

# Savings Solutions Explained

A strong savings strategy is the cornerstone of every financial plan. When you know how to save, you can build an emergency fund, set aside money for major purchases and enjoy financial independence.

Let's look at three common tools for effectively saving money. The key similarity is that **all these options may earn you interest over time.**

## Savings accounts

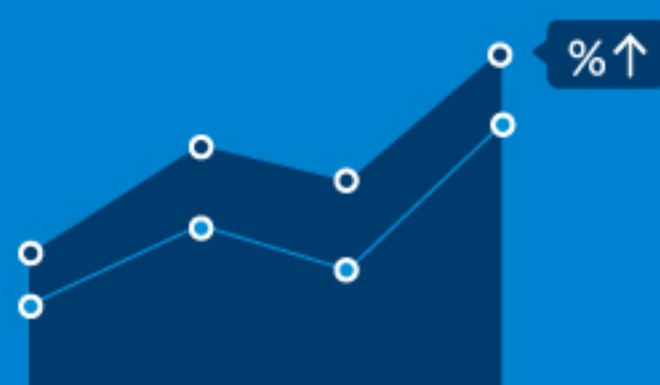


Savings accounts are a place to **deposit money** for as long as you want. You can use the account to fund a vacation or major purchase, or pay for an unexpected bill.



Rules put in place by the Federal Reserve limit certain savings account withdrawals and transfers. Plan to use a savings account as a place to deposit, and not regularly spend, your money.

## Money market deposit accounts



Money market accounts are like savings accounts but a key difference is that many banks offer a **higher interest rate** on money market accounts versus savings accounts.

## Time deposit accounts



Also known as certificates of deposit, or CDs, this savings option involves **depositing a specific amount** for a specific time. During this time, accessing your funds may incur a penalty cost.



The advantage of time deposit accounts are their **higher interest rates**, which, when paired with their low risk of loss on your initial amount, can make them an attractive option for savers.

**No matter which option works best for you, a savings account can help you fund your financial future.**

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