

SETTING YOUR FINANCIAL COURSE

Banking and Where to Park
Your Savings



Agenda

- How to Choose a Bank
- How and Where to Save
- Saving for Retirement



Banking

Shop for a suitable bank

- Fees
- Interest Rates
- Online Resources
- Hours, Branch and ATM Locations



Where to Park Your Savings

Identify the appropriate saving vehicle

- Savings accounts
- Money market accounts
- Money market mutual funds
- Certificates of deposit (CDs)



Savings Accounts

Interest	Low
Access	Easy
Insured	\$250,000
Fees	May require minimum balance

Money Market Accounts

Interest	Higher than savings account
Access	Easy
Insured	\$250,000
Fees	May require minimum balance

Is a money market mutual fund insured by the FDIC?

- Yes
- No

Money Market Mutual Funds

Interest	Higher than savings acct and Money Mkt. Account
Access	Easy
Insured	Low Risk (Not covered by FDIC)
Fees	May require minimum balance

Certificate of Deposit

Interest	Highest
Access	Commit to time period
Insured	\$250,000 through insured bank
Fees	Fee if you take money out early

Evaluating Savings Options

Pros

- Easy to deposit and withdraw
- Low risk
- FDIC insurance for savings
- MM accounts and CDs purchased through banks
- Insurance available for MM funds

Cons

- Low interest rates
- Money has little chance to outpace inflation
- May require minimum balance to avoid fees

Take Action

- Get your budget on track with the AARP Budget Calculator at aarp.org/money
- Find low fee banking accounts at websites such as bankrate.com and moneycentral.msn.com
- Make sure your bank accounts are completely insured at FDIC



Take Action!

- Compare rates on savings vehicles at bankrate.com
- Make sure your money is insured at fdic.gov
- Don't put more than \$250,000 into any single FDIC insured account



Save for the Future - Retirement



- How much should you save?
aarp.org/RetirementCalculator
- Learn about Social Security
ssa.gov
- How can retirement accounts work for you?
- How will your funds last?

Set Your Financial Course



Manage Your Money

- www.aarp.org/FinancialFreedom
- www.aarp.org/OrderFinancialPubs
- www.aarp.org/ReadyForRetirement