured against loss up to the maximum allowable by law and provide immediate liquidity options without penalty from withdrawal. In addition, money market accounts allow you to earn more on your investment than you would on a checking or savings account due to generally higher interest rates.

## Education Savings Plan

If helping a loved one pay for college is on your mind this holiday, opening or contributing to a tax-advantaged college savings plan like a 529 or Coverdell Education Savings Account (ESA) can make great strides in helping reach your child or grandchild's college tuition. Money invested in both plans grow over time thanks to the power of compound interest, and all of the earnings and capital gains grow tax-free. Earnings and withdrawals from a 529 Plan and ESA account are not taxable as long as distributions are used to pay for qualified school expenses like tuition, room and board, student activity fees, books, supplies, and school-required equipment including computers.

Take this gift to the next level by accompanying the contribution with some tangible presents that represent their dream college or education interests.

## Charity Donation

The holiday season is always full of cheer and giving, so what better way to focus your financial gifts for the holiday season than on meaningful charitable causes. A financial gift to a nonprofit or charity goes a very long way in helping their bottom line. From helping children with [Toys for Tots](#) or ensuring children in your community have food this holiday through [No Kid Hungry](#), there are so many ways to spread Christmas cheer this year.

## Get Started

To learn more about [savings](#) and [investment](#) options, current rates, and financial gifts for the holiday season, visit the PlainsCapital Bank website or visit any PlainsCapital branch and speak with a customer service representative.