

Banking Basics

Savings & Checking Accounts — What's the Difference?

If you are an employee, you are earning a paycheck and must pay taxes on your earnings. You'll quickly discover that the salary you've agreed to work for is not exactly what you end up bringing home — taxes, benefits, and other deductions all claim a portion of your paycheck before you ever see it.

Savings Accounts

- Earn interest on account balance
- Withdraw funds from ATMs
- Limit frequency of withdrawal
- May require minimum balance

Checking Accounts

- Typically charge monthly fee
- Allow purchases with ATM card
- Provide printed checks for payments
- May require minimum balance

Benefits

- Safe place to keep your money
- Access to free check cashing
- Convenience of ATM card instead of cash
- Gain internet shopping privileges
- Establish a financial history
- Student accounts often have no fees

Responsibilities

- Possess a valid form of ID (usually 2 forms) to open a bank account
- Protect your account number and password
- Know your account balance
- Monitor your account activity