

# Best Rates for Savings & Deposits in the U.S. - 1st Quarter, 2019

Richard Barrington | MoneyRates.com Senior Financial Analyst, CFA  
Posted: April 30, 2019 [Banking](#)



## SURVEY HIGHLIGHTS

- All top-ten banks now pay savings account interest rates above 2%, while the average interest rate rose only to 0.442% for savings accounts
  - Online accounts maintain their rate advantage -- roughly 15 times the average savings account rate of a traditional, branch-based account
- 
- The best 5-year CD rates top 3%, and the best 1-year CD rates offer more than double the average

## Tackle your FOMO on the best interest rates

Bank customers continue to benefit from rising deposit rates; though, as the gap between the top rates and average rates widens, only the most savvy consumers are making the most of this trend.

The MoneyRates.com America's Best Rates survey found that [savings accounts](#) and [money market accounts](#) both saw average rates rise in the first quarter of 2019, continuing a trend that began in the second quarter of 2017. The [1-year and 5-year CDs](#) also saw rate gains in the first quarter of 2019.

While average rates in each category are gradually making small gains, a few banks have broken away and are clearly leading the charge toward higher rates. In particular, online bank rates have a widening advantage over rates from traditional, branch-based accounts.

The widening separation between leading and average rates leaves consumers with a choice: they can either settle for slow, incremental increases in the interest they earn from most banks or they can capture a larger and faster increase in interest by choosing one of the leading banks highlighted below.

## America's best savings account rates: 1st quarter, 2019

The following were the ten best savings account rates during the first quarter of 2019:

America's best savings account rates: 1st quarter, 2019		
Rank	Bank	2019 Q1 Avg APY
1 <sup>st</sup> place	MySavingsDirect (ABR platinum medal winner)	2.40 percent
2 <sup>nd</sup> place	Salem Five Direct (ABR gold medal winner)	2.26 percent
3 <sup>rd</sup> place	Goldman Sachs Bank (ABR silver medal winner)	2.24 percent
4 <sup>th</sup> place	Synchrony Bank (ABR bronze medal winner)	2.23 percent
5 <sup>th</sup> place	SFGI Direct	2.22 percent
6 <sup>th</sup> place (tie)	Barclays	2.20 percent
6 <sup>th</sup> place (tie)	FNBO Direct	2.20 percent

## America's best savings account rates: 1st quarter, 2019

Rank	Bank	2019 Q1 Avg APY
8 <sup>th</sup> place	Ally Bank	2.15 percent
9 <sup>th</sup> place (tie)	American Express National Bank	2.10 percent
9 <sup>th</sup> place (tie)	Sallie Mae Bank	2.10 percent

### Average Savings Account Rate - 0.442 Percent

Nowhere is the gap between the leading banks and average rates more pronounced than in savings accounts. The top savings account rate of 2.40 percent, offered by MySavingsDirect, is 5.4 times the average savings account rate of 0.442 percent. For the first time since this survey began back in 2012, all of the top ten savings account rates are now over 2 percent, giving rate-shoppers plenty of choices of where to look for the best savings account rate.

The 0.442 average savings account rate for the first quarter of 2019 represents an improvement of 0.023 percent over the prior quarter's average and marked the eighth consecutive quarter during which savings account rates have risen. However, this overall trend somewhat masks a crucial distinction between the progress made by online savings accounts and those based at traditional banks.



The Platinum medal for Best Savings Account Rate was awarded to MySavingsDirect for its 2.40 percent average rate over the entire first quarter of 2019.

### Average Online Savings Account Rate - 1.303 Percent

While the average online savings account rate rose by 0.11 during the first quarter to 1.303 percent, the average traditional savings account rate actually declined by 0.014 percent to 0.087 percent. That means the average \$10,000 online savings account would earn \$130.30 a year in interest -- roughly 15 times the \$8.70 the average branch-based savings account would earn. Notably, all of the top ten savings account rates are from online accounts.

In short, the overall trend for savings accounts is positive, but not all consumers are benefiting. The gaps in rates offered by different banks - such as between the top savings accounts and average accounts, or between online savings accounts and branch-based accounts - is wide enough to represent significant dollar differences in annual interest earned. With these gaps continuing to widen, consumers have an increasingly clear choice of whether or not they want to be on the good side of this trend.

## America's best money market rates: 1st quarter, 2019

The following were the ten best money market rates offered during the first quarter of 2019:

America's best money market account rates: 1st quarter, 2019		
Rank	Bank	2019 Q1 Avg APY
1 <sup>st</sup> place	Sallie Mae Bank (ABR platinum medal winner)	2.22 percent
2 <sup>nd</sup> place	Capital One (ABR gold medal winner)	2.00 percent
3 <sup>rd</sup> place	Discover Bank (ABR silver medal winner)	1.93 percent

### America's best money market account rates: 1st quarter, 2019

Rank	Bank	2019 Q1 Avg APY
4 <sup>th</sup> place	BBVA Compass (ABR bronze medal winner)	1.89 percent
5 <sup>th</sup> place (tie)	ableBanking	1.85 percent
5 <sup>th</sup> place (tie)	CIT Bank	1.85 percent
7 <sup>th</sup> place	First Internet Bank	1.81 percent
8 <sup>th</sup> place	UFB Direct	1.66 percent
9 <sup>th</sup> place	My Banking Direct	1.50 percent
10 <sup>th</sup> place	Zions Bank	1.21 percent

### Average Money Market Account Rate - 0.437 Percent

While money market accounts share some characteristics with savings accounts, there are differences in the rate environments for the two categories.

Like savings account rates, money market rates on average have risen for eight consecutive quarters now. However, savings account rates made more progress in the first quarter of 2019. This meant that, on average, they were able to move ahead of money market rates. The average money market rate rose by just 0.006 percent in the first quarter, to 0.437 percent.

Also, the above table shows that the field of money market accounts offering the most competitive rates is much thinner than for savings accounts. Just two money market

accounts offered rates of 2 percent or better in the first quarter, led by Sallie Mae Bank at 2.22 percent. While the drop-off in savings accounts from the top to the tenth-best rate was just 30 basis points, that drop-off was 101 basis points for money market accounts.



The Platinum medal for Best Money Market Account Rate was awarded to Sallie Mae Bank, who also ranked 2nd for Best 1-year CD Rate over the entire first quarter of 2019.

### Average Online Money Market Account Rate - 1.139 Percent

Like savings accounts, money market accounts show significant gaps between the top rate and the average, and between online and branch-based rates. The top money market rate of 2.22 percent is about 5.1 times the average rate of 0.437 percent. Meanwhile, the average online money market rate of 1.139 percent is about 5.5 times the average branch-based rate of 0.207 percent. Nine of the ten best money market rates are from online accounts.

## The best 1-year CD rates: 1st quarter, 2019

The following are the ten best 1-year CD rates for the first quarter of 2019:

America's best 1-year CD rates: 1st quarter, 2019		
Rank	Bank	2019 Q1 Avg APY
1 <sup>st</sup> place	First Internet Bank (ABR platinum medal winner)	2.84 percent

### America's best 1-year CD rates: 1st quarter, 2019

Rank	Bank	2019 Q1 Avg APY
2 <sup>nd</sup> place	Sallie Mae Bank (ABR gold medal winner)	2.81 percent
3 <sup>rd</sup> place	TIAA Direct (ABR silver medal winner)	2.78 percent
4 <sup>th</sup> place	Synchrony Bank (ABR bronze medal winner)	2.78 percent
5 <sup>th</sup> place	Ally Bank	2.75 percent
6 <sup>th</sup> place	Goldman Sachs Bank	2.74 percent
7 <sup>th</sup> place	Barclays	2.71 percent
8 <sup>th</sup> place	Capital One	2.70 percent
9 <sup>th</sup> place	Discover Bank	2.65 percent
10 <sup>th</sup> place	ableBanking	2.63 percent

(Note that, while the rates for TIAA Direct and Synchrony Bank appear to be tied on the above chart, the average rate for TIAA Direct during the third quarter was higher by a tiny fraction of one percent.)

### Average 1-year CD Rate - 1.093 Percent

The trends for CD rates were somewhat similar to those for savings and money market accounts, only a little less extreme. Here again, there is a clear advantage to shopping for one of the highest rates rather than settling for an average rate. The top 1-year CD

rate of 2.84 percent, offered by First Internet Bank, is about 2.6 times the average rate of 1.093 percent. Any rate advantage is especially meaningful when investing in CDs because you know the rate will be locked in for the term of the CD.



**The Platinum medal for Best 1-Year CD Rate was awarded to First Internet Bank for its 2.84% rate over the entire first quarter of 2019.**

### **Average Online 1-year CD Rate - 1.78 Percent**

The 1-year CD rates also demonstrated a clear edge for online accounts. The average online 1-year CD rate was 1.949 percent or about 2.5 times the average 1-year rate for a branch-based account, which was 0.782. All of the ten best interest rates on 1-year CDs during the first quarter were associated with online accounts.

Note that since CDs are essentially buy-and-hold vehicles with no regular interaction, they negate many of the reasons for choosing a branch-based account. Therefore, the rate advantage of online CDs is especially compelling.

Overall, the average 1-year CD rate rose by 0.058 percent during the first quarter.

## **The best 5-year CD rates: 1st quarter, 2019**

Finally, here are the ten best 5-year CD rates for the first quarter:

<b>America's best 5-year CD rates: 1st quarter, 2019</b>		
<b>Rank</b>	<b>Bank</b>	<b>2019 Q1 Avg APY</b>
1 <sup>st</sup> place	First Internet Bank (ABR platinum medal winner)	3.31 percent



### America's best 5-year CD rates: 1st quarter, 2019

Rank	Bank	2019 Q1 Avg APY
2 <sup>nd</sup> place	Beneficial Bank (ABR gold medal winner)	3.30 percent
3 <sup>rd</sup> place (tie)	Ally Bank (ABR silver medal winner)	3.10 percent
3 <sup>rd</sup> place (tie)	American Express National Bank (ABR silver medal)	3.10 percent
3 <sup>rd</sup> place (tie)	Capital One (ABR silver medal)	3.10 percent
3 <sup>rd</sup> place (tie)	Goldman Sachs Bank (ABR silver medal)	3.10 percent
3 <sup>rd</sup> place (tie)	Sallie Mae Bank (ABR silver medal)	3.10 percent
3 <sup>rd</sup> place (tie)	State Farm Bank (ABR silver medal)	3.10 percent
3 <sup>rd</sup> place (tie)	Synchrony Bank (ABR silver medal)	3.10 percent
10 <sup>th</sup> place	Barclays	3.10 percent

(Note that, while it appears Barclays should be part of that seven-way tie, their average 5-year CD rate during the first quarter was actually below 3.10 percent by a few one-thousandths of a percent but has been rounded to 3.10 percent.)

**Average 5-year CD Rate - 1.736 Percent**

First Internet Bank led the way at 3.31 percent, just edging out Beneficial Bank at 3.30 percent. This was followed by a logjam among seven banks that tied for third at 3.10 percent.

When dealing with several CD choices with similar rates, early-withdrawal penalties can be used as potential tie-breakers. CDs with competitive rates and mild early-withdrawal penalties can give you some extra flexibility should rates continue to rise or your needs change. Early-withdrawal penalties are an especially important consideration for long-term CDs.



**The Platinum medal for Best 5-Year CD Rate was awarded to First Internet Bank for its whopping 3.31% rate over the entire first quarter of 2019.**

## **Average Online 5-year CD Rate - 2.339 Percent**

Nine of the top ten 5-year CD rates were from online accounts. Online 5-year CDs averaged 2.339 percent during the first quarter, compared to 1.522 percent for branch-based 5-year CDs. Any rate advantage you get when you sign up for a 5-year CD will be compounded due to the multi-year term of these deposit vehicles.

As with the other deposit products covered by the America's Best Rates survey, there is a significant gap between the top 5-year CD rates and the average for the category. While the overall average 5-year CD rate was 1.736 percent (an improvement of 0.025 percent in the last quarter of 2018) the top rate of 3.31 percent was 1.90 times as high. Compounded annually on a \$10,000 CD, over a 5-year term, this could mean the difference between earning a total of \$1,768 in interest or just \$899.

# Advanced Strategy - Capturing rate gaps with a CD ladder

An important aspect of the difference between top rates and average rates is their impact on [CD laddering](#). While CD laddering strategies are often based primarily on when you want the proceeds from each CD to become available, the relative levels of CD rates should factor into it as well.

You can generally expect longer term CDs to have higher rates than shorter-term CDs; but when the rate advantage for longer term CDs is especially wide, you might consider putting more into the longer term portion of your CD ladder. If that gap is fairly narrow, you may weight your ladder more heavily to short-term rates.

The difference between the top rates and average rates for each CD term should factor into this kind of CD laddering decision. Currently, the gap between the average 5-year and 1-year CD rates is 64 basis points. However, the gap between the top 5-year and 1-year CD rates is narrower at 47 basis points. You should consider the size of the gap once you have done your rate-shopping for each category before making your final decision about how to structure a CD ladder.

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

Rather than base the America's Best Rates savings, money market account, and 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.