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How to Squeeze More Yield From Muni Bonds.

Considering investing in municipal bonds for tax-free income? Let's start with the bad news: The main muni index, tracked by the iShares National Muni Bond exchange-traded fund, yields just 3.1% right now, or 4.3% on an after-tax basis for those in the 28% federal tax bracket. Compare that to a 5% yield in a money-market fund.

Not that enticing, right? That's what *Barron's* concluded in its <u>review</u> of the best income investments for 2024.

Still, plenty of investment strategists like the safety of the asset class and are finding different ways to squeeze a bit more juice from the lemon. Munis look even better for individuals in a top bracket in a high-tax state, where that 3.5% is the equivalent of a 6% taxable yield.

Continue reading.

Barron's

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