

Name \_\_\_\_\_

## Savings vs. Checking: Where Should You Stash Your Cash?

### Open-Ended Response Answer Key

1. Answers may vary. Sample response: I would put it in a savings account because I want to save and grow my money over time, and a savings account earns interest.
2. Answers may vary. Sample response: Having overdraft protection in a checking account would be helpful if I accidentally spent more money than I had in my account. It would prevent me from incurring overdraft fees and potential financial stress.
3. Budgeting is important because it helps you manage your finances effectively. A savings account can be used to save for future goals, while a checking account helps you keep track of daily expenses and ensures you don't overspend.
4. The FDIC is the Federal Deposit Insurance Corporation, and it's important because it protects your money in a savings account. If the bank were to face financial problems, the FDIC ensures that your money is safe and will be returned to you, up to a certain limit.

