Better Know Your Bank Accountsâ€“ and Leverage Your Cash!

by Jess Hall

Article published on December 1st 2011 | Finance

Some 20 million Americans do not have any type of account. For many people, this is because of the difficult economic times we face these days; for some it is due a lack of knowledge about banking or any number of misconceptions about how a bank operates. And there are many people who do have bank accounts of some type yet do not take full advantage of all they can offer.

Most people think of their bank as merely a safer place to store money than stuffed under the mattress. While that is certainly true, if thatâ€™s all you think it can do for you, think again! Yes, the basic function of a checking account, the most commonly held account, is to deposit money into your account and, as needed, withdraw cash. But why use cash when you can use checks or debit cards? These are more secure forms of payment as they can be tracked, monitored and replaced, unlike cash.

While many folks know that various types of accounts make interest, few realize that even a checking account can make you money if you can always keep a certain amount of funds in it. So you get the ease of cash with your checks or debit card, the security of a bank (not to mention the FDIC!) and you can make some money just for using a checking account!

And then we move on to savings accounts, Money Market accounts and CDs. A savings account operates much the same as a checking account, in that you put what cash you want in and withdraw when you need it, albeit less frequently than with your â€œeverydayâ€• checking account. The fact that yo use this money less often allows institutions to offer you a higher interest rate on savings accounts, so simply put, the more you put in, the more you make.

Money Market accounts and CDs often yield you the best interest rates, but come with minor caveats. Money Markets usually have higher minimum deposit requirements and CDs offer you a window for withdrawal and deposit, then are inaccessible for a period of time (it can be measured in weeks or months, depending on the account). If you can afford to leave a chunk of cash in the account, though, these accounts work for you over time, making you more cash!

Article Source:
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Jess Hall is a personal finance writer located out of Jersey City. She likes to share with others how she manages to achieve a financially fit lifestyle. Her latest articles talk about the importance of knowing the pros and cons on your a bank accounts. Other articles that she likes to read include a https://www.aurorabankfsb.com/articles/banking-articles/avoid-35-cheeseburger-overdraft-protection-your-checking-accounts.

Article Keywords:
bank

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