

Types of Savings Accounts

What is the BEST way to save your money? You would think you want the highest interest rate right, to get the most bang for your buck? Let's compare types of savings accounts to see which would be the best option for YOU!

[Helpful Link](#)

COMPARE: Types of Savings Accounts

There are multiple types of savings accounts that can help you meet your savings goals. You'll explore and compare four different types of savings accounts in this activity by first researching the basics of the accounts, then applying what you have learned about those accounts to various saving goal scenarios!

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Type of Account	Description	Typical Interest Rate (high or low)	Typically Minimum Balance (high or low)	Add to balance regularly?	Is it FDIC insured?	Write checks / pay bills directly?	Money stuck for a set time?
Traditional Savings Account							
Online Savings Account							
Certificate of Deposit (CD)							
Money Market Account							

Part II: Apply Your Knowledge!

Congratulations - you now have a deeper understanding of how various types of savings accounts can be used for different savings goals! Now that you know more about the details on these different accounts, apply your learning by helping out the following characters by reading each scenario below and selecting which type of savings account, from the 3 you've chosen above, fits best.



Robert wants to get serious about saving for a new car. Which account would you recommend? Why?

Cindy has been working for 8 years, and she's built up a huge emergency fund -- \$45,000, which would be 6 months of her salary. She's hoping to earn a bit more interest than she currently is with that \$45,000 just sitting in her traditional bank's savings account. Which account would you recommend? Why?

Janelle likes to keep all her savings goals separate, so she has an account for each one, including an account to save for her college textbooks every semester. She buys books about every 6 months, with roughly \$550 due each time. She likes to save the money up in installments, with auto-deposits from each of her twice monthly paychecks. She's wondering if her online savings account, earning 0.75%, is still her best option for monthly deposits toward her textbooks. Which account would you recommend? Why?