



The High Cost of Sloppy Banking Habits: MoneyRates.com Survey

November 12, 2020

Americans waste \$725 annually due to poor money moves

Foster City, CA – Nov. 12, 2020 – Americans waste a lot of money because of poor banking habits, and several factors contribute to this loss, according to a new estimate by consumer finance website [MoneyRates.com](https://www.moneyrates.com).

According to the recently released Sloppy Banking Habits Index, the \$725.83 figure that is likely being squandered every year is due to people paying unnecessary checking account maintenance fees, incurring ten overdraft charges per year, regularly using out-of-network ATMs and settling on an average savings account rate rather than shopping for a better one.

Find the full study here: [The Cost of Sloppy Banking Habits](#).

“A recession is an especially bad time to be wasting money on your bank,” says Richard Barrington, the senior financial analyst for MoneyRates who conducted the study.

These sloppy habits amount to large sums for the typical banking customer, as shown in aggregate:

- \$172.68 per year in checking account maintenance fees, an all-time high
- \$152.05 per year in ATM fees
- \$321.10 per year in overdraft fees
- \$80.00 per year in lost interest on savings

Maintaining control over your banking style can significantly impact your bottom line, changing the result from spending money on fees to earning money on deposits instead.

The typical American can improve his or her finances by following four tips:

1. Don't opt into overdraft protection. Overdrafts cost an average of \$32.11 per occurrence, and these can rack up during the time the account is “protected.”
2. Choose a bank with in-network ATMs that are compatible with your travels. Using an out-of-network ATM is costly in fees.
3. Shop around for savings account interest. Interest rates may be low, but most bank customers can do better. The best savings account rate in the third quarter of 2020 was five times the average rate; the average online rate was 12 times the average from a traditional, branch-based savings account.
4. Don't pay a maintenance fee on checking. While most checking accounts have these fees, they can be avoided, especially by using online banking.

Barrington reiterates the best way to find a free checking account is to try [online checking](#). The MoneyRates' [Checking Account Fee Survey](#) finds online checking accounts are more than twice as likely as traditional, branch-based accounts to offer free checking.

About MoneyRates.com

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Since 1998, MoneyRates.com has served as a personal finance resource designed to help readers make the most of their money. In addition to a variety of financial calculators, MoneyRates.com researches and tracks CD, savings, and money market rates offered from over 400 financial institutions across the country to offer expert advice on banking, investing and retirement planning.

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