

Account Basics

AS PART OF NCCYOU'S FINANCIAL EDUCATION PROGRAM



The first step in being confident about financial decisions is understanding the basics. While most people have some sort of bank account, it's important to be able to know the features and benefits of your account to ensure your account is the right fit for you.

CHECKING VS. SAVINGS

The two main types of accounts are **checking** and **savings**. A checking account is a transaction (also known as a draft) account. This is the account that is linked to a debit card and checks.

A savings account is **not** a transaction account. While you cannot use a debit card to make purchases out of your savings account, most do offer an ATM card. This gives you the ability to take money out of your savings account from an ATM but will not work for regular purchases.

ACCOUNT NUMBERS

Everyone has an account number at a financial institution. While what this looks like does vary across different financial institutions, you typically will have one account number that is associated with your identity, meaning that if you have a joint account, you both will have your own member number.

You can have multiple accounts at a financial institution using the same account number. In this instance, each account will have another short number to identify the specific type of account. This can also be called a "suffix"

Financial institutions also have their own identifying number called a **routing number**. You will use this number for things like direct deposit, so your employer knows where to deposit your paycheck.

SOME FACTS:

Some financial institutions offer "overdraft protection" on your accounts. This service allows purchases you make to go through even if you don't have enough in your account to cover the purchase. Be careful using this service, since it typically will charge you a fee for using it.

50%

OF AMERICANS HAVE
ACCOUNTS AT MULTIPLE
FINANCIAL INSTITUTIONS

In addition to checking and savings accounts, there are other types of accounts financial institutions offer, such as:

- Money Market Accounts
- Certificates/CDs
- Sub-savings accounts

Each one offers specific features and benefits, and we encourage you to look at what your financial institution offers. Sometimes these are a great alternative to a regular savings account because they might offer better dividend rates.