

# Managing Your Money

## Understanding Interest Rates

(NAPSA)—If you've ever had a mortgage, a car loan or a student loan, you know that today's economy is fundamentally linked to interest rates—and understanding them can make a difference in your own finances.

To help, one of the world's leading derivatives exchanges created a new video to explain interest rates and the economy.

Called "The Ins and Outs of Interest Rates," it shows how businesses manage interest rate risk and how that affects both banks and their customers.



### **A new video helps you understand the ins and outs of interest rates.**

For example, when you take out a mortgage, the lender determines the rate of interest on the loan. This rate is heavily influenced by the overall economy's interest rates.

The bank, in turn, pays interest to the Federal Reserve Bank, the central banking system of the United States. Think of it like this: If the bank is your lender, then the Fed is the bank's lender. Since these interest rates move all the time, the bank is constantly exposed to price risks that will shape how much money it loans out, and at what rate.

"The topic of home mortgages and interest rates is extremely important for the U.S. financial system. Given the current climate, we wanted to outline the importance and value of managing interest rate risk on the economy and on individuals—whether they are in the markets or not," explained Anita Liskey, CME Group Managing Director, Corporate Marketing & Communications.

With easy-to-understand content that everyone from students to experienced market participants can find informative, Futures Fundamentals, the online resource behind the video, takes investing concepts such as futures, hedging and speculating and shows the essential role they play. The goal is to make financial education an engaging experience for anyone, regardless of how well versed he or she is in the world of finance.

You can learn more about this and other videos at [www.futuresfundamentals.com](http://www.futuresfundamentals.com).