



METHODS OF SAVING MONEY

One saves for several reasons such as for a college education, buying a new car, for a new TV set you wish to acquire in three to four months time, for down payment on a home, or to provide for yourself when retirement comes.

As much as there are several reasons for saving, there are likewise many methods in which one can save. In most instances, the best method can be determined by whatever plans you have for the future.

1. Savings accounts. When saving for just a short period or for emergency purposes, consider opening a savings account passbook, as it is in this method that you can easily gain access to your funds.

Great for both long and short term savings, you can deposit and withdraw money to your account and earn interest, based on your average daily balance. A minimum balance is required to be maintained though, and you are charged with a penalty should you fail to maintain it.

2. Checking account with interest. Here one can benefit from checking account conveniences, while your deposits gain interests. Generally these types of accounts grants privileges such as limitless withdrawal and check writing, access to ATM and bill payments that can be done online.

This method typically requires a daily maintaining balance of at least \$2,000.

3. Money market insured accounts. For long-termed goals, this method is ideal, as it generally offers a much higher rate of interest compared to a regular or standard savings account.

The interest rate usually is dependent on the amount of money in your bank account; larger balance means higher interest.

4. "CD" or Certificates of Deposit. This is a savings method requiring you to "loan" your money to your financial agency for a certain time frame, usually ranging from thirty days up to five years. Here, the longer the time span again, means higher interest.

Keep in mind that usually insurance companies offer better deals on interests compared to banks, so before you invest, compare rates first!

At certain times, when your goal is many years away, it can be a wiser decision to save money in a certain way that you are not drawn on using it other than the main reason for saving it. Deciding on the right financial agency such as a bank, credit union or insurance firm can bring about a lot of benefit in your finances.