

Money Tip -- Interest Rates

As interest rates begin to climb, you may want to consider putting your savings into a Certificate of Deposit. These CD's require a minimum investment – usually beginning at \$250 or \$500 and moving up. Ask your local financial institution.

Look for “specials”. Often these are for 7, 9, 11 or 13 months and offer the best rates. Call around to see where you can get the best rate. Remember to ask if for banks they are FDIC insured or for Credit Unions if they are NCUA insured.

Two other places where your savings can earn interest are passbook savings accounts and money market accounts. Both earn less interest than CD's but are more easily accessible. Funds in a passbook savings account are normally available all the time. A money market account allows you to write a limited number of higher dollar checks. Some only allow three checks per month and each must be for \$500 or more. You would probably still want a regular checking account.

Visit with your financial institution to see what products they offer and see what works for you. Ask questions.

Money Tip -----Payday Loans

Would you pay more than 500% APR (Annualized Percentage Rate) to borrow money? Some people do when they borrow money through one of the payday loan outlets. This is very expensive way to get cash! Traditional banks and credit unions loan money in the 8 – 15% APR range depending on the type of loan and your credit worthiness. Credit cards may charge anywhere from 9 – 29% again depending upon your credit history. Always find out the APR before borrowing money from anyone. It is the way you can compare options.

If you need money, there may be several ways to satisfy your needs. If your utility bill is due, check with the utility to see about emergency assistance. Ask other creditors for more time. Be sure to find out what they charge for late fees. Social agencies have food and other types of support available, also.

By planning your spending, you may avoid the need for payday loans. Carefully track every penny you spend so you know where your money is going. Then make choices as you plan your spending. Check your spending against your plan every few days to see if you are on track. If you are not on track, make adjustments. Increase income or decrease expenses. This may help avoid surprises in the future.

If you have more financial questions please contact Ruth Freeman, ISU Family Resource Management Field Specialist at the Greene County Extension office 515-386-2138 or check the web site www.extension.iastate.edu/greene