Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Which Account is Best?**

*We’ve talked about different types of savings products. Which one is best for an individual depends upon various factors—what they are saving for, how comfortable they are with risk, and how liquid they need theirs savings to be. Answer the questions below and state which type of savings account may be best:*

* *Savings Account*
* *Money Market Account*
* *Certificate of Deposit (also give term of CD – six months, one year, or two years)*
1. Your pet has a medical condition and you think you may have some surprise vet bills in the next year.
	1. How important is the liquidity of your funds in this example?
	2. Which account should you choose?
2. You want to buy a plan ticket to celebrate your grandparents’ 50th wedding anniversary in Hawaii in five years.
	1. Which account should you choose?
	2. Which would you choose if you think interest rates will rise in the next year?
3. You want to buy a used car sometime in the next six months.
	1. Which account should you choose?
	2. What if you decided to wait 18 months to buy the car?
4. You are saving now for your own apartment in two years.
	1. Which account should you choose?
5. You want an emergency fund for unexpected expenses.
	1. Which account should you choose?