

## How to make good choices in low interest rate environment

October 12, 2010 – As published in The Naperville Sun

By Ron Davidson

Interest rates are the lowest in our nation's history. What should you do to be sure you are making good choices given the low interest environment? If you're planning to borrow money, this is a good time. If you're seeking savings solutions you may need assistance determining where to put your money in this situation.

If you own your own home, refinance at a lower rate. With 30-year fixed mortgage rates under 5 percent, you can realize a substantial savings on your monthly mortgage payment. If you're in the market for a new home, condominium or townhouse, now is a great time to buy. Currently we are experiencing a real estate buyer's market making home prices more affordable and negotiable.



Ron Davidson,  
Vice President and  
Senior Private Banker

Naperville has always been a great community in which to live and buying property here is a good investment in the long run. Its many amenities include the Riverwalk, Centennial Beach, beautiful neighborhoods and parks, world-class school districts, a nationally recognized library, museums like Naper Settlement and the DuPage Children's Museum and other cultural activities, numerous colleges and universities and excellent municipal services.

For homeowners, a home equity line of credit tied to the prime rate is an option to consider if you have high-interest credit card debt to pay off. Most often this will reduce the interest rate at which you are repaying the debt lowering your overall monthly payments and freeing up money to save or invest for the future.

But where can you put your savings in a low-interest environment? First consider if you will need the money within the next six to twelve months or if you are saving for the long term, such as retirement. For the short-term, a CD or a money market account might be the right choice. But for long-term solutions, such as retirement, an option is to seek the help of a financial planner.

Financial professionals can tailor investment solutions for each client using a disciplined approach to investment success. The goal of asset allocation is to deliver the most return for a given level of risk, but it requires that investors be realistic about return expectations and their comfort with market ups and downs.

No matter what strategy you choose to ensure your financial future, there are plenty of options to consider, even in this current low-interest climate.

*Ron Davidson is a vice president and senior private banker with Harris Private Bank in Naperville. He may be reached at [Ron.Davidson@HarrisBank.com](mailto:Ron.Davidson@HarrisBank.com) or (630) 420-3555.*