

## YOUR MONEY MATTERS



Bringing you insight to make the most of your personal finances.

### IS THIS THE RIGHT TIME FOR A CD?

If you're like me, you've probably noticed an uptick in the number of CD (Certificate of Deposit) offers coming your way—either through your bank, credit union or investment account. What gives?

The answer is simple: banks and other lending institutions are expecting the Federal Reserve to begin (slowly) raising interest rates and they want to lock your money in at today's lower rates.

Does this mean a CD is a bad investment now? It depends on your situation.

“ If you're keeping a sizable amount of cash handy for an emergency, a CD might be a good option. With most CDs yielding between 1% and 2% annually, the interest you earn probably won't keep up with inflation, but at least you're earning something. ”

And, because CDs are FDIC insured, your investment is extremely safe. If you do end up needing the money for an emergency, you'll likely have to pay an early withdrawal penalty, which is usually the equivalent of a few months' interest. (As always, check the fine print.)

Some institutions offer variable-rate CDs that pay more when interest rates rise. The downside is that they usually offer a lower initial rate. Over the long-term, even if rates tick up slightly, a variable-rate CD may not pay as much as one with a fixed rate.

Regardless of whether or not the Fed raises rates, if you can tolerate more risk and are not likely to need immediate access to your money, you should avoid CDs and invest your cash in Treasuries, bonds or even stocks, all of which have the potential for higher returns.

To assess the best options for your particular needs, don't hesitate to reach out.

### BUY THE CAR, NOT THE DRAMA

Car dealers are really good actors. As you're negotiating the price, you might hear things like, “If I give you that price I won't make any money” or “My boss will fire me if I go that low.” Don't believe a word of it.

Dealers make a profit on just about every car they sell. Aside from charging you more than they themselves paid for the car, many of them:

- Receive a percentage of the sale price back from the manufacturer
- Earn manufacturer incentive payments for selling slow-moving models
- Charge you loan financing fees (if you're financing through the dealership)
- Make money by selling you a service plan or extended warranty
- Get you accustomed to having your car repaired by their service department, where profit margins are extremely high.



In short, when the crocodile tears start falling, offer a tissue and stick to your price.

### THE OVERLOOKED KEY TO SUCCESSFUL DATING IS GOOD CREDIT

According to a joint research project conducted by Discover and Match Media Group, 58% of online daters say a good credit score is more attractive in a potential partner than driving a nice car. 50% say it's even more important than an impressive job title. And 40% say they favor good credit over physical fitness.

The reason? According to Kate Manfred, vice president of brand communications and insights at Discover, it's because credit scores don't lie. “They tell the truth about who you are as a person and how responsible you are, which is incredibly correlated with how much of a good companion you'll be in life.”



Read more about the survey and its insightful results [here](#).

PLEASE NOTE: The information being provided is strictly as a courtesy. When you link to any of the web sites provided here, you are leaving this web site. We make no representation as to the completeness or accuracy of information provided at these web sites.



[info@kramerwealth.com](mailto:info@kramerwealth.com)

Kramer Wealth Managers

<http://www.kramerwealth.com>

