



America's Best Rates on Savings, Money Markets and CDs - 1st Quarter, 2020

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Posted: April 29, 2020 [Banking](#)



SURVEY HIGHLIGHTS

- Over two-thirds of the bank deposits in the U.S. are concentrated in banks that pay savings account rates of 0.10% or less (which is not even 1/18th of the best savings account rate available).
- The average *online* savings account rate during the first quarter was 1.206%. This is more than 16 times the 0.073% earned by the average *traditional, branch-based* savings account.

Where Are The Best Bank Rates in 2020?

One of the financial setbacks Americans are suffering due to the coronavirus is that falling interest rates means earning less income on their savings.

The new America's Best Rates study found record declines in rates on savings accounts, money market accounts and CDs in the first quarter of 2020.

This is a hardship for people who need every dollar they can get their hands on these days.

However, analysis of the data shows that most bank customers could actually raise the bank rates they earn, even as rates generally are falling.

>> [Compare savings account rates](#)

How Much More Could You Earn with a Better Rate?

Because the largest banks tend to offer the lowest interest rates, most bank customers are getting a raw deal.

Over two-thirds of the bank deposits in the U.S. are concentrated in banks that pay savings account rates of 0.10% or less. This is less than a third of the overall industry average rate, and less than one-eighteenth of the best savings account rate available.

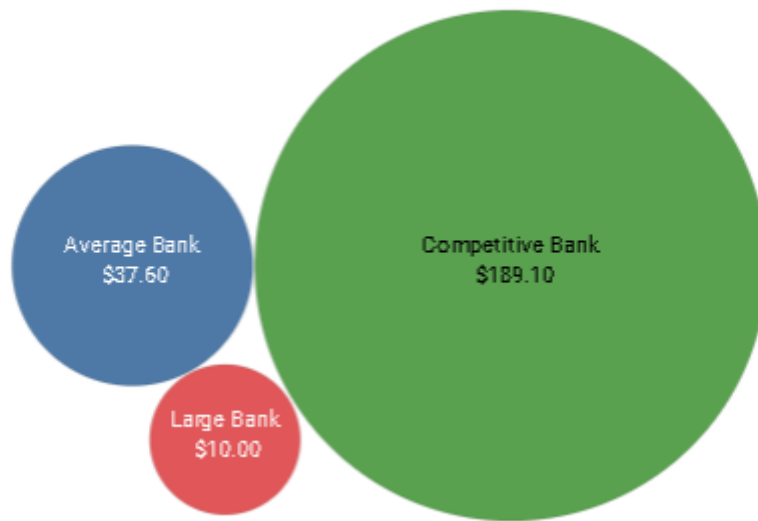
The chart below shows how big a difference a competitive interest rate can make to your savings account balance over time.

At a large, national bank, the typical interest rate is about 0.10% and would yield \$10 at the end of a year on a \$10,000 balance. The same balance would earn \$37.60 in the average branch-based savings account according to the survey (0.376%).

Using the top averaged interest rate of 1.89% from our survey, the amount you'd earn on a \$10,000 savings account balance would come to \$189.10 at the end of a year. Potentially, that could amount to \$179.10 more in interest rate on a \$10,000 savings account at a competitive bank as shown here:

How Much A Competitive Interest Rate Earns

(Annual Interest Earned on a \$10,000 Savings Account)



The study found there are large differences between what most customers settle for and the best rates for money market accounts, 1-year CDs and 5-year CDs too.

How can you find better rates?

- **Try online banking**

On average, online savings accounts pay more than 16 times the interest of traditional, branch-based savings accounts.

- **Shop for the best rates**

Information on [bank rates](#) is readily available. Taking advantage of that information is a quick way to earn more money.

America's Best Savings Account Rates, 1st Quarter 2020

The following are the ten best savings account rates for the 1st quarter of 2020:

America's Best Savings Account Rates: 1st Quarter, 2020		
Rank	Bank	2020 Q1 Avg APY
1 st place	SFGI Direct	1.89%
2 nd place	UFB Direct	1.89%
3 rd place	Salem Five Direct	1.71%
4 th place	MySavingsDirect	1.70%
5 th place (tie)	American Express National Bank	1.70%
5 th place (tie)	Marcus by Goldman Sachs	1.70%
7 th place	Synchrony Bank	1.70%
8 th place	Barclays	1.68%
9 th place	Capital One	1.66%
10 th place	Sallie Mae Bank	1.65%

(Note: Some of the above rates that look as though they are tied are actually separated by small fractions of a percent.)

Average savings account rate: 0.376%

The average savings account rate fell by 0.066% over the past year, to 0.376%. This is the largest year-over-year decline in the eight-year history of this survey.

And it's likely to get worse for savings accounts.

The figures above are based on average rates throughout the first quarter, but a closer look at the data shows that rates plunged even lower in March.

The downward trend seems likely to continue as we move further into the year. For the first time in over two years, rates could even drop below 0.30% under these pressures.

That makes this an especially important time to [shop for higher rates](#).

Over the last quarter, a number of banks on the table above were offering rates over a full percentage point above the national average. For most bank customers, switching to one of these banks would mean that they raise their rates even as most rates continue to fall.

Average online savings account rate: 1.206%

If you are interested to earn more on your savings, online accounts are a great place to look.

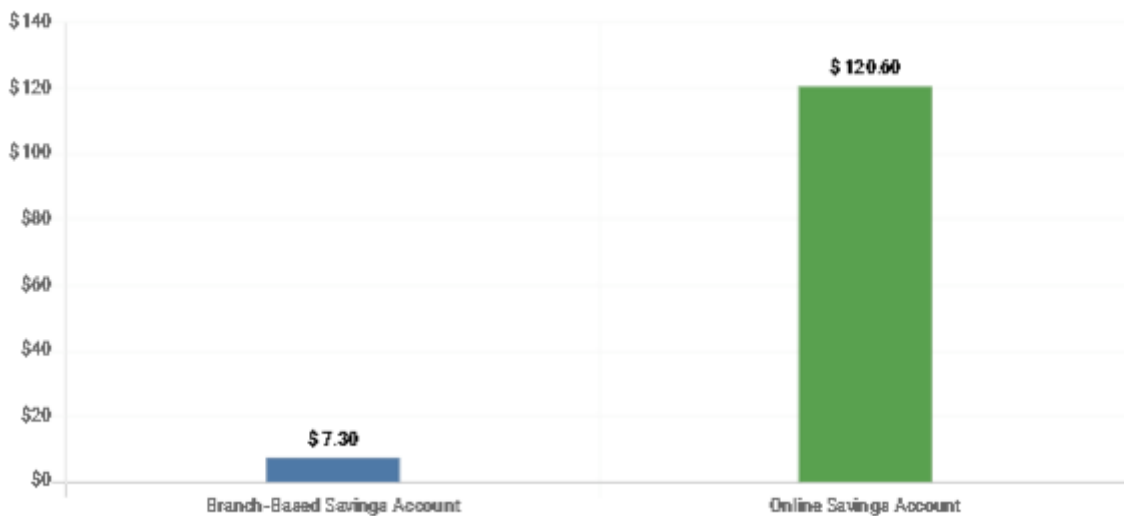
The survey found the average online savings account rate during the first quarter was 1.206%. This is more than 16 times the 0.073% earned by the average traditional, branch-based savings account.

Rate Comparison: Online vs. Branch-Based Savings Accounts

Using the average interest rates mentioned above, here's how the difference between online savings account rates and traditional rates would translate to annual interest on a \$10,000 account:

Rate Comparison: Online vs. Branch-Based Savings Accounts

(Online Savings Account Earns >16X as Much Interest on \$10,000 Annually vs. Branch-Based Savings)



America's Best Money Market Rates, 1st Quarter 2020

These were the ten [best money market rates](#) during the 1st quarter of 2020:

America's Best Money Market Account Rates: 1st Quarter, 2020

Rank	Bank	2020 Q1 Avg APY
1 st place	CIT Bank	1.82%
2 nd place	ableBanking	1.81%
3 rd place	First Internet Bank	1.77%
4 th place	Sallie Mae Bank	1.70%
5 th place	Mutual of Omaha Bank	1.68%
6 th place	Discover Bank	1.46%
7 th place	BBVA	1.26%
8 th place	Synchrony Bank	1.14%
9 th place	Northeast Bank	1.10%
10 th place	Axos Bank	1.05%

Average money market account rate: 0.349%

Like savings accounts, money market accounts have seen the largest 1-year drop in rates since this study began back in 2012.

The average money market rate fell by 0.088% over the past year, to 0.349%. Things are likely to get even worse, as rates declined at an even faster rate toward the end of the first quarter.

Still, as the table above shows, there are a number of banks offering much better than average rates. Even with rates falling, many bank customers can earn more interest by switching to one of the highest money market rates.

>> [Compare money market account rates](#)

Average online money market account rate: 1.005%

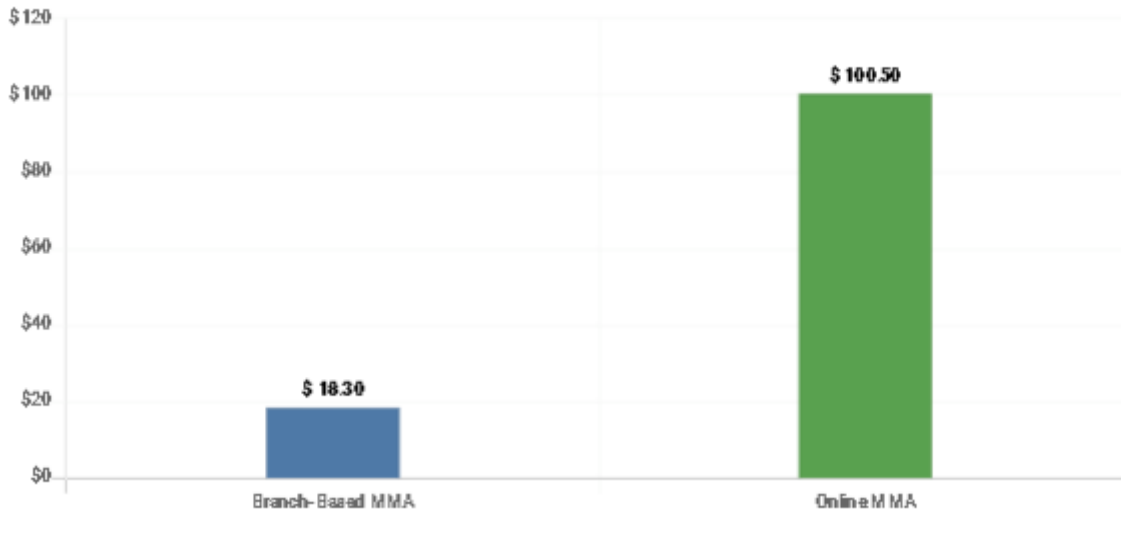
Online money market accounts generally offer a significant rate advantage over branch-based accounts. The average rate for an online money market account during the first quarter of 2020 was 1.005%, compared to an average of 0.183% for branch-based accounts.

Rate Comparison: Online vs. Branch-Based Money Market Accounts

Given the average interest rates above, here's how much of a difference this rate gap would make in interest earned on a \$10,000 money market account over the course of a year:

Rate Comparison: Online vs. Branch-Based Money Market Accounts

(Online MMA Earns 5X as Much Interest on \$10,000 Annually vs. Branch-Based MMA)



The Best 1-Year CD Rates, 1st Quarter 2020

These were the ten best 1-year [CD rates](#) during the 1st quarter of 2020:

America's Best 1-Year CD Rates: 1st Quarter, 2020		
Rank	Bank	2020 Q1 Avg APY 1-Year CD Rates
1 st place	Marcus by Goldman Sachs	2.07%
2 nd place	Sallie Mae Bank	1.99%
3 rd place	Barclays	1.97%
4 th place	Discover Bank	1.95%
5 th place	Synchrony Bank	1.93%
6 th place	Ally Bank	1.91%
7 th place	TIAA Bank	1.89%
8 th place	ableBanking	1.81%
9 th place	First Internet Bank	1.77%
10 th place	CIT Bank	1.77%

(Note: Though the last two rates appear to be tied, they are actually separated by a small fraction of a percent.)

Average 1-year CD rate: 0.774%

Over the past year, CD rates have declined by 0.319%, to an average of 0.774%.

This is a steeper decline than the drop in savings and money market rates. That's because banks can change savings and money market rates at any time, whereas they have to commit to 1-year CD rates for a full year.

When rates are falling, banks may be especially quick to cut CD rates so they don't get stuck with an overly expensive commitment. These rates appear to have fallen especially fast in March as the economic impact of the coronavirus pandemic began to emerge.

Even so, these advantages remain for CD shoppers:

1. On average, 1-year CD rates are more than twice as high as average savings or money market rates. If you can afford to commit your money for an entire year, you have the opportunity to earn much more interest.
2. There are several banks offering much-higher-than-average rates. While the average 1-year CD rate has dropped below 1%, the above table shows there were still a number of banks offering rates close to 2%.

Average online 1-year CD rate: 1.436%

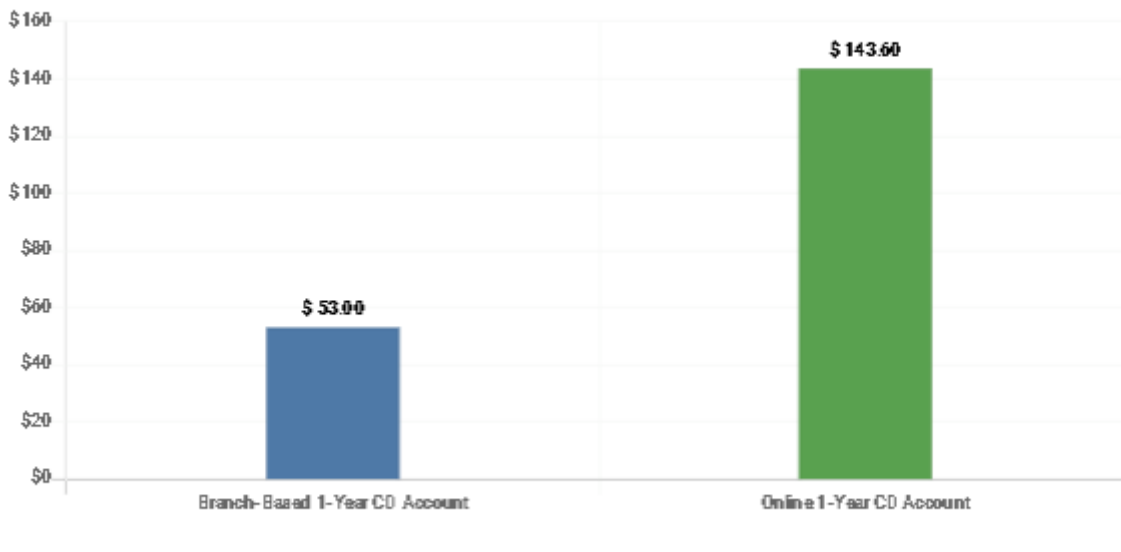
Online CDs are a great place to look for higher rates. The average rate for a 1-year online CD was 1.436% during the first quarter, compared to 0.530% for branch-based 1-year CDs.

Rate Comparison: Online vs. Branch-Based 1-Year CDs

The chart below uses the average interest rates identified in the study above to show how much of a difference that would make on a \$10,000 deposit over the term of the CD:

Rate Comparison: Online vs. Branch-Based 1-Year CDs

(Online 1-Yr CDs Earn >2X as Much Interest on \$10,000 Annually vs. Branch-Based 1-Yr CDs)



The Best 5-Year CD Rates, 1st Quarter 2020

These banks had the ten best 5-year [CD rates](#) during the 1st quarter:

America's Best 5-Year CD Rates: 1st Quarter, 2020

Rank	Bank	2020 Q1 Avg APY 5-Year CD Rate
1 st place	Marcus by Goldman Sachs	2.15%
2 nd place	American Express National Bank	2.13%
3 rd place	MySavingsDirect	2.11%
4 th place	Third Federal Savings and Loan	2.10%
5 th place	First Internet Bank	2.07%
6 th place	Sallie Mae Bank	2.07%
7 th place	Synchrony Bank	2.07%
8 th place	TIAA Bank	2.05%
9 th place	Barclays	2.05%
10 th place	Ally Bank	2.05%

{Note: The above rates that look as though they are tied are actually separated by small fractions of a percent.}

Average 5-year CD rate: 1.181%

The average 5-year CD rate has dropped by 0.555% over the past year. This is an even bigger drop than for other products in this survey, as banks seek to avoid long-term commitments at higher interest rates.

Analysis of recent rate trends shows that these rates dropped even more quickly toward the end of the first quarter.

Even so, as the table above shows, there were several opportunities to earn 5-year rates that were nearly a full percentage point above average.

[Rate-shopping](#) is especially worthwhile for long-term CDs, because, once you find a better rate, you can lock it in for years.

Average online 5-year CD rate: 1.74%

Online 5-year CDs offered an average rate of 1.74% during the first quarter, compared to 0.985% for branch-based 5-year CDs.

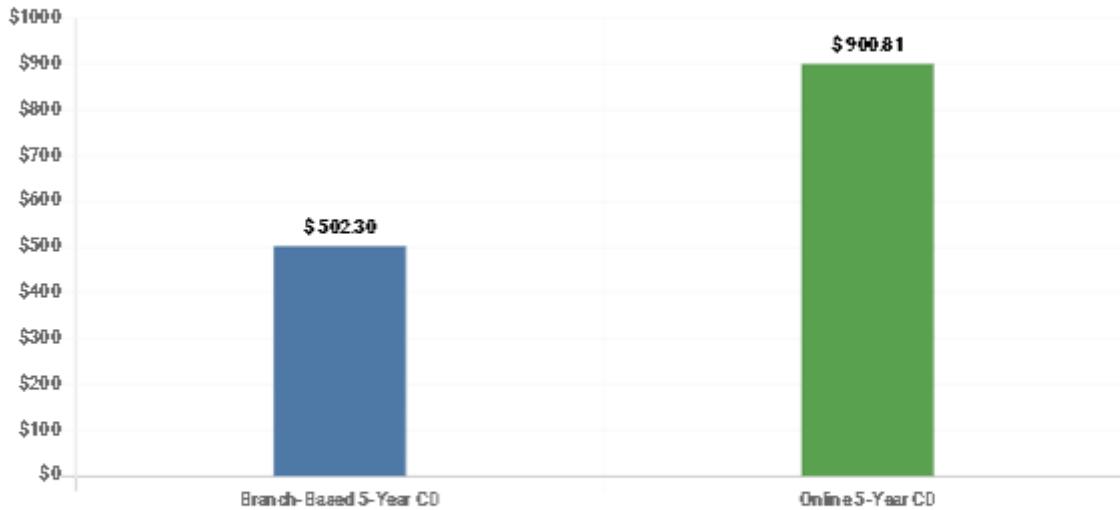
This type of rate advantage is especially profitable for five-year CDs because it continues over the full term of the CD.

Rate Comparison: Online vs. Branch-Based 5-Year CDs

The chart below shows how the average difference in rates between online and branch-based CDs would play out in interest earned over the full term of a 5-year CD:

Rate Comparison: Online vs. Branch-Based 5-Year CDs

(Online 5-Yr CDs Could Earn Nearly \$400 More Interest on \$10,000 vs. Branch-Based 5-Yr CDs)










Given this rate advantage, online banking makes particular sense for long-term CDs. Since these products do not require any interaction with the bank over the term of the CD, there is no reason to accept a lower rate by banking at a physical branch.

America's Best Rates: Identifying Consistently High 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.

Here are leading offers from other online banks

Account Type: Savings + MMA 	Credit Rating: Select 	Amount: \$25,000 to \$49,999 	Purpose Of Account: Select 
Household Income: Select 	Currently Banking With: <input checked="" type="checkbox"/> None 	Deposit Frequency Select 	Update

Advertiser Disclosure

Bank/Institution	APY*	Min. to earn APY	Type
 HSBC Bank <small>Advertiser Comments</small>	1.70% <small>Rates as of 4/30/2020</small>	\$1	Type: Savings Start Saving <small>FDIC Insured</small>
 UFB Direct <small>Advertiser Comments</small>	1.70% <small>Rates as of 4/30/2020</small>	\$25,000	Type: MMA Start Saving <small>FDIC Insured</small>
 Marcus by Goldman Sachs <small>Advertiser Comments</small>	1.55% <small>Rates as of 4/30/2020</small>	\$0	Type: Savings Start Saving <small>FDIC Insured</small>
 Simple Bank <small>Advertiser Comments</small>	1.55% <small>Rates as of 4/30/2020</small>	\$0	Type: Checking Start Saving <small>FDIC Insured</small>
 Capital One <small>Advertiser Comments</small>	1.50% <small>Rates as of 4/30/2020</small>	\$0	Type: Savings Start Saving <small>FDIC Insured</small>

Rates / Annual Percentage Yield terms above are current as of the date indicated. These quotes are from banks, credit unions and thrifts, some of which have paid for a link to their website. Bank, thrift and credit unions are member FDIC or NCUA. Contact the bank for the terms and conditions that may apply to you. Rates are subject to change without notice and may not be the same at all branches.