What You Should Know About High-Yield Savings Accounts

FDIC-insured accounts, apps and live customer support may be included
by Marcus by Goldman Sachs® (Paid Content) | Comments 0

High-yield Online Savings Account from Marcus by Goldman Sachs.
Learn More

Marcus Deposits
Q2 2020

How high-yield saving accounts work

The features of traditional savings accounts and high-yield savings accounts are the same. You can deposit, earn interest on your balance and withdraw funds subject to certain restrictions. Both traditional and high-yield savings accounts must follow the same rules because they are subject to the same banking regulations.

The general difference is the rate.

High-yield savings accounts and online banks

If you're new to online banking, you might have heard about high-yield savings accounts. They can be a great way to earn a higher return on your savings, but they do come with some drawbacks. First, you need to open an account online. Second, the rate may not be competitive with other options. Finally, there may be fees associated with maintaining the account.

How the rates of these types of savings accounts differ

Traditional savings accounts are designed for people who want to save money over the long term. They offer a lower interest rate than high-yield savings accounts, but they also offer the ability to withdraw funds at any time without penalty.

How a savings account fits into a financial portfolio

Savings accounts offer three critical things:
• They offer access to funds
• They aren't subject to fees
• They aren't subject to withdrawal restrictions

Beyond the rate: How to choose a high-yield savings account

An account that is more than just a rate, it's important to research and determine if the institution, account, and accessibility meet your needs.

Some questions to consider:
• Is there a minimum balance?
• Can I make transfers?
• Does the bank offer online or mobile banking?
• How are funds transferred?
• Is there a minimum balance?
• Can I make transfers?
• Does the bank offer online or mobile banking?

AARP members can receive a rate bonus on their Online Savings Accounts for 24 months through AARP Digital Banking from Marcus by Goldman Sachs.