



STUDENT ADVOCATES FOR FINANCIAL EDUCATION

CASH MANAGEMENT

Cash management can help you safely maximize interest earnings while minimizing fees on all funds used for:

- Living Expenses
- Recurring Household Expenses
- Emergencies
- Savings and Investment Opportunities

Appropriate tools available for effective cash management include:

- Checking Accounts:
allow you to write checks
against amounts you have on
deposit for funds to be transferred
to other people/organizations.



- Savings Accounts:
accounts used to deposit money,
not for consumption, but to remain
deposited for an extended period
of time to gain interest.



- Money Market Accounts:
interest-earning accounts that pay higher
interest rates and offer some limited check
writing privileges.



- Long Term Savings Instruments:
investments like CD's, stocks/bonds, mutual funds,
and real estate can help you earn higher returns in
exchange for giving up some liquidity; use after the
3 prior tools have been employed.



Checking Account Tips:

- Your online balance may not show checks that have not cleared the bank
- Overdraft protection can be very expensive
- Balance your check register to your bank statement regularly
- Record all debit and automatic payments in your check register

Start managing your cash NOW! The sooner you start, the sooner you will see gains. You can open accounts in a variety of institutions, including:

- Banks
- Savings and Loan Associations
- Credit Unions
- Stock Brokerage Firms

Have optional, modern conveniences added to your account(s) to assist you in managing your cash. Remember to ask if any fees are involved before you add the following conveniences:

- Electronic Fund Transfers
- Debit Cards
- Online Banking
- Automated Teller Machines
- Direct Deposits/Withdrawals
- Wire Transfers