

How to buy securities from U.S. Treasury

"Buddy, can you spare a few billion?"

At least once a week the Treasury asks investors that question. And investors do respond by the millions. In a two-part article we will discuss Treasury Securities.

The accompanying table, prepared by the Federal Reserve Bank of Philadelphia, presents all you ever wanted to know about buying treasury securities.

Next week: treasury bill interest calculation.

SEMINAR: "Is There Anything Nice About New Tax Law?" "Con-



finances and you

Sid Mittra

gress and Tax on Insurance Policies" and "New Investments for 1988." The seminar, sponsored by the Observer & Eccentric Newspapers and Coordinated Financial Planning, will be held from 7-9:30 p.m. Tuesday, June 14 at the Kingsley Inn, 1475 N. Woodward, Bloom-

field Hills. Admission: \$10 (tax deductible) check payable to Oakland University.

For reservations call 643-8888. Sid Mittra is a professor of management at Oakland University and proprietor of Coordinated Financial Planning.

Statistics about women return to pre-war levels

Today's female consumer represents one customer market segment that has gained much recognition in recent years.

From automobile manufacturers now hiring women designers to assist in the development of new-model cars to magazines created especially for America's "new woman," both big and small business have aggressively pursued this customer group. This week's column is the first in a series discussing the effect of women on consumer marketing strategy.

Cosmopolitan magazine recently conducted a study called "The Changing Life Course of American Women." In it were several trends to help management and marketing decision makers better understand the demographic, attitude and lifestyle characteristics of today's American woman — and how these changes have affected decisions to buy particular goods and services.

WHEN WE think of today's "new woman," we often compare her to the women of the last generation. When we analyze the Baby Boom generation to the one that "gave birth" to it, many differences are found.

For those women who were raised and reached adulthood during the Depression and after World War II,



focus: small business

Mary DiPaolo

they did represent a radically different group of women.

After the war, marriage rates increased sharply, age at marriage dropped, and the average age of mothers at the time they had their first child also dropped. These were the women who produced the accompanying baby boom, did not attend college and were not employed outside the home.

The advertising directed at these "traditional housewives" during the '50s, '60s and early '70s portrayed women as being most interested in pleasing their husbands and children with the products and services they bought and used in the home.

AS A RESULT, the current generation of female consumers seems revolutionary in comparison. In reality, this group is more representative of a throwback to that generation of women who reached adulthood prior to the 1940s.

For example, the recent drop in

marriage rates and delayed age at marriage are perceived as radical departures from the past. In fact, the current marriage rate is approximately the same as it had been between 1890 and 1940.

Present increases in women's educational attainment, the rising divorce rate and drops in fertility further identify a pattern of return to historical levels and trends.

The only true revolutionary demographic trend relates to the participation and role of women in the labor force. Because of this new role of women in the labor force, the basic environment in which today's woman lives is very different from that of previous generations.

Mary DiPaolo is the owner of MarkeTrends, a Farmington Hills-based business consulting firm. She is also producer and host of the cable television series, "Focus: The Small Business Environment."

	bills	notes	bonds
maturity	3 months (13 weeks) 6 months (26 weeks) 1 year (52 weeks)	2-10 years	More than 10 years
minimum purchase	\$10,000; multiples of \$5,000 thereafter	\$5,000 for notes with two and three years' maturity; \$1,000 for notes with 4-10 years' maturity	\$1,000
documentation	This security is in book-entry form. As an owner, you will receive a statement of account in four-six weeks.	Registered securities are sent by the Treasury Department via registered mail about eight weeks after issue.	Notes and bonds may no longer be bought in bearer form.
how interest is paid	On the issue date, the federal reserve mails a refund check (discount) representing the difference between the amount you paid and the purchase price, as determined at auction. The refunded amount is not considered interest income until the bill has matured.	Semiannually a check is mailed from the Treasury Department, Washington, D.C.	
where interest is taxable	Subject to federal income tax in the year of maturity. Exempt from state and local income taxes.	Subject to federal income tax in the year received. Exempt from state and local income taxes.	
where to buy	At federal reserve banks, local depository institutions and brokerage houses. Federal reserve banks do not charge a fee for the service.		
how to buy at a federal reserve bank	Applications and backup withholding information (W-9) must be received by the specified time on the date of auction: every Monday for 3- and 6-month bills, every fourth Thursday for 1-year bills.	Sold at various times. There are usually four-six business days between the announcement of the issue and the deadline for the purchase. All requests must include backup withholding information (W-9)	

For the exact date and time of a treasury offering, call 1 (215) 574-6580

how to pay at federal reserve banks

Cash, matured treasury securities/coupons, cashier's check, certified personal check, U.S. savings bonds or a U.S. Treasury check issued to you in payment for a matured security.

Cash: check or draft drawn on a local depository institution, money market or mutual fund; matured treasury securities/coupons, U.S. savings bonds, or U.S. Treasury check issued to you in payment for a matured security.

Checks, for the full amount of the purchase, must be made payable to the federal reserve bank. Third-party checks are not acceptable.

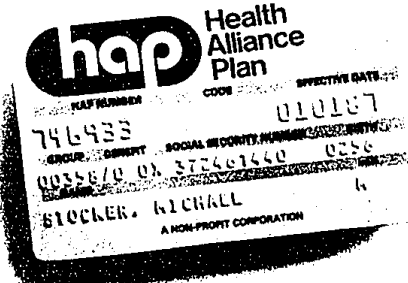
method of redemption

The Treasury Department automatically sends a check on the day the bill matures unless reinvestment was requested.

The security should be sent by registered insured mail to a federal reserve bank 10 days before the date of maturity. A check will then be mailed to the owner. Notes, bonds and coupons can be presented at a federal reserve bank 10 days before, on or after the date of maturity. Securities presented before 11 a.m. on or after the date of maturity will be paid for by a check that is mailed the date the security was presented. Securities presented after 11 a.m. will be paid for by a check mailed the next day. Securities may also be redeemed at some depository institutions.

U.S. Treasury checks issued in payment for matured securities cannot be cashed at a federal reserve bank.

Think of it as a warranty card for the human body.



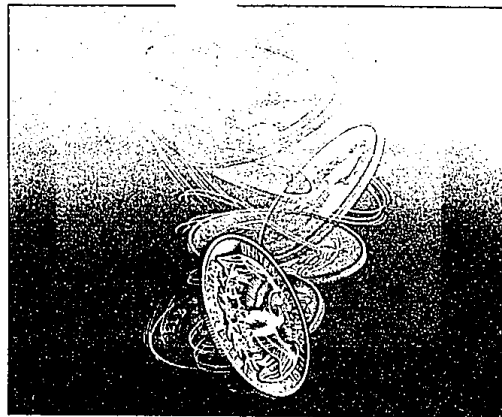
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