

Savings Account Types

Option	Interest	Liquidity	Safety	Tax Considerations	Fees & Penalties	Minimum Deposit	Other
Regular Savings Account	Relatively low	High	High, federally insured	Interest is taxable	Usually none	Varies, usually less than CDs or money market deposit accounts.	Funds usually accessible by ATM.
CDs (Certificates of Deposit)	Moderate; rate usually increases as term lengthens	Low	High, federally insured	Interest is taxable	For early withdrawal	Often \$500 to \$1000.	Require a commitment from 3 months up to 7 years.
Money Market Accounts (at financial institutions)	Usually higher than savings	High	High, federally insured	Interest is taxable	Usually minimal	Often \$1000 or more.	Limited check writing often available.
Money Market Mutual Funds	Usually higher than money market deposit accounts	High	Not insured	Interest is taxable	Usually minimal	Usually relatively low.	Limited check writing usually available.
Club Accounts	May be lower than regular savings	High	High, insured	Interest is taxable	Possible for early withdrawal	Usually very low.	Accounts require deposits on a regular basis for special purpose.