

Choose the Right Savings Account

Time to find the perfect investment match for your savings. There are four factors to consider when looking for a suitable mate for your money:

1. How liquid does the money have to be? For money you've set aside for unpredictable or irregularly recurring expenses, look for an investment that offers check and maybe even ATM access. Here are the places to look:

- High-yield savings accounts
- Money market accounts
- Money market funds

If your pile of cash will be spent at a specific time—like on your daughter's wedding next year—then you can take advantage of higher returns provided by investments that tie up your money a little longer. Consider the following:

- Treasuries
- Certificates of Deposit (CDs)
- Short-term corporate bonds

2. What interest rate does it pay?

3. How risk-tolerant are you?

4. What will it cost to purchase and maintain the investment?

Use the sheet on the next page to record and compare short-term savings options. Example below:

Type of Account	Return (as of)	How Accessed	Minimum Balance Required	FDIC Insured?	Term	Where Available	Fees, Commissions
ex. Big Bones Bank money market account	4.0% (7/5/06)	Checks, transfers	\$10,000	Yes	N/A	www.Big-Bones.com	None if minimum balance maintained

GOAL

CREATE A CASH CUSHION

WORKSHEET 2 OF 2

Motley Fool Green Light 

Put Your Short-Term Savings to Work

Type of Account	Return (as of)	How Accessed	Minimum Balance Required	FDIC Insured?	Term	Where Available	Fees, Commissions