

Dollars and Sense: Use Your Head

5 Tips for Setting Up Bank Accounts

- Look for student accounts with low/no required balances, unlimited check writing and low/no-cost access to nearby Automatic Teller Machines (ATMs).

Find ATMs in the same banking network (for example, look for the Star, Plus or CO-OP logo on the card) to reduce fees. Ask if there is a limit on the number of free ATM transactions allowed per month
- Ask about fees for bounced checks (writing a check without sufficient funds to cover the amount) and overdraft protection in case of insufficient funds.
- Do not allow the bank to print your Social Security number, driver's license number, or other personally identifiable information on your checks.
- Understand the terms and conditions of your bank account(s) and ask questions if you don't understand fees or charges.
- After your account is set up, consider using a program such as Quicken, Microsoft Money or Mint.com to keep track of your spending.

Know Your Savings Options

It's never too early to start investing for the future. Check out these ways to save money:

- **Savings account:** A no-risk way to save money if the account meets Federal Deposit Insurance Corporation (FDIC) maximum balance requirements. Withdraw money at any time. Interest rates are usually very low.
- **Certificates of deposit (CDs):** Minimal risk (if insured by FDIC) with a higher interest rate than a savings account. Interest rates as you save; however, there is a penalty for early withdrawal.
- **Money market:** Withdraw funds at any time with no penalty. Interest rates are lower than a CD. You often need a minimum balance in your account to maintain, to earn interest and avoid fees.
- **Mutual Funds:** A pooled collection of stocks and/or bonds focused on a particular investment strategy or objective. Generally less risky than one individual stock because your money is distributed among many stocks.

Online Banking: Q & A

Q: *Why should I bank online?*

A: Doing your banking on the Internet allows you to do a number of things online (sometimes at no extra cost):

- Pay bills
- Review your accounts
- Transfer funds between accounts
- Check your account balance(s)
- Manage all accounts (savings, checking, etc.) in one place
- Reconcile your statement and balance your checkbook

Q: *Is my information safe?*

A: For many consumers, a real worry is whether the bank will protect their personal information. If security is a concern, ask for a copy of the bank's security and privacy policy. In addition, remember to keep your personal identification number (PIN) and account numbers private – don't share with anyone.

Q: *What if I don't want to bank online?*

A: If online banking isn't appealing, you can always use the paper checkbook that comes with your checks. Consider using duplicate checks or a computer program to help you balance your checkbook and keep your budget. Remember to keep track of ATM transactions. Save the paper copy of your statement each month for your records.

Q: *Beside ATM fees, should I watch out for other fees?*

A: Yes, these fees may include:

- Overdraft (more money withdrawn than you have in your account)
- New checks
- Inactivity fee (no deposits or withdrawals during a period of time)
- Stop-payment (order to not honor payment of check)
- Minimum balance fees
- ATM fees (your bank's and others banks fees)
- Annual checking fees

NOTE: Online banks never send you email requesting your account number, password or PIN. Never click on a link in an email message from your bank – go to the web site directly, not by clicking on a link.