

**Speakers were not identified in this podcast – W-Woman / M- Man**

**FINRA Podcast – A Quick Guide to Money-Market Accounts**

- W There are few options as safe as a traditional savings account for people saving money.
- M But with such low interest rates over the last few years, it can be a challenge to compound your savings as quickly as you may have been able to in the past.
- W Another option for you may be a money-market deposit account. These are offered by most banks and credit unions and work much like traditional savings accounts. And there are a few things you should know before opening one.
- M The first thing is, money-market accounts are federally insured just like savings accounts. That means your savings are guaranteed by the U.S. government. With this protection, your deposits are secure up to maximum coverage Congress has approved, even if your bank or credit union goes out of business.
- W The second thing you should know is that money-market accounts may pay higher interest rates than savings account, but keep in mind that higher interest rates also often come with higher minimum balances.
- M There may be one rate for balances below \$10,000, another for savings between \$10,000 and \$25,000 and even more for \$25,000 and above.
- W Another thing to know about money-market accounts is that you're able to write a limited amount of checks each month. This is usually just three checks. If you exceed the limit, which is set by the Federal Reserve, the bank won't process the transaction until the next period.
- M Despite the check limit, you can make as many withdrawals as you want by visiting your bank or credit union in person and you can deposit that money into your regular checking account without penalty.
- W The last thing to note is, money-market deposit accounts are not the same thing as money-market mutual funds. While there are similarities, money-market mutual funds are investments and are not federally FDIC-insured, although some offer their own insurance. While fund companies try to keep their money-market share price stable at a \$1.00 a share, there is the possibility you could lose some of your principal.
- M So that's a quick look at money-market deposit accounts. Whether you're looking for an option for an emergency fund or to save money you intend to invest until you've accumulated enough to make a particular purchase, it's a safe place for funds you might need at any time.
- W And that's it for another investor education podcast. We hope you found it helpful and

that you'll share it with family, friends and colleagues.

M If you'd like to learn more about money-market accounts, or saving and investing in general, you can subscribe to FINRA's investor newsletter on [FINRA.org](http://FINRA.org).

W Until next time, for all of us at FINRA, thanks for listening.

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