

Letter to Jane

	Total Points Earned
	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

Directions: Answer the questions that follow. After the questions have been answered, write a letter to Jane explaining the savings tool choices.

Jane recently moved to a new city. She is adjusting her current spending plan to fit her new lifestyle. She needs to find new depository institutions and savings tools to fit her new financial needs. She already has a checking account to help her manage her everyday spending. She has been researching depository institutions in her new city. It is her goal to find a depository institution close to either her apartment or her place of work, offering both in-person and ATM services. From these criteria, she has narrowed her search down to two depository institutions, Many Choices Credit Union and the Smart Savings Bank. She knows she wants to utilize either a Savings Account, Certificate of Deposit, or Money Market Deposit Account for her two main money concerns listed below.

- a. Jane has \$3,000 she wants to use as an emergency fund where she could have quick and frequent access to the account. She does not plan to use this money often but realizes she may have unexpected expenses.
- b. Jane also has \$500 that she wants to save to buy a new computer in one year. Her goal is to not use this money in the next year, so she wants to get the highest interest rate she can.

Complete this table by referring to the banking brochure comparison information below to determine Jane’s best options for saving her money.

	Which Savings Tool? (savings, money market deposit or certificate of deposit)	Which depository institution? (Many Choices or Smart Savings Bank)?	Chosen Account & details
\$3000 Emergency Fund			
\$500 Computer Saving			

2. Using the answers on your table, write a letter to Jane explaining the savings tools, depository institutions and accounts that you would recommend for her. View the *Letter to Jane Rubric 2.4.3B2* for detailed instructions.

Banking Brochure Comparison Information

Tool	Savings Accounts			
Depository Institution	Many Choices Credit Union		Smart Savings Bank	
Account	Basic Savings Account	Regular Savings Account	Basic Savings Account	Premier Savings Account
Interest rate	0.15% compounded monthly	0.28% compounded monthly	0.25% compounded monthly	0.45% compounded monthly
Amount needed to open account	\$25.00	\$100.00	\$100.00	\$4,000.00
Minimum balance required	\$25.00	\$100.00	\$100.00	\$500.00
Fee if minimum balance is not maintained	\$1.00/month	\$2.00/month	\$2.00/month	\$9.95/month
Withdrawals Allowed	6 per month (\$1.00 for each withdrawal beyond 6)	6 per month (\$2.00 for each withdrawal beyond 6)	6 per month (\$2.00 for each withdrawal beyond 6)	6 per month (\$5.00 for each withdrawal beyond 6)
Other Features	24-hour ATM access	24-hour ATM access	FREE 24-hour access to account via Internet, telephone, or ATM	FREE 24-hour access to account via Internet, telephone, or ATM

Money Market Deposit Accounts		
	Many Choices Credit Union Money Market Deposit Account	Smart Savings Bank Money Market Deposit Account
Interest rate	Tiered interest rate compounded monthly based on balance: <ul style="list-style-type: none"> • \$1,000.00 - \$9,999.00 = 0.40% • \$10,000.00 - \$25,000.00 = 0.90% • \$25,000.00 or more = 1.40% 	Tiered interest rate compounded monthly based on balance: <ul style="list-style-type: none"> • \$1,000.00 - \$9,999.00 = 0.45% • \$10,000.00 - \$25,000.00 = 1.00% • \$25,000.00 or more = 1.55%
Amount needed to open account	\$1,000.00	\$1,000.00
Minimum balance required	\$1,000.00	\$1,000.00
Fee if balance is not maintained	\$10.00/month	\$20.00/month
Withdrawals	3 per month (\$2.00 for each withdrawal beyond 3)	3 per month (\$5.00 for each withdrawal beyond 3)
Other Features	Check-writing capabilities (limited to 3 per month)	Check-writing capabilities (limited to 3 per month)

Certificate of Deposits		
Many Choices Credit Union		
Length of Time	Interest Rate	Minimum balance required to open and maintain account
1 month	0.50%	\$500.00
3 months	0.80%	\$500.00
6 months	1.25%	\$500.00
12 months	1.65%	\$500.00
24 months	2.15%	\$500.00

Certificate of Deposits		
Smart Savings Bank		
Length of Time	Interest Rate	Minimum balance required to open and maintain account
1 month	0.60%	\$10,000.00
3 months	0.90%	\$7,500.00
6 months	1.30%	\$5,000.00
12 months	1.60%	\$500.00
24 months	2.05%	\$500.00