

Finding a place for savings

Once you've decided to save you should decide where to keep your saved money.

It's one thing to start saving money. It's another to figure out where to actually store that money for safekeeping. There are many places you could keep your savings, each offering specific risks and benefits. Some things to think about are how secure it is, whether there are costs associated with keeping it there, and how accessible it is.

For example, keeping savings in a secret place in your home is easily accessible and is free, but may be less secure in the case of theft or a fire.

On the other hand, a bank or credit union could be less convenient, but is very secure. The Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) guarantee that the money people deposit will be there when they want to withdraw it. So, if you have less than \$250,000 deposited in a checking or savings account at an insured bank or credit union, you'll get all your money back if the bank or credit union fails.

Weighing the benefits and risks of each place can help you decide what works best for your savings.






What to do

- **Carefully review the benefits and risks** of each place to keep your savings.
- **Write down what questions you have** about options that may be right for you.



Finding a place for savings helps ensure it's there when you need it

1. Evaluate the benefits and risks of each place to keep your savings.
2. Write down questions you have about options that you think could be right for you.

	 BENEFITS	 RISKS	 QUESTIONS I HAVE
 Account at bank or credit union (savings, checking, or share draft)	<ul style="list-style-type: none"> ▪ Money is protected if the institution is federally insured, up to \$250,000 per depositor ▪ Money can't be lost, stolen, or destroyed in a fire or other disaster ▪ You can generally get it back if someone steals it by using electronic means or a debit card 	<ul style="list-style-type: none"> ▪ May be charged fees if you don't follow the rules for the account, such as having to keep a minimum balance or overdraft fees ▪ May be difficult to open an account based on previous banking history 	
 Family member or friend	<ul style="list-style-type: none"> ▪ No costs to maintain it 	<ul style="list-style-type: none"> ▪ Can be lost, stolen, or destroyed in a fire or natural disaster ▪ Might put your friend or family member at risk of a home invasion ▪ May put your money at risk if your friend or family member betrays your trust 	

**BENEFITS****RISKS****QUESTIONS I HAVE**

Home

- No costs to maintain it
- Easy to access
- Convenient

- Can be lost, stolen, or destroyed in a fire or natural disaster
- Might put you at risk of a home invasion



Prepaid card

- Easy to access
- Convenient
- No bank or credit union account needed

- May have fees for activation, loading funds, using the card, etc.
- May not have the same protections as a bank account if your card or account information is lost or stolen

Note: Check the card agreement to make sure you understand the fees and review the "Knowing your prepaid card rights" handout in Module 8.



U.S. savings bonds

- The money can't be lost or destroyed in a fire or other disaster. If you have a paper bond, the funds can still be recovered

- You lose some of the interest if you cash the bond before it matures
- More difficult to access if you need the money right away

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