



## Establishing Your First Relationship with a Financial Institution

A good working relationship with a financial institution is part of a solid financial foundation. Finding the right one to work with is important. There are probably dozens, if not hundreds, of institutions that offer the products and services you want and need located close by or with which you can create an electronic relationship.

### **Here are some things to consider when choosing an institution:**

- *Location of branches and ATMs* – You want an institution that is relatively convenient. While you may not visit the branch often, it is nice to know that you can physically go and talk to someone if necessary. You also want to make sure that there are ATMs conveniently located so you do not pay fees for using ATMs of another institution. Many institutions are part of networks that do not charge fees. Be sure to check this out.
- *Fairly priced products and services* – Not all institutions are the same. Be sure to compare the interest rates offered on different types of accounts. Be sure to understand all the fees that may be imposed for low balances or excessive transactions.
- *A pleasant way of doing business* – Your financial institution should be your partner on the road to financial security. Find an institution that wants your business. If you do not get a feeling of comfort when you walk into a branch or talk to someone on the phone, find another institution. Remember, you are the buyer and they are the seller of financial services.

### **Establishing the relationship**

When you walk into a branch, be prepared and know what you need. You should also have the information that you will need – Social Security number, identification and proof of residence. Once there, you will probably want to talk with a personal banker instead of just going to a teller.

Institutions offer many types of accounts and other services, but when you are first starting out, you probably only need a few of their services:

- *Checking Account* – This will probably be the main account that you use for your finances. Your paycheck will be deposited into it, you will use it to pay your bills, and you will withdraw money from it with an ATM card. You will probably have to choose from accounts that have different minimum levels, different limits on the number of monthly transactions and different interest rates. Choose one that will fit your needs and that has no or very minimal fees. If you are not planning on leaving large balances in the account, an account with no fees is probably better than one that pays a slightly higher interest rate. Even an account that pays no interest is better than one that has a \$5 monthly fee. Be sure to ask about all these features.
- *Savings Account* – Even if you do not anticipate having much to save, open a savings account. It will pay more interest than your checking account and putting even small amounts into it will help you accumulate funds for a special purchase.

- *ATM Card* – If you are like most people, having an ATM card and access to convenient ATM machines is essential. This will enable you to withdraw money when you need it and avoid carrying larger amounts of cash when you do not need it. Be sure your ATM card is linked to both your checking and savings accounts. That way, you can transfer funds within the accounts.
- *Direct Deposit* – Have your paycheck deposited electronically into your checking account. This will save you time and will put your money to work faster. Your institution will provide the information you need so you can provide your employer with the information they need.
- *Safe Deposit Box* – You may not need one, but if you have any valuables that you do not want to store at home, a safe deposit box is nice to have. They are usually inexpensive and you can access them at the branch when you need to.

These are the basic services you should need. By having these services with one institution, your financial life will be simpler. In addition, an existing relationship with the institution may come in handy when you apply for an auto loan or a mortgage.