

Which Checking Account Is Right For You?



As more banks consolidate and try to lure new customers with “special” checking accounts, be sure to choose one that meets your specific needs.

While the bank may offer you a new toaster, television or vacation, take time to study the various checking accounts to find one that matches your monthly banking habits. Many people pay extra fees each year because they choose the wrong checking account.

Before choosing a specific checking account, take into consideration how many checks you write each month, whether you want to maintain a minimum balance, occasionally “bounce” checks or prefer online or telephone banking.

Let’s review some of the checking accounts offered by most banks.

Basic Checking Account

This account is used primarily to pay bills and some account holders use a debit card to pay daily expenses. This account usually requires a minimum balance in order to avoid a monthly service charge and doesn’t generally pay interest to the account holder.

Free Checking Account

Generally there is not a monthly service charge or any per-item fees. However, there are likely to be fees for overdrafts and stop payment orders. You do not have to maintain a minimum monthly balance.

Interest-Bearing Account

This account usually requires a higher balance to avoid a monthly service charge and other fees. Although these accounts do pay monthly interest, it is

usually at a very low rate and not worth having to maintain a minimum balance.

Joint Checking Account

With this type of account, two or more people share the account and each person has equal access to the account. However, in order to avoid overdrafts, each person needs to be careful to maintain accurate records.

Express Checking Account

This account is geared to the student or younger customer who does not want to pay monthly fees or spend a lot of time balancing their checkbooks. This account is designed for the customer who prefers telephone or online banking.

Lifeline Checking Account

With this account, individuals with low incomes can write a limited number of checks each month. It requires a low minimum balance.

Senior/Student Checking Accounts

Many banks offer these types of accounts to students or individuals over 55 years of age. The account may include free checks and free ATM use. Many of these types of accounts also limit the number of checks you can write each month.

Consider your financial situation and then visit with your local community banker to find out which account is right for you.

*Provided as a public service by the
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