

# Savings Accounts: Serenity on Steroids

Written on September 17, 2012 by [Sharon O'Day](#) in [Finances](#), [Handling Money](#), [Life](#), [Taking Control of Finances](#), [Women and Money](#)

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[Savings Accounts and Serenity](#)

One thousand dollars in a savings account.

That's probably the most achievable—and impactful—thing you can do for yourself as you're trying to pull out of a financial hole ... or starting to put money aside towards financial freedom once you're out of one. Or, even if everything looks hunky-dory on the outside, but you know your credit cards are maxed out ... and you're stressed out.

*That one act is so transformational that it's the first thing I coach my clients to do.* And it's the first thing I did when I hit the wall financially in 2001.

## So Where Does the Money Come From?

Now, I don't care how you get that money. It just shouldn't come from your regular income that's probably already stretched too thin. Get creative. Think of this:

- Cut a deal with the neighbors to babysit for their kids on Fridays so they can have a weekly date night, even if you haven't done any babysitting since you were 14.

- Scour the house for things with some economic value, but with little sentimental or practical value to you. Sell them on Ebay or in a garage sale. (Why not empty the garage or the storage unit while you're at it?)
- Sign up for paid focus group participation through companies (one example is FG Global Research Recruiting at [www.fgglobal.com](http://www.fgglobal.com)). Do your research to be sure the company is legitimate and do not pay to register, to participate or to access any lists. Start your search on Google by entering "paid focus groups" and drill down from there. And, better yet, start asking everyone you know; a personal referral of a company is your best bet.

[What did I do? Back in 2002, as I was picking up the pieces, I concentrated on trial focus groups: trial simulations held by defense attorneys who were seeking ideal arguments and jury-member profiles for their clients' cases. Those sessions, plus some proofreading and translating projects, were how I first funded my emergency fund.]

Whatever it is you have to do, do it.

### **Online Savings Accounts**

But first open a separate online savings account and put \$5 in it so you have a safe place to park your new-found savings.

Now, the U.S. printing presses are chugging away, printing new money in overdrive, so banks don't need your money. That means interest rates are miserably low these days, typically less than one percent per year.

But your top priority isn't necessarily to build interest; it's to build your confidence. Your "money confidence."

You're more interested in:

- low minimum deposits to open the account;
- no monthly fees;
- easy online access for deposits; and
- FDIC insurance.

(You don't want to put your money where it'll disappear some day because the bank goes belly-up and isn't insured.)

You might be looking at online banks like FNBO Direct ([www.FNBODirect.com](http://www.FNBODirect.com)), Ally Bank ([www.ally.com/bank/online-savings-account](http://www.ally.com/bank/online-savings-account)) that used to be GMAC, and today even American Express ([www.personalsavings.AmericanExpress.com](http://www.personalsavings.AmericanExpress.com)). Long-time favorite ING Direct has been swallowed up by Capital One, so may not be such a favorite for much longer.

### **Why Are Savings Accounts Critical?**

Having an emergency fund is just the first step towards getting yourself to [financial peace of mind](#), where you know you (and your family if you have one) will be fine well into retirement.

But its importance comes from the fact that, ***suddenly, you have a feeling of control over at least one part of your financial picture.*** That's far more empowering than you can imagine.

It's money that should not have come out of your regular earnings, so didn't put additional pressure on any other payments. Therefore, ***it's money that should not be used for shortfalls in your regular payments*** either.

Actually, ***it's money that will bail you out when you truly have an unexpected "emergency,"*** an expenditure that couldn't have been foreseen. Something happens to your car. Your hot water heater bursts. Your daughter calls from college to say she's in trouble and needs to come home to talk to you.

By knowing you have "a little something" set aside for such emergencies somehow lowers your stress levels so you can deal more rationally with the rest of your [finances](#).

It may seem like a small step, but ***it's the most important step because it takes you psychologically from "totally vulnerable" to "taking control."***

You can build from there. But first you have to take that first step.

Let us know in the Comments section below how you might generate money for an emergency fund. And if you have one, let us know how it's served you in the past.

x-x-x-x-x



**Bio:** [Sharon O'Day](#) lost everything at age 53: her home, her business, everything. But how could that be? She's an expert in global finance and marketing with an MBA from [the Wharton School](#). She has worked with governments, corporations, and individuals ... yes, she was the secret "weapon," if you will, behind many individuals in high places. Yet she did! Since then, with her finances completely turned around, Sharon has gone on to interview countless women. She's done extensive research to understand how that could have happened, especially with her strong knowledge of numbers and finance.

The surprising answers are shared in her posts, articles and an upcoming book. Today her mission is to show as many women as possible how to become financially free for the long term, through her coaching programs. She has developed a step-by-step plan to get past all the

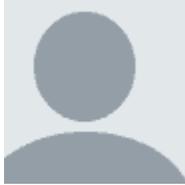
obstacles that keep women broke and scared ... and from reaching the financial peace of mind they so deserve ... if they're willing to do what it takes!

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- 25 comments



Join the discussion...

○



[MarVeena Meek](#) • [3 years ago](#)

Thanks for sharing some solid ideas to gain financial independence.

○



[Susan Schiller](#) • [3 years ago](#)

I'm super-excited that I actually have met this goal, and you're right - it does feel good to have a stash. It gives me a sense of empowerment. It motivates me to save more... and I love the ideas you suggested - thanks, Sharon!

▪



[Sharon O'Day](#) Mod [Susan Schiller](#) • [3 years ago](#)

It really is the most empowering thing you can do for yourself ... proof that "you" count in the money decisions you make. The benefits are many, Sue, and I'm thrilled you're enjoying them!

○



[Dr. Mary C Kelly](#) • [3 years ago](#)

I love this article! Anything to get people saving and being smart! Keep it up! We need these kinds fo articles!

▪



[Sharon O'Day](#) Mod [Dr. Mary C Kelly](#) • [3 years ago](#)

That's my plan, Mary! It's too easy to get distracted by the day-to-day, and not realize that there are 'doable' things that make the journey more comfortable ...

○



[Dorien Morin-van Dam](#) • [3 years ago](#)

What a great message of confidence building, Sharon! I am going to share this post!  
Thank you :)



[Sharon O'Day](#) Mod [Dorien Morin-van Dam](#) • [3 years ago](#)

Thanks, Dorien. Having that backup is truly confidence building!

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[Sally K Witt](#) • [3 years ago](#)

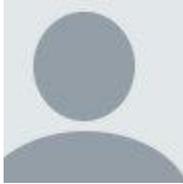
Excellent advice Sharon. I pray that all of our families will get what they need!



[Sharon O'Day](#) Mod [Sally K Witt](#) • [3 years ago](#)

I do, too, Sally.

○



[Carmen](#) • [3 years ago](#)

Great article and advice. I didn't realize how important my savings account was until I became disabled. Thanks. Xx

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[Sharon O'Day](#) Mod [Carmen](#) • [3 years ago](#)

Any event like that, Carmen, multiplies the vulnerability we feel if we don't have ready access to critical cash!

○



[Carolyn Hughes](#) • [3 years ago](#)

I love your idea that the savings aren't just about the money but also about confidence building. I know myself that having a small emergency account is crucial for my own peace of mind so that when something unexpected pops up (Like music tuition for my daughter doubling in cost this year!)

▪



[Sharon O'Day](#) Mod [Carolyn Hughes](#) • [3 years ago](#)

Carolyn, it lowers our vulnerability ... or feeling like we're always on the "fighting edge," waiting for the next event to wallop us. And taking that control builds confidence ...

o



Estelle • [3 years ago](#)

Great Article Sharon - another great place to start a savings account is a credit union - usually no fees and lots of support.

▪



[Sharon O'Day](#) Mod [Estelle](#) • [3 years ago](#)

You're right, Estelle. Credit unions have traditionally been "saver friendly," much more so than traditional banks that dream up one fee after another to charge. And with the low interest rates paid these days, the fees easily can eat up the interest earned ... and more!

o



[Tereza](#) • [3 years ago](#)

Everyone needs some emergency savings, so true!



[Sharon O'Day](#) Mod [Tereza](#) • [3 years ago](#)

If we don't have something set aside, Tereza, we're at the mercy of every event that comes along. Worse yet, we worry about the possibility of an event ... and that's so stressful!

○



[Norma Doiron '\\*.:. .](#) • [3 years ago](#)

That is what I am working on right now... building that emergency fund. It is actually rewarding to do so. Thanks for more motivation. :)



[Sharon O'Day](#) Mod [Norma Doiron '\\*.:. .](#) • [3 years ago](#)

Feels really good, doesn't it, Norma? It's that feeling of control that we all love!

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[Carly Alyssa Thorne](#) • [3 years ago](#)

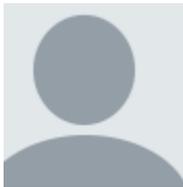
Great tips as always... Thanks



[Sharon O'Day](#) Mod [Carly Alyssa Thorne](#) • [3 years ago](#)

Glad you enjoy them, Carly!

○



[Bonnie Clark](#) • [3 years ago](#)

Excellent article! I will pass this article along to those I come across who are looking for my help but haven't saved enough seeds for me to be effective in helping them grow a harvest. What is your advice regarding HOW to avoid tapping those funds to cover shortfalls in payments?



[Sharon O'Day](#) Mod [Bonnie Clark](#) • [3 years ago](#)

Bonnie, one way to keep people from wanting to tap into their emergency fund for shortfalls is to be sure it does not originally come out of funds meant to pay bills. That's like taking from Peter to pay Paul. And when they need money, Peter will go back to Paul. Hence my recommendation to earn it elsewhere. The personal power that comes from having that fund will also be a factor. Beyond

that, it's just willpower and the decision to change their financial lives. Hope that helps!

o



[dennyhagel](#) • [3 years ago](#)

This was so refreshing...I think we all know we need to have an emergency fund BUT trying to figure out how to get one started always represented giving something up first...love love love your ideas on how to generate these funds outside the regular stream of income! Thanks, this has really got my creativity flowing! Excellent!

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[Sharon O'Day](#) Mod [dennyhagel](#) • [3 years ago](#)

Denny, I feel it's important to have that "just-in-case fund" generated by something that doesn't mean taking from already-tight finances. And my suggestions were meant to indicate that there are so many sources of money if we'll just get outside our normal patterns. Glad it got you thinking!

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