

market maven

BY GEORGE MANNES



I'm saving \$700 a month for my children to attend private school starting in the fall. Tuition is due semiannually. **How can I maximize my return while keeping the money safe and liquid?**

—Susan Hermann, Orland Park, Ill.

Answer Buy short-term certificates of deposit, advises Cindy Menker, a planner at Contour Financial in your hometown. They yield more than a money-market fund today. And unlike with fixed-income mutual funds, there's no risk of losing money. To get the most yield, pick the longest maturity you can, as long as the CDs mature before the tuition comes due. (If you made early withdrawals, the interest penalties would spoil the strategy.) Not all banks, however, make it easy to buy a \$700 CD every month. One that does is GMAC Bank (gmacbank.com), which in May was offering a six-month CD with an annualized yield of 3.65%, for minimum deposits of \$500.

Looking for some answers?

MONEY wants your questions about investing strategy. (This column can't comment on individual portfolios.)

E-mail us at invest_questions@money.com.

Please include your hometown.