

Savings Account Word Search

Answer Key

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■ 10 Terms & Definitions

<p>DEPOSIT</p> <p>Money placed into a bank account for safekeeping or to earn interest. Deposits at FDIC-insured banks are protected up to \$250,000 per depositor. The act of depositing funds starts the process of earning interest on your savings.</p>	<p>INTEREST</p> <p>The fee charged for borrowing money, or the return earned on deposited money. For savings accounts, interest is the income the bank pays you for allowing them to use your deposited funds for their lending operations.</p>
<p>WITHDRAW</p> <p>To take money out of a bank account. Savings accounts traditionally limited withdrawals to 6 per month under Regulation D; that rule was suspended in 2020 but many banks still apply limits or fees for excess withdrawals.</p>	<p>BALANCE</p> <p>The total amount of money currently in a bank account. Your savings account balance includes your original deposits plus all interest earned, minus any withdrawals. Many high-yield accounts require a minimum balance to avoid monthly fees.</p>
<p>COMPOUND</p> <p>The process by which interest is calculated on both the original principal and previously earned interest. Compound interest causes savings to grow exponentially over time, as each period's interest becomes part of the balance that earns future interest.</p>	<p>FDIC</p> <p>Federal Deposit Insurance Corporation — the US government agency that insures deposits at member banks up to \$250,000 per depositor, per bank, per ownership category. The FDIC has protected depositors since 1933 without a single insured deposit loss.</p>
<p>LIQUIDITY</p> <p>The ease and speed with which an asset can be converted to cash without loss of value. Savings accounts are highly liquid — funds are typically accessible within 1-3 business days via transfer, making them ideal for emergency funds.</p>	<p>MATURITY</p> <p>The date on which a time deposit (such as a Certificate of Deposit) comes due for repayment. Before maturity, withdrawing funds from a CD typically incurs an early withdrawal penalty. Savings accounts have no maturity date.</p>
<p>PRINCIPAL</p> <p>The original amount of money deposited or invested, before any interest has been earned. Interest calculations are based on the principal balance. In savings accounts, the principal is your total deposits minus any withdrawals.</p>	<p>TRANSFER</p> <p>Moving money between accounts, either within the same bank (internal transfer) or between different institutions (external transfer via ACH). ACH transfers between banks typically take 1-3 business days. Wire transfers are faster but usually cost \$15-\$30.</p>