**How to tell the difference**

|  |  |  |  |
| --- | --- | --- | --- |
| **What is a...** | **How long do you own it**  | **If you make money with this, what is it called**  | **Who do you buy it from?** |
| **Stock** | Until you sell it | Dividend | Stock Broker |
| **Bond** |  |  |  |
| **Insurance Policy** |  |  |  |
| **Mutual Fund** |  |  |  |
| **Certificate of Deposit (CD)** |  |  |  |
| Pick 3 different banks and research their interest rates for CDs for the following periods: |
|  | **Bank 1:**  | **Bank 2:**  | **Bank 3:**  |
| **6 months** |  |  |  |
| **12 months** |  |  |  |
| **18 months** |  |  |  |
| **24 months** |  |  |  |
| * **Take a hi-liter and hi-lite the best rate for each time period (i.e. if bank 3 has the best rate for 6 month CD then hi-lite that box)**
* **Which bank appears to have the best overall rates for CDs?**
* **Why do you think investors recommend you stagger your investments in CDs so that your money is maturing every 3 to 6 months?**
* **If you had $10,000 to invest where would you put it?**
 |