



Savings Options, con't

<i>Option</i>	<i>Interest</i>	<i>Liquidity</i>	<i>Safety</i>	<i>Tax Considerations</i>	<i>Fees & Penalties</i>	<i>Minimum Deposit</i>	<i>Convenience</i>	<i>Other</i>
U.S. Savings EE Bonds	Moderate; adjusted two times/year	Low	High, backed by U.S. government	State and local tax exempt; taxable on federal return when redeemed		\$50 to \$10,000 denominations available	Available through employer payroll deduction plans or from some federally insured financial institutions	<ul style="list-style-type: none"> ❶ \$50 - \$10,000 levels; ❷ purchase at half of value; ❸ maturity date depends on interest rate; ❹ once mature, no more interest payments
U.S. Savings I Bonds	Moderate; adjusted according to consumer price index							
U.S. Treasury Bills	Similar to CDs	Defined maturity dates	High, backed by U.S. government	State and local tax exempt; taxable on federal return	Service charge to purchase from bank or broker	\$10,000 minimum	Available from Federal Reserve Bank, local bank, and brokers	Purchase at discount from face value
NOW Checking Account	Low, similar to savings	High	High, insured	Interest taxable	Often higher than regular checking account	Usually required	Accessible by check or ATM	A checking account that pays interest