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| Popular Savings Options | | | |
| Type | Where | Pros | Cons |
| Savings Account | Any bank or credit union | * Low minimum balance requirement * Able to remove or add money to the account * Interest is applied to the account, usually each month or quarter * Insured | * Low interest rates, which may change over time |
| Money Market Deposit Account (MMDA) | Any bank or credit union | * Higher interest rates than with regular savings accounts * Able to remove or add money to the account * Interest is applied to the account, usually each month * Insured | * May limit how many times money can be removed each month * Required first deposits are higher than for regular savings accounts * May require a minimum balance to avoid fees |
| Certificate of Deposit (CD) | Any bank or credit union | * Higher interest rates than for regular savings accounts and MMDAs * Interest rate stays the same for specific length of time * Interest might be applied more often than with savings accounts or MMDAs * Insured | * Low interest rates * Money isn’t available until a specific date * Penalties for cashing in CD early |
| U.S. Savings Bond | Bonds are sold online by the U.S. Treasury at www. treasurydirect. gov | * Buy in amounts of as little as $25 * Fixed interest rate for up to 30 years | * Interest adds up but isn’t paid until you cash in the bond * Low interest rate * Penalty if cashed in within the first five years |