

MANAGING YOUR MONEY



Getting The Drop On Rising Interest Rates

(NAPSA)—Rising interest rates may actually be good news for consumers who are in a position to make the most of them. Interest rates have risen on a consecutive basis over the past year as the Federal Reserve responds to a number of factors currently affecting the U.S. economy.

Although a rise in interest rates often signifies a booming economy, it also means consumers will pay more to borrow money. A more expensive loan, mortgage or credit card payment can mean an increase in the cost of living for many Americans.

However, consumers should also be aware that these rate increases can also signify an opportunity to earn more from their money. When interest rates go up, the rate of return on various deposit products such as money markets, CDs and savings accounts may also rise. In other words, although investors may be paying more in terms of borrowing, there could also be an increase in interest earned on their cash.

There are many financial institutions that can help you to understand the ways in which savings can grow and work for you. For example, the online-financial services firm E*TRADE FINANCIAL recently began offering a service called E*TRADE Complete™. The service allows customers to view all their accounts in one place and provides an online tool for investors who want to know how to maximize the interest they earn on uninvested cash.

Called the Cash Optimizer, the

tool allows customers to visualize how money in a checking or savings account may be put to better use in a high-yielding money market account. The company plans to introduce another tool called

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the Loan Optimizer, which will demonstrate the benefits of debt consolidation in a rising interest rate environment.

According to Rob Shenk, the company's Vice President, Retail Banking, “Complete provides access to a variety of cash management features that enable investors to move their money from a checking or savings account, where they may be earning low interest, to a higher-yielding product like a money market account.”

As interest rates rise, look to higher-yield deposit products that offer flexibility, such as:

- **Money Market Accounts:** Federally insured accounts that typically offer a high interest rate on savings and offer cash management features such as ATM and check writing.

- **Certificate of Deposits (CDs):** Federally insured accounts that offer high rates of return on money invested for a specific period of time, from three months to six years.

For more information, visit www.etrade.com/complete.