



# Short-term Saving



## Features

## Things to Consider

### Savings Account

This is mainly for saving, but you can also make other transactions. You need only a small amount of money to open a savings account and maintain a minimum balance. Depending on how much money is in the account, interest may be paid and deposited into the savings account. Some banks allow their customers to make a certain number of cheque withdrawals from the savings account

Savings account is good for small deposits of money. You have immediate access to the money which gives you interest on positive balances. There is no risk of losing the money. ATMs (Automatic Teller Machines) give you access to your money 24 hours a day.

You do not earn much or any interest in a savings account. If you lack the discipline to leave the money in the account you might not save a lot of money in this type of account.

### Notice Deposit (Fixed Deposits and Call Accounts)

Money in accounts where you have to give a warning that you want to withdraw the money. You might have to give seven days or 30 days warning, depending on the account.

You earn a higher interest rate than with short-term savings accounts. You have to tell the bank when you want to withdraw the money, and so you don't have immediate access to the funds.

You do not have immediate access to the money. You might have to pay charges for early withdrawal of funds

### Money Market

Money market investments are generally investments where money is lent and borrowed for a period of fewer than 12 months and, in turn, you receive interest. The most common money market investments are bank accounts or unit trust funds.

Money market accounts pay higher interest rates than other types of bank accounts. Money market accounts are considered to be low-risk and safe investments. The account holders can easily access their money market accounts through ATMs, transfers and checks. Banks, however, put a limit on the number of transactions and transfers per month.

Financial institutions require account holders to maintain a minimum balance in their money market accounts. Most money market accounts allow only a limited number of monthly withdrawals and transfers.

### Stokvel

A group of people who have decided to pool their savings on a regular basis. It might be formal or informal.

You can have easy access to your money and there is a social aspect of a stokvel which can be used as a reminder to you to save money. Some stokvels allow you to use the money you have saved with them as collateral for a loan.

Some stokvels do not invest their funds and so do not pay interest. Some stokvels are badly managed and there is a risk of losing your money.