

VOCABULARY

- _____ Setting aside income for a period of time so that it can be used later.
- _____ Account that pays interest, has no maturity date, and from which funds can be withdrawn at any time without penalty.
- _____ Account that pays relatively high rates of interest, requires a minimum balance, and allows immediate access to funds.
- _____ Savings plans that require savers to leave their funds on deposit for certain periods of time.
- _____ Period of time at the end of which time deposits will pay a stated rate of interest
- _____ Time deposits that state the amount of the deposit, maturity, and rate of interest being paid.

NOTES

Main Idea

Savings consist of _____ set aside for _____.
How does that benefit YOU (the individual)?

How does that benefit THE ECONOMY?

1. _____
2. It allows businesses to _____, which provides _____ for consumers and raises the _____.

Trade-Offs

Some savings plans allow _____ to your funds but pay a _____.

Others pay _____ and allow _____ of your funds, but require _____.

Steps to Savings

1. Determine _____.
2. Determine _____ to set aside.
3. Decide what _____ you will use.
4. Decide _____ of deposit.
5. Decide _____ a portion of what you have saved.

Savings Accounts

Savings Account ~ Account that pays interest, has _____ maturity date, and from which funds can be withdrawn _____ without penalty.

Money Market Deposit Account (MMDA) pays relatively _____ of interest, requires a minimum balance of _____, and allows _____ to funds.

Time Deposits

Require savers to leave their funds on deposit for certain periods of time, or _____.

Time deposits are often called _____ (CDs), or savings certificates.

Where to Save?			
Type of Account	Minimum Deposit?	Rate of Interest?	Availability of Funds?

Insuring Deposits

- After the stock market crash of 1929, the _____ (FDIC) was created to protect peoples' funds.
- Insures up to \$_____ for each separate account
- 1/1/2011 that was adjusted for inflation

Review

1. Using the table below, list one advantage and one disadvantage of each savings method listed.

	Savings Account	CD	Money Market
Advantage			
Disadvantage			

2. How does interest make money for savers?
3. Why is it best not to invest more than \$100,000 in one account?
4. What is the difference between a basic savings account and a time deposit?