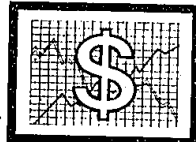


Business

Barry Jensen editor/591-2300



O&E Thursday, January 12, 1984

Short-term investing choices

The best investments often require you to put up money for long periods of time, but there are places to keep cash that you may need quickly. The accompanying table summarizes the various returns available on these vehicles. Comments on several savings outlets follow.

A number of instruments offer relatively high yields, while keeping money accessible. Some examples:

• **Money-market mutual funds.** MMFs have minimum-deposit requirements ranging from \$100-1,000, and they pay yields now averaging 8.55 percent. You can withdraw money at any time, and checks can be written on your account, although many funds set a minimum of \$250 or more for each check. These accounts carry no federal insurance as do the three types described below.

• **Money-market deposit accounts.** For a minimum deposit of \$250, you can open an MMDA with a bank or savings institution. These accounts pay



finances and you

Sid Mittra

market rates — most recently averaging 8.47 percent. Unlike MMFs, whose rates change daily, MMDA rates can be guaranteed for up to a month. As many as six automatic or other withdrawals are allowed monthly. Three of these can be checks, but a minimum size of withdrawal may be required. Cash withdrawals are unlimited. Seven days notice before withdrawals can be required.

• **Super NOW accounts.** With a minimum balance of \$2,500, this account is a type of negotiable order of withdrawal, or NOW — permits unlimited check-writing privileges. The latest av-

erage yield is 7.20 percent nationwide. • **Certificates of deposit.** Short-term CDs — those with maturities of 33 days to one year — now can earn market rates of interest. Six-month CDs are paying 8.21 percent on average; one-year CDs are paying 8.61 percent. Minimum deposits are required, although many are as low as \$100.

• **Treasury bills.** If you had at least \$10,000 to invest, new-issue T-bills are available. Three and six-month bills are auctioned weekly by the Federal Reserve or the U.S. Treasury; one-year bills are sold every four weeks. They are sold at less than face value (similar

to savings bonds), so the coupon-equivalent rate is higher than the quoted rate. A recent six-month bill, for example, sold at a discount rate of 8.81 percent, equal to 9.38 percent at coupon interest.

SEMINAR: The Observer and Eccentric Newspapers and I will conduct our next financial planning seminar from 8-9:30 p.m., Tuesday, Feb. 7 at the Michigan State University Management Education Center, Troy. Subjects may include: Budget analysis, children's education, tax shelter, stocks and bond investments, wills and trusts, financial independence, inflation problems, interest rates, mutual funds, and estate planning. The seminar is free, but registration is required. For more details, call 643-8888.

Sid Mittra is president of Coordinated Financial Planning, Inc., in Troy and a professor of management at Oakland University in Rochester.

	Minimum Deposit	Maturity	Yield
Passbook savings	none	none	5.50%
NOW accounts	varies	none	5.25%
Super NOW	\$2,500	none	7.20%
7-31-day time deposits	\$2,500	7-31 days	varies, now 8.47%
Money-market deposits	\$2,500	none	varies, now 8.66%
Short-term certificates:	varies	3 months	varies, now 9.21%
	varies	6 months	varies, now 9.61%
	varies	12 months	varies, now 10.17%
Long-term certificates	varies	2 1/2 years	varies, now 10.58%
	varies	48 months	varies, now 10.76%
	varies	60 months	varies, now 10.76%
IRA certificates	varies	none	varies
MM mutual funds	\$100-1,000	none	varies, now 8.55%
Bond funds	varies	none	10.8%
Tax-exempt bond funds	varies	none	8.4%
Stock funds	varies	none	4.6%
Treasury bills	\$10,000	6 months	varies, now 9.72%
U.S. savings bonds	\$25	10 years	varies, now 9.38%
AAA corporate bonds	\$1,000	10-30 years	average 12.25%
Common stocks	—	none	average 4.29%
Zero-coupon bonds	\$1,000	6 months to 10 years +	fixed, depends on term of investment

Business Card Directory

<p>OPENING SOON!! <i>Bloomfield - Maples</i> MONTESSORI HOURS: 7:30 - 5:30</p> <ul style="list-style-type: none"> • Pre-School, KG, 1/2 & Full Days • French Language, Suzuki, Computers • 2 1/2 Acres for outdoor play <p>477-3621</p>	<p>SERVING GREATER OAKLAND COUNTY AREA DAWSON TREE SERVICE 40% OFF ALL TREE TRIMMING TRIMMED • TOPPED • REMOVED FREE ESTIMATES LICENSED AND INSURED DEEP ROOT FERTILIZING</p> <p>CLIFFORD DAWSON 373-5264</p>	<p>Specializing in Men's Short Size Clothing 5'8" and under</p> <p>NAPOLEON'S CLOSET</p> <p>SHORT SIZES ONLY 685 S. Adams, Adams Square, Birmingham 642-5282</p>	<p>To place your business card in this directory, call:</p> <p>J. KEVIN CURLEY Retail Advertising Manager</p> <p>Observer & Eccentric NEWSPAPERS 1225 Bowers St., Birmingham, Michigan 48012 (313) 644-1100</p>
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The Psychology Clinic of the Department of Psychology Wayne State University
announces the beginning of two Women's Groups

Emphasis upon skill-training in assertiveness, stress management, attitude change, improving self-image, identifying and expressing emotions, and improving family relationships. Two Women's Groups will meet for 12 weekly sessions beginning Wednesday, January 18, 1984, from 6-8 P.M., and Thursday, January 19, 1984, from 6-8 P.M.

Enrollment in each of the above groups will be limited. A flat-rate initial interview fee will be assessed to each participant, but weekly fees will be based upon a sliding fee schedule.

In addition to the above-noted groups, the Psychology Clinic routinely provides individual and conjoint psychotherapy in the treatment of a broad spectrum of psychological problems.

For further information, contact us at 577-2840 - 71c East Ferry (secure parking in rear of the building).

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