

Background & Definitions



Checking Accounts

The average American writes about 250 personal checks a year, making checking accounts an essential part of the banking process. Most banks offer different types of checking accounts—with or without per-check fees, minimum balances, and interest—so it's a good idea to research your options before deciding which is best for you.

Savings Accounts

One of the best ways to see your money grow is to deposit it in a savings account, where it will earn interest. Most banks offer a few different types of savings accounts:

- **Statement Savings** accounts usually require the smallest minimum balance but also pay the lowest interest rates.
- **Money Market** accounts generally earn higher interest but also require a larger minimum balance than Statement Savings accounts.
- **Certificates of Deposit** generally yield the highest interest rates but may require larger minimum balances than other types of accounts and give you the least access to your money. The money you deposit in a Certificate of Deposit cannot be withdrawn for a set period of time—anywhere from eight days to five years. This is a good option for funds that you wish to put aside for future expenses such as college.

Electronic Access/Services

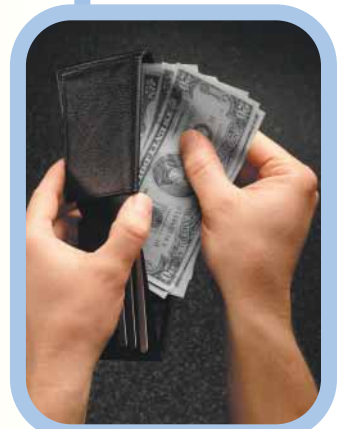
Gone are the days when customers had to do all of their banking between the hours of 9 A.M. and 3 P.M. Nowadays, you can handle most banking transactions—including withdrawals, deposits, and transfers of money between accounts—by using telephone banking, Internet banking, or an ATM (Automated Teller Machine). ATMs make your money available to you 24/7. Most ATM cards can be used at other bank machines—even in other states or countries—although you may have to pay a fee for this convenience.

Loans

While your day-to-day expenses should never exceed your income, you might need to get a loan to cover larger costs like college tuition, a car, or a home. When you obtain a loan, you borrow a specific sum of money (principal) and agree to pay it back, with interest, within a certain amount of time (term).

Banks also offer a wealth of other services—including credit cards, investments, financial planning, retirement plans, and more. Visit your local bank to learn about the many options available to you.

Please note that in order to open an account in some states, minors under the age of eighteen require a parent or legal guardian as cosignatory.



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