

Ways to Make Your Savings Grow Faster!

Put cash you don't need right away in three- or five-year CD's. If you need the money and have to break into the CD before it matures, you might pay a six month interest penalty. But that's nothing compared with the penalty you're imposing on yourself by settling for today's low short term rates "just in case."

Money Market Fund

Keep the cash you use for big bills in a money market mutual fund instead of a bank account. You may get free checks and your money continues to earn interest until the check clears. As a rule, money funds pay from 0.5 to 2 percent more than the highest rate you can get with most banks.

Stock Mutual Fund

Buy a mutual fund that invests entirely in U.S. Treasury securities. These are even safer than money market mutual funds and, if you live in a high tax state, they're a better deal. Although Treasury funds often yield a little less than other money market funds, you owe no state or local income taxes on your earnings, so your return is much higher.

U.S. Treasuries

Buy Treasury securities instead of CD's if you live in a high tax state. You can buy Treasuries free through the nearest Federal Reserve bank or branch. Check your telephone book under U.S. Government or ask your own bank for the address. The minimum investment in Treasuries maturing in one year or less is \$10,000; in two or three years, \$5,000; in four years or more, \$1,000.

Check your tax bracket carefully before buying tax-exempt mutual funds. You'll generally net more after taxes, by investing in higher yielding taxable funds if you're in the 15 percent federal tax bracket. Sometimes taxables pay for people in the 28 percent bracket too, but in the highest brackets, tax exempts are usually best.