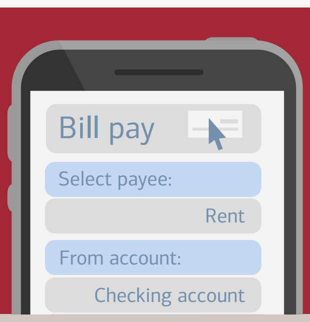
The difference between checking and savings accounts

Checking and savings accounts are both important parts of a financial toolkit, but they're not interchangeable. Understanding how each works and their key differences will help you get the most from each one.

Checking vs. Savings

Checking	Savings
Offers easy access to your funds:	**Designed to save for long-term goals:**
ATM withdrawals (may be capped at a certain amount daily)	**Typically offers higher interest rates**
Debit card takes funds directly from your account	**Limited access so you won't be tempted to use for impulse buys**
Comes with a traditional checkbook	**You may need to move money into checking to make frequent withdrawals**
Easy transfers to pay bills online	**Can be linked to checking so you can transfer funds between accounts**

You might use it for...



Checking:

- **Paying bills**
- **Grocery or other everyday shopping**

Savings:

- **Building an emergency fund**
- **Saving for a big ticket item, like a vacation or a car**

You might pay fees for...

Checking:

- **Not carrying a minimum balance**
- **Using other banks' ATMs**
- **Withdrawing more money than is available in your account**

Savings:

- **Not carrying a minimum balance**
- **Excessive withdrawals—different banks have different rules**

FDIC INSURED

The Federal Deposit Insurance Corporation (FDIC) insures deposits up to $250,000 per depositor, per insured bank, for each account ownership category. That means you're protected if your bank were to fail.

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