



BROUGHT TO YOU BY MARCUS BY GOLDMAN SACHS

Find Your Best Bank

Should you keep your cash where it is already, or should you move your account? Here are 5 essential factors to consider

By SHARON WATERS

OVER THE YEARS, banks in the U.S. have dramatically changed how they operate and what services they offer. But their main function remains the same for most households: to serve as a hub for everyday cash flow. Paycheck received? Right into your bank account. Bills to be paid? Right from your bank account. Cash needed for the weekend? Right out of your bank's ATM.

Given the importance of all that cash flow, you'd think we'd be picky about our bank. But it's the opposite. Americans age 55 and up have been using their current checking account for an average of about 25 years, according to a 2021 Bankrate survey. One of the top reasons respondents give for sticking: "It's the same account I've always had." There are better criteria for deciding where to keep an account. While the interest rates you earn on deposits or pay on loans may be important, here are five other factors to consider.

1 Maintenance fees

If a bank charges you a monthly fee for your account, those dollars can add up. The most common monthly charge is \$12, according to Bankrate, or \$144 a year. The average minimum balance you need in an account to get monthly charges waived is about \$540.

So if you're paying a high monthly fee for your account, you might want to look for an account elsewhere, or

maybe an account at your current bank with a different fee structure. You could be required to use direct deposit or link a savings account, or you may have to pay to receive a paper statement. Certain states require banks to offer "lifeline" low-fee accounts. And the nonprofit Cities for Financial Empowerment Fund is encouraging banks to provide what are known as Bank On accounts—low-cost accounts that meet certain standards, such as an opening deposit of \$25 or less. To find a bank near you offering these low-fee accounts, visit joinbankon.org/accounts.

2 Penalties

Penalty fees include charges for overdrafts or for using an out-of-network ATM. Banks raked in an estimated \$15.5 billion in overdraft and nonsufficient funds revenue in 2019, according to the Consumer Financial Protection Bureau.

In the face of CFPB concerns about overdraft fees, some banks have eliminated them altogether. That's worth asking about. "We can't necessarily plan for a pandemic or layoffs," says Rachel Gittleman, financial services outreach manager for the Consumer Federation of America. So make sure that your bank's fee structure works both for now and for more difficult times, she says. Banks are required to disclose their fees; you can search online for the bank's name and "fees" to find them on their websites. Then compare different banks' charges that might affect you.

3 Branches

The older you are, the more likely you are to bank in person. But the number of bank branches in the U.S. has declined for a decade, from more than 85,000 in 2011 to around 72,000 in 2021.

If going to a branch is important to you, consider whether most of your visits are to a few nearby locations or whether you want to be able to bank anywhere in your state, your region or across the country. You can search for the bank's name and "find a branch or ATM" to see what's near you. Credit union members can access more than 5,400 branches and



MoneySaver

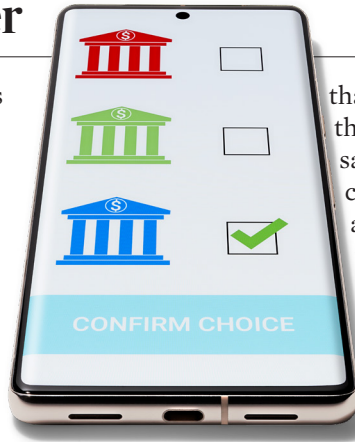
30,000 fee-free ATMs nationally through CO-OP, a network of credit unions.

Even as the overall number of branches is on the decline, some banks are expanding their networks in certain cities. You can assess a bank's commitment to your area (or lack thereof) by seeing if it has shut branches recently or instead seems to be investing in the in-store locations, says Gittleman. You might also visit a branch to see what services it offers and to get a sense of how attentive it is to customers.



Technology

If in-person banking isn't a priority or if no bank branches are particularly convenient to where you live, well-designed remote banking technology will make your life easier. Don't want to travel to a branch to deposit checks? Many banks now have apps that let you make a deposit from your living room; it's as simple as taking a picture of a check with a phone or tablet. Tired of writing a rent check every month? You may be able to schedule automatic monthly payments. Like keeping a close eye on your bank balance? Get a text notification after every transaction. "Think about how you plan to interact with your bank and make sure that the financial institution



that you choose has all of those options available," says Gittleman. Since it can be difficult to assess a bank's technology if you don't already have an account there, your best bet is to ask family and friends what they think of the tech at their banks.



Special services

Hate waiting in line? Some banks let customers line up digitally before getting to the branch. Need cash but don't have your debit card? Some institutions let you withdraw money from an ATM by entering your PIN into a mobile wallet. Banks are also using artificial intelligence to make online chats feel more conversational, says Amanda Swanson, a senior director at Cornerstone Advisors, a banking consulting firm.

Look for special features that address your circumstances, and ask people you know about what services stand out at their bank. People who have lower credit or thin-file credit may have a better chance of being approved for a mortgage or other loan if the bank evaluates cash flow data—instead of pulling a credit report—while reviewing their application. If you have more assets, a bank might offer wealth management services at a reduced cost or an interest rate discount on a mortgage. ■

Sharon Waters, a former CPA, has written for The Washington Post and other publications.

Change Your Bank in 4 Easy Steps

If you decide to switch banks ...

1 Open the new account. Be sure to get the bank's nine-digit routing number, which you'll need for direct deposits.

2 Fill out the paperwork to switch any paycheck direct deposits or other regular payments to your new account.

3 Once you know when deposits will hit the new account, switch your automatic debits from the old account.

4 Before closing your old account, verify that all checks have cleared and no outstanding automatic payments remain.