

Best Rates for Savings & Deposits in the U.S. – 4th Quarter, 2018

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SURVEY HIGHLIGHTS

- Interest rates for deposit accounts are rising at a record pace, making it more costly to settle for an average rate
- Online accounts show a significant rate advantage -- several times the average for traditional, branch-based accounts
- The biggest rate advantages were seen in savings accounts at 1.90 percent and 5-year CDs at 1.73 percent

Savings, money market accounts, and CD rates rising at record pace

Savings and money market rates just took the largest 1-year leap in the history of the MoneyRates.com America's Best Rates survey. As a result, both savings and money market account rates are now at the highest levels since the survey began in 2012.

This is great news for consumers, but some bank customers are benefiting much more quickly than others. The gap between the top savings account rate and the average rate in the survey also just reached an all-time high, meaning the cost of settling for an average rate is higher than ever. That's because while most banks are raising rates slowly, almost grudgingly, a handful of top banks have taken the initiative to raise rates at a faster clip.

The America's Best Rates survey identifies major trends in savings and money market rates across the banking industry by averaging rates over the previous quarter. Under analysis, the results yield valuable insights into the exceptions -- those banks that consistently offer the highest savings account rates and best money market rates. The study also helps expose risks and opportunities for consumers in different rate environments.

America's best savings account rates: 4th quarter, 2018

Based on average rates compiled throughout the recently completed calendar quarter, these ten banks had the best savings account rates:

America's best savings account rates: 4th quarter, 2018		
Rank	Bank	2018 Q4 Avg APY
1 st place	MySavingsDirect (ABR platinum medal winner)	2.32 %
2 nd place	Salem Five Direct (ABR gold medal winner)	2.05 %
3 rd place	Sallie Mae Bank (ABR silver medal winner)	2.02 %
4 th place	Barclays (ABR bronze medal winner)	2.01 %
5 th place (tie)	SFGI Direct	2.00 %
5 th place (tie)	Synchrony Bank	2.00 %
7 th place	Goldman Sachs Bank	2.00 %
8 th place	American Express Bank	1.96 %
9 th place	Ally Bank	1.94 %
10 th place	Discover Bank	1.94 %

(Note: Some rates that appear tied are actually separated by a small fraction of a percent.)

Average Savings Account Rate - 0.419 Percent

Overall, the average savings account rate throughout the last quarter was 0.419 percent, an increase of 0.145 percent over the past year.

In terms of dollars and cents
...a customer with \$10,000 could
potentially earn \$190 *more* in
interest a year by shopping for the
best savings account rates rather
than settling for average.

That rise in the average savings account rate is nice, but not nearly as good as the strides being made by rates at the top of the chart. A year ago, the top rate in the survey was 1.45 percent. Now, not only is the top rate nearly 90 basis points higher, but there are seven savings accounts in the survey with rates of 2 percent or better.

Because the top rates are rising much faster than the overall average, it means that the cost of settling for an average rate is rising. The best savings account rate in the latest survey, an average of 2.32 percent offered by MySavingsDirect, is 1.9 percent higher than the overall average rate.



The Platinum medal for Best Savings Account Rate was awarded to MySavingsDirect for its consistently high average rate of 2.32 percent during the fourth quarter of 2018.

In terms of dollars and cents, this means that a customer with a \$10,000 account could potentially earn \$190 more in interest a year just by shopping for the best savings account rates rather than settling for average.

Average Online Savings Account Rate - 1.193 Percent

Besides the widening gap between the top rates and the overall average, another important savings account trend that continued over the past calendar quarter was the dominance of online accounts over traditional, branch-based accounts. The average online savings account offered a rate of 1.193 percent, compared to 0.101 percent for the average traditional savings account. This means the rate advantage for online banking compared to traditional banks has now surged to more than a full 1 percent.

Read how the [rate advantages in 5-year CDs](#) could yield \$957

America's best money market rates: 4th quarter, 2018

The following were the highest money market rates on average over the latest calendar quarter:

America's best money market rates: 4th quarter, 2018		
Rank	Bank	2018 Q4 Avg APY
1 st place	Sallie Mae Bank (ABR platinum medal winner)	2.13 %
2 nd place	Capital One (ABR gold medal winner)	1.93 %
3 rd place (tie)	ableBanking (ABR silver medal winner)	1.85 %
3 rd place (tie)	CIT Bank (ABR silver medal winner)	1.85 %
5 th place	BBVA Compass (ABR bronze medal winner)	1.80 %
6 th place	First Internet Bank	1.79 %
7 th place	Discover Bank	1.79 %
8 th place	UFB Direct	1.60 %
9 th place	Nationwide Bank	1.55 %
10 th place	My Banking Direct	1.50 %

(Note: Some rates that appear tied are actually separated by a small fraction of a percent.)

Average Money Market Account Rate - 0.431 Percent

Money market account rates echo the same trends seen in [savings accounts](#). At an average of 0.431 percent, money market rates overall are up by 0.180 percent over the past year, but the real action is at the top of the chart. The quarter's best money market rate of 2.13 percent, offered by Sallie Mae Bank, marks the first time the highest money market rate in the survey has topped 2.0 percent.

A year ago, the top money market rate was under 1.5 percent. Now a bank needs to offer 1.5 percent just to crack the top ten.



The Platinum medal for Best Money Market Account Rate was awarded to Sallie Mae Bank, who also ranked 3rd for Best Savings Account Rate during the fourth quarter of 2018.

Average Online Money Market Account Rate - 1.104 Percent

As with savings accounts, online rates for money market accounts offer a significant advantage over their traditional, branch-based counterparts. The average online money market rate is 1.104 percent, which is nearly six times as high as the average money market rate of 0.192 percent offered by traditional accounts.

New segment to the America's Best Rates survey

The America's Best Rates survey has always been good at identifying the specific banks that keep pushing the trend toward higher rates -- and now MoneyRates.com will be including 1-year and 5-year CD rate trends in the survey as well. Even though savings accounts, money market accounts and certificates of deposit are all deposit accounts, these financial products are very different. A CD, for example, requires that you commit your funds for a defined period of time, whereas, savings accounts and money market accounts are more liquid.

Especially when it comes to locking up your money for the term of a CD, you want to be certain you are getting a rate you can be happy with until the CD matures. The new segment of the America's Best Rates survey can help you identify [CD interest rates](#) that are well above the average of their peers. This means you can be ahead of the game from Day 1 of your CD term.

America's best CD rates: 4th quarter, 2018

MoneyRates.com averaged the 1-year and 5-year CD rates offered throughout the fourth quarter of 2018 to rank the rates offered by individual banks as well as to find the average rates offered in various categories. Besides identifying the banks offering the highest CD rates for 1-year and 5-year terms, the America's Best Rates survey also highlights key trends that can help you find the best interest rates.

Just like the savings accounts and [money market accounts](#), there is a significant rate advantage that online CDs have over their traditional, branch-based counterparts. That rate advantage is especially attractive if you're looking for a longer term CD -- after all, if you're going to invest your money for five years, does it really matter if there's a branch of that bank nearby?

Another interesting trend to emerge from this survey of CD rates is that in some cases smart consumers who are shopping for a CD should think small -- as in small banks. The survey found that, on average, smaller banks offer higher CD rates than their large and medium-sized competitors.

The best 1-year CD rates heading into 2019

The following were the ten best 1-year CD rates on average throughout the most recent calendar quarter:

The best 1-year CD rates heading into 2019		
Rank	Bank	2018 Q4 Avg APY
1 st place	First Internet Bank (ABR platinum medal winner)	2.70 %
2 nd place	Sallie Mae Bank (ABR gold medal winner)	2.68 %
3 rd place	TIAA Direct (ABR silver medal winner)	2.67 %
4 th place	Ally Bank (ABR bronze medal winner)	2.59 %
5 th place	ableBanking	2.58 %
6 th place	Barclays	2.58 %
7 th place (tie)	Capital One	2.57 %
7 th place (tie)	Goldman Sachs Bank	2.57 %
9 th place	Discover Bank	2.57 %
10 th place	Synchrony Bank	2.54 %

(Note: Some rates that appear tied are actually separated by a small fraction of a percent.)

Average 1-year CD Rate - 1.04 Percent

The average 1-year CD rate in the survey was 1.04 percent. As you can see by looking at the chart above, the top rate of 2.70 percent offered by First Internet Bank is at least 1.5 percent higher than the average, so it really does pay to shop for the best CD rates.

While most bank customers flock to the largest, most prominent banks, it is a good idea to give smaller institutions some thought when shopping for a CD. This survey found that, on average, small banks (defined as those with less than \$5 billion in deposits) offered a 1-year CD rate of 1.37 percent. This compares favorably with the average 1-year CD rate of 0.98 percent offered by large banks (those with \$15 billion or more in deposits) and the average of 0.84 percent offered by medium-sized banks.



The Platinum medal for Best 1-Year CD Rate was awarded to First Internet Bank, who also ranked 2nd for Best 5-Year CD Rate during the fourth quarter of 2018.

Average Online 1-year CD Rate - 1.78 Percent

As a group, online accounts had a clear edge over CDs available through traditional bank branches. The average 1-year rate for an online CD was 1.78 percent. This is just over a full percentage point higher than the average for branch-based CDs, which was 0.73 percent.

The best 5-year CD rates heading into 2019

The following were the ten best 5-year CD rates on average over the most recent calendar quarter:

The best 5-year CD rates heading into 2019		
Rank	Bank	2018 Q4 Avg APY
1 st place	BMO Harris Bank (ABR platinum medal winner)	3.44 %
2 nd place	First Internet Bank (ABR gold medal winner)	3.32 %
3 rd place	Beneficial Bank (ABR silver medal winner)	3.29 %
4 th place	Raymond James Bank (ABR bronze medal winner)	3.24 %
5 th place (tie)	Barclays	3.10 %
5 th place (tie)	Goldman Sachs Bank	3.10 %
7 th place	TIAA Direct	3.10 %
8 th place	Synchrony Bank	3.07 %
9 th place (tie)	Ally Bank	3.05 %
9 th place (tie)	Capital One	3.05 %

(**Note:** Some rates that appear tied are actually separated by a small fraction of a percent.)

Average 5-year CD Rate - 1.71 Percent

The average 5-year CD rate offered in the most recent calendar quarter was 1.71 percent. As you can see in the chart above, though, you can choose from several banks offering at least 3 percent on a 5-year CD.

That kind of rate advantage is especially important for a long-term CD, because the rate you choose will affect you for years to come. For example, if you signed up for a \$10,000 5-year CD at the average rate of 1.71 percent, you'd earn about \$885 in interest by the time the CD matures. On the other hand, sign up for a \$10,000 5-year CD at the highest rate of 3.44 percent offered by BMO Harris Bank, and you'd earn about \$1,842 in interest over the next five years. That's a difference of about \$957, which is certainly worth the effort of not settling for average.



The Platinum medal for Best 5-Year CD Rate was awarded to BMO Harris Bank for its whopping 3.44 percent average rate over the entire fourth quarter of 2018.

Another trend that carried over from 1-year CDs to 5-year CDs was the opportunity to earn a better rate by looking at smaller banks. Small banks in the survey offered an average 5-year CD rate of 2.01 percent, compared to 1.58 percent for large banks and 1.65 percent for medium-sized banks.

Average Online 5-year CD Rate - 2.28 Percent

As was the case with 1-year CDs, online 5-year CDs generally offered an advantage over branch-based CDs. The average 5-year online CD offered a rate of 2.28 percent, compared to 1.49 percent offered by the average branch-based 5-year CD.

The America's Best Rates method - identify the consistently highest rates

Rather than base the America's Best Rates savings, money market account, and now CD account rankings on a single snapshot in time, MoneyRates looks to identify the most consistently competitive accounts by averaging rates throughout each calendar quarter. Rates available to customers with a \$10,000 balance and no broader relationship with the bank are used for this survey.

Further, to provide a representative view of banking trends, the analysis is based on the MoneyRates Index, a consistent sample of accounts reflecting a cross-section of the retail deposit industry. The MoneyRates Index is comprised of 50 of the largest retail deposit institutions in the United States, plus 25 smaller banks and 25 medium-sized banks.