

# Money Matters

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## Online Savings Accounts: Earning Secure, High Yields No Matter What The Market Does

(NAPSA)—With many investors having discovered their risk tolerance isn't what they thought it was—*who knew you could lose money on that "hot" penny stock?*—there's still a way to grow your nest egg and sleep at night.

Online savings accounts are offering interest rates that look pretty darn attractive right now. Some are as high as 3.25 percent APY, which trumps by a mile the normal 1 percent or less you're lucky to get at traditional banks.

"Most people have no idea about the amount of money they're leaving on the table by not moving their savings balances to a higher-yielding account," says Catherine Graeber, an analyst with Forrester Research.

In fact, according to Forrester, one-third of consumers who hold more than \$10,000 in liquid assets in the bank never bother to check competing rates for the best deal on savings accounts.

Economists believe we can look for that to change as the current economic turmoil plays out. Currently, only about 10 million U.S. households have opted to take advantage of online savings accounts' higher yields. The market research firm Celent, however, is predicting that number will more than double to 23 million in the next two years.



**Interest rates on online savings accounts can be far higher than those at traditional banks.**

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One online account that's won kudos from the likes of the financial publication Kiplinger's for the ease with which savers can access their funds is HSBC Direct, launched in 2005. While accounts can be managed entirely online, money can be accessed 24/7, and funds can be transferred online to and from other bank accounts.

"Cash investments are back in a big way," says HSBC Direct spokesman Kevin Martin. "And people have flocked to online savings accounts as traditional savings yields continue to shrink."