

LESSON 6: ACTIVITY 2

Teacher Resource Sheet: Savings Jargon Buster

SAVINGS ACCOUNTS

You can choose from a wide range of accounts, depending on how much you want to save and what access you want to the money you have on deposit, i.e., how many withdrawals you can make in a given period etc. Many accounts can be opened with as little as €10 and you can save either regular amounts or lump sums, and sometimes both. There are no fees and charges with these accounts, which are available from banks and building societies, credit unions and An Post. Some accounts offer higher interest rates than others and savings accounts can either have a fixed interest rate or a variable interest rate.

DEPOSIT

This is money you hold in a savings account at a financial institution that earns interest.

WITHDRAWAL

An amount of money taken out of a bank account.

LUMP SUM

A once-off amount of money.

FIXED INTEREST RATE

It stays the same for a set time so you know what return you will get. You will not benefit from any rate rises but you will not lose out if rates fall.

VARIABLE INTEREST RATE

They can fall or rise when interest rates change. If rates fall, you earn less interest in your savings. If rates rise, you earn more. Most variable rate accounts allow you to withdraw your money immediately, so you can always switch your savings quickly if you see a better rate on offer.