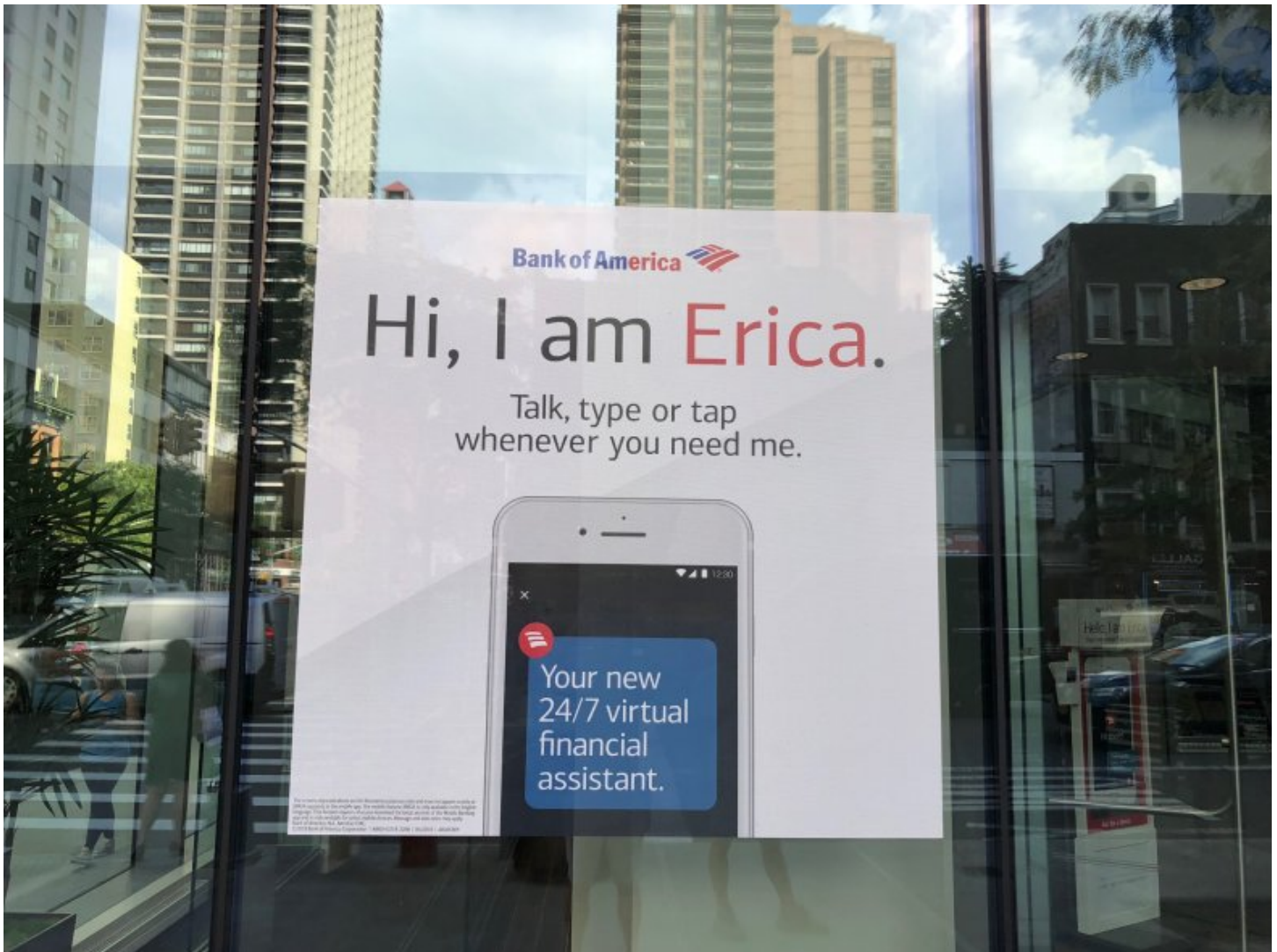


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Study: Big Savers Want High Savings Rates, Small Savers Prefer Great Mobile Banking



Simon Zhen Updated: Oct 22, 2019



With so many savings accounts available on the market, consumers can shop around choose the savings options that best meet their preferences.

Not surprisingly, these preferences vary from person to person as everyone has their own relationship with their money – and what they want to get out of their cash savings.

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Key Factors for Choosing a CD

Methodology

According to a year-long MyBankTracker survey of people looking for a new savings account, **a high savings rate is the biggest factor (80.42%) for savers with more than \$10,000** to put in a savings account. Meanwhile, **mobile banking features are the primary factor (37.37%) for savers with less than \$1,000** to put in savings.

Another survey of people looking for a certificate of deposit (CD) found that most savers (61.33%) were looking for CDs with terms of 1 to 3 years.

Here are other key highlights from the survey:

Key Highlights

The survey asked:

“What savings feature matters most to you?”

- Of the respondents seeking a savings account, most of them **(39.29%)** plan to deposit \$10,000 or more
- When looking for a savings account, respondents care most about high interest rates **(49.24%)** and mobile banking features **(34.51%)**
- Of the respondents with less than \$1,000 to put in a savings account, mobile banking features is more important **(37.37%)** than a higher interest rate **(26.55%)**
- Of the respondents with more than \$10,000 to put in a savings account, a high interest rate is the clear primary factor **(80.42%)** while mobile banking is a distant second **(9.61%)**
- When funding a savings account, transfers from a checking account is the preferred method **(39.99%)**

For those looking for CDs, the survey asked:

1. How much do you plan to put into a CD account?
 2. How long do you plan to invest for?
 3. Would you like the ability to withdraw your funds early without a penalty?
- Most respondents, who want to open a CD, plan to invest more than \$10,000 **(72.52%)**
 - Most respondents, who want to open a CD, plan to lock their money in for 1 to 3 years **(61.33%)**
 - Among those looking for a CD, more respondents do not care about early withdrawals **(59.86%)** than those that do **(40.14%)**

Key Factors to Consider in a Savings Account

Monthly fee

The most pertinent fee for a savings account is the monthly maintenance fee. Generally, savers should avoid paying any monthly cost for the privilege of keeping their money at the bank.

Consumers should aim to avoid any monthly fee. Brick and mortar banks tend to charge this fee with the ability to waive it when certain requirements are met. Online banks are more likely to offer savings accounts with no monthly fees.

Interest rate

A savings account can be more than just a place to put money. It's also a great place to grow money. To savvy savers, to turn away from high savings rates is the same as turning down “free money.”

Typically, the highest savings rates are found at online banks.

Accessibility

Different people may want different levels of convenience when it comes to managing and accessing the funds in their savings account. Branch access, ATM cards, and mobile banking are some of the major factors that should matter to savers.

Greater accessibility means the cash can be accessed easily in case of emergencies. On the other hand, the lack of such features may be considered better for people who struggle to stay focused on building savings.

Key Factors for Choosing a CD

Interest rate

The choice to go with a CD instead of a savings account usually stems from the desire for a higher interest rate.

CDs tend to offer higher interest rates because consumers agree to not withdraw that money for a specified period of time.

Maturity term

The longer the maturity term of a CD, the higher the interest rate tends to be.

That said, savers should be comfortable with the chosen CD term because they shouldn't touch that money over that period of time.

Early withdrawal penalties

An early withdrawal penalty applies when funds are withdrawn from a CD before the maturity term has elapsed. The penalty varies depending on the CD term. Typically, the penalty is equivalent to the interest earned over a specified period of time.

As expected, longer CD terms incur higher early withdrawal penalties.

Methodology

MyBankTracker conducted ongoing surveys regarding savings account and certificate of deposit (CD) preferences during the calendar year of 2018. The savings survey had 13,014 respondents in the United States with a margin of error of +/- 0.86. The CD survey had 3,757 respondents in the United States with a margin of error of +/- 1.60.



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