

A Letter from the Publisher

"**R**evolution" is not a word that TIME uses lightly, but this week's cover story on the dramatic change in the way Americans are saving their inflation-pinched dollars fully serves that billing. In interviews with bankers, brokers and investment-fund analysts around the country, TIME correspondents found the financial world in an unprecedented upheaval over the decline of traditional savings programs and the rise of complicated new ways of investing money at unheard-of interest rates. Says Denver Bureau Chief Richard Woodbury: "Never before have there been so many options or persuasive pitchmen telling you where to park your money." While walking to the office every morning, New York Financial Correspondent Frederick Ungeheuer found that interest rates posted outside banks were changing so fast they reminded him of "numbers inserted on the old railroad departure and arrival boards." Says Senior Editor George M. Taber, who edited the cover story: "When we were growing up, investment decisions were made for a lifetime. Now we are bombarded with a cacophony of business jargon about various accounts and funds, which has created

vast confusion, even though it is of great benefit for consumers. While trying to make sense of this whirling new world of savings, staff members at work on the story gave some thought to their own savings. Like many consumers, they developed mixed feelings about the new financial revolution. Marc Leason of the Atlanta bureau wonders if "the time involved in setting up a new investment plan outweighs much of the benefit." Staff Writer Edward Scharff, who wrote the story, has invested in money-market funds but still keeps a conventional savings account. Says he: "It's nice to know you have money in a local bank where you can touch it and see it." But Editor Taber takes a bright view of the new savings opportunities, though his daughter Lara, 10, may not. Lara deposited all her savings (\$9.81) and a \$25 parental loan to ensure the required minimum balance in a local bank one year ago. She returned to the bank last month, eager to see how much interest she had made, only to learn that even with interest her \$9.81 had shrunk to \$5.48. The bank had deducted a new service charge for small



Senior Editor Taber, right, with Business section staffers

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