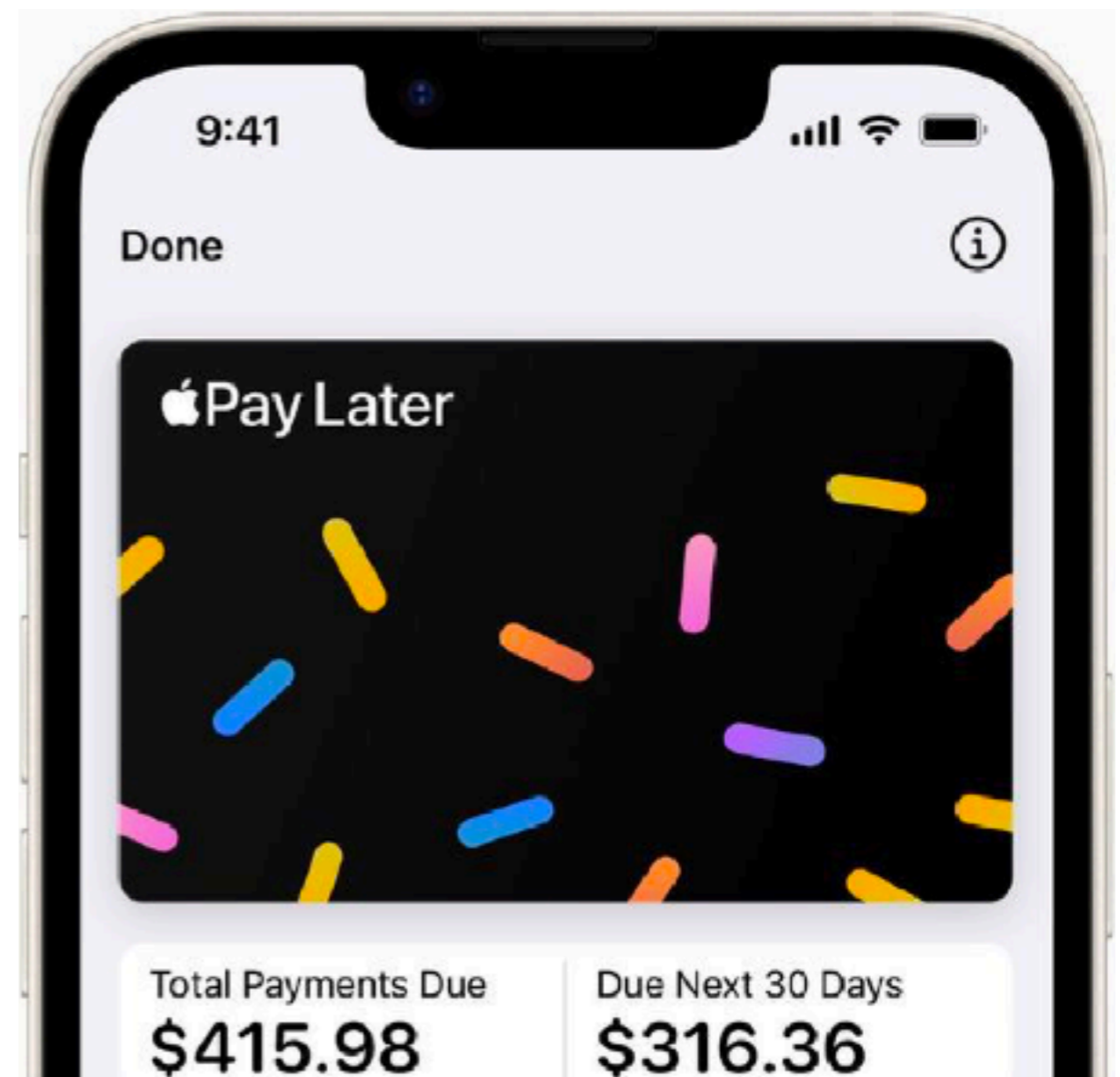


Last month: Apple Pay Later

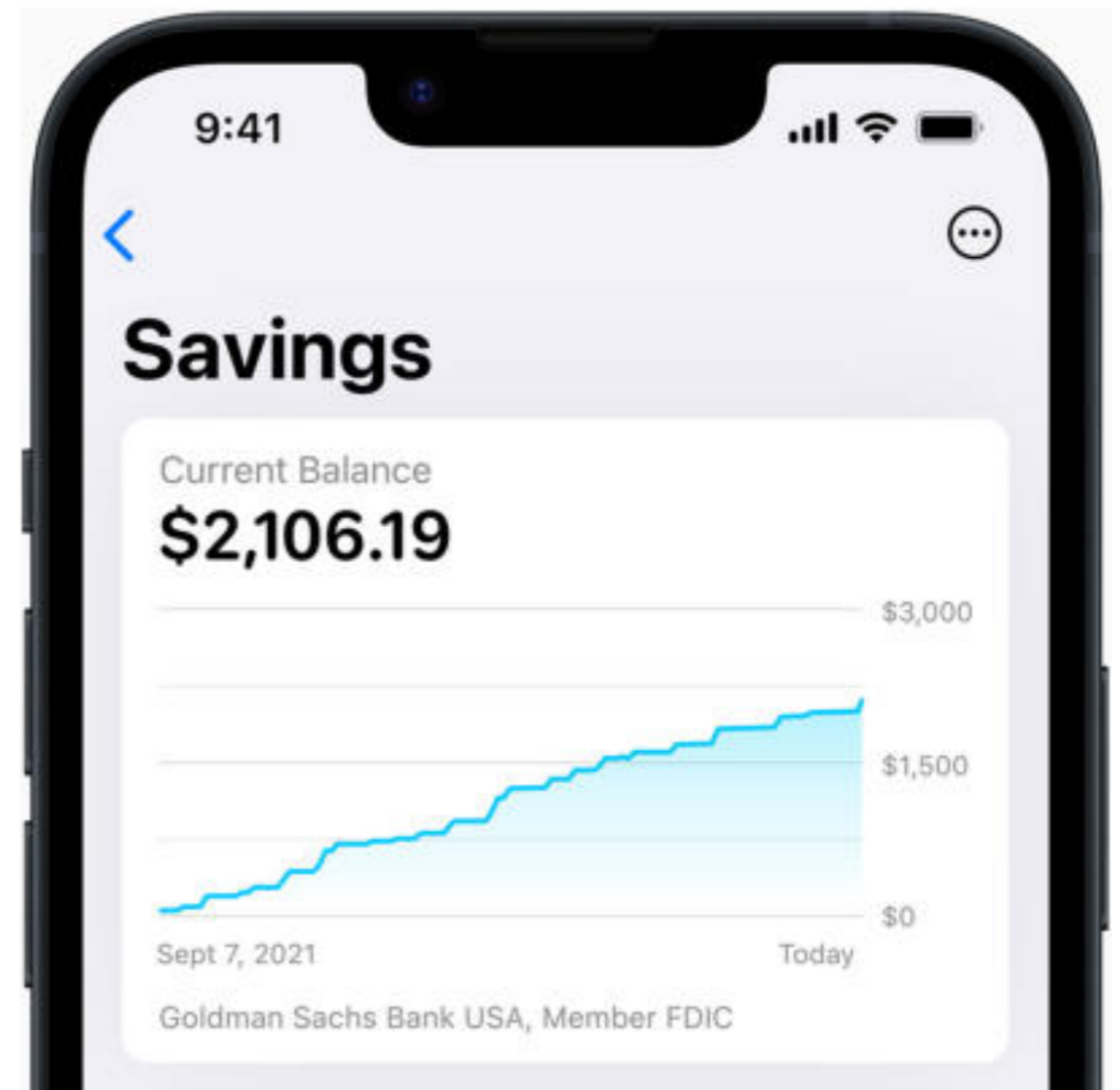
Last month I gave a presentation on Apple Pay Later, which lets you take out a short term loan of up to \$1000 interest-free.



This month:

Apple Card Savings Account

This evening we'll look at another way Apple is delving into the finance business—Apple Card Savings Account.



Video

by William Lee

https://www.youtube.com/watch?v=PahIU_k1jDM

I found a good video that explains how Apple Card, Wallet, Apple Cash, and Apple Card Savings Account all interact. Afterward I'll go over the highlights and make a few comments.

Features:



- **Do everything from your iPhone**
- **Unlimited withdrawals with no penalty**
- **No fees or minimum balance**
- **Deposits earn interest immediately**
- **Interest paid at end of the month**

What I like most about the Savings Account is how you can do everything on your iPhone. Also, you can make an unlimited number of withdrawals at any time with no penalty. There are no fees or required minimum balance. A deposit starts earning interest on the day it's made, and the interest is added to your balance on the last day of the month.

Restrictions:




- The usual (≥ 18 , SSN, US residence)
- Active Apple Card on your iPhone
- Two-factor authentication
- Latest iOS
- Cannot spend money directly from the savings account
- FDIC limit of \$250K



As with any bank account you must be 18, have a Social Security Number, and be a US resident. You must have an active Apple Card in your phone's Wallet app. You must set up two-factor authentication for your Apple ID, which is easy to do in your iPhone Settings. You must have the latest version of iOS.

You cannot spend money directly from the Savings Account. You must first tap on Withdraw. Then you can leave it in Apple Cash or transfer it to your bank account. Also, the FDIC limits your balance to \$250,000.

Keep in mind:



- 3 to 5 business days before a deposit is available for withdrawal
- Apple Card rewards go into your Savings Account, not Cash.
- Interest rates can change

There is a lag between when you make a deposit and when the amount is available for withdrawal. And once you create the Savings Account, any cash back you get from using your Apple Card is deposited into the Savings Account instead of Cash, but that's good because Cash pays no interest. Finally, interest rates are subject to change depending on the whims of the Federal Reserve.

Comparisons:

National average of savings accounts = 0.35% APY

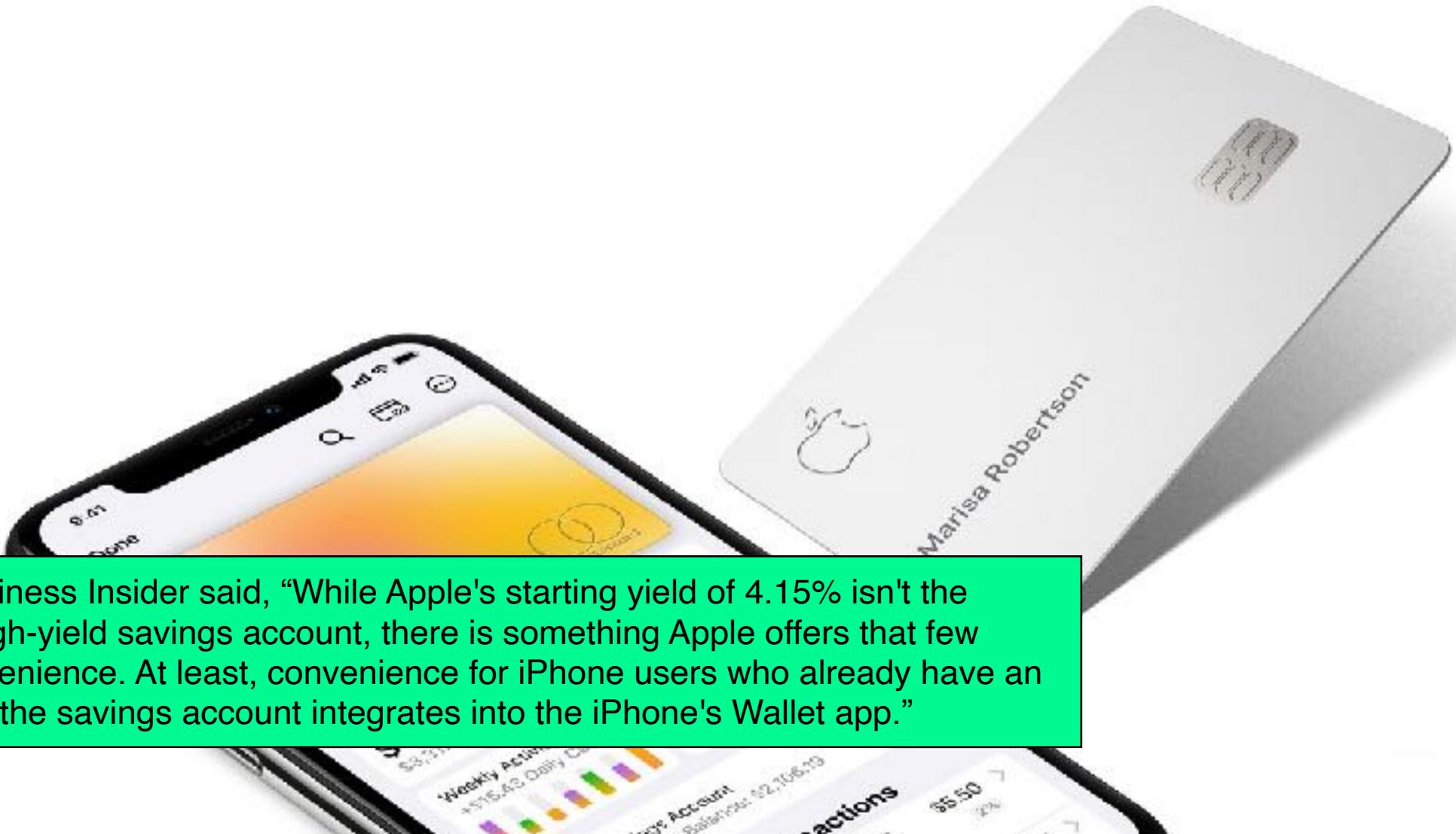


CDs offer as much as 5.05% — but with restrictions



The national average of interest rates on savings accounts is 0.35%. Most banks offer Certificates of Deposit at rates of 5% or higher, but you cannot withdraw the money until the term of the CD has passed without a substantial penalty.

Apple Card Savings Account 4.15% APY + convenience.




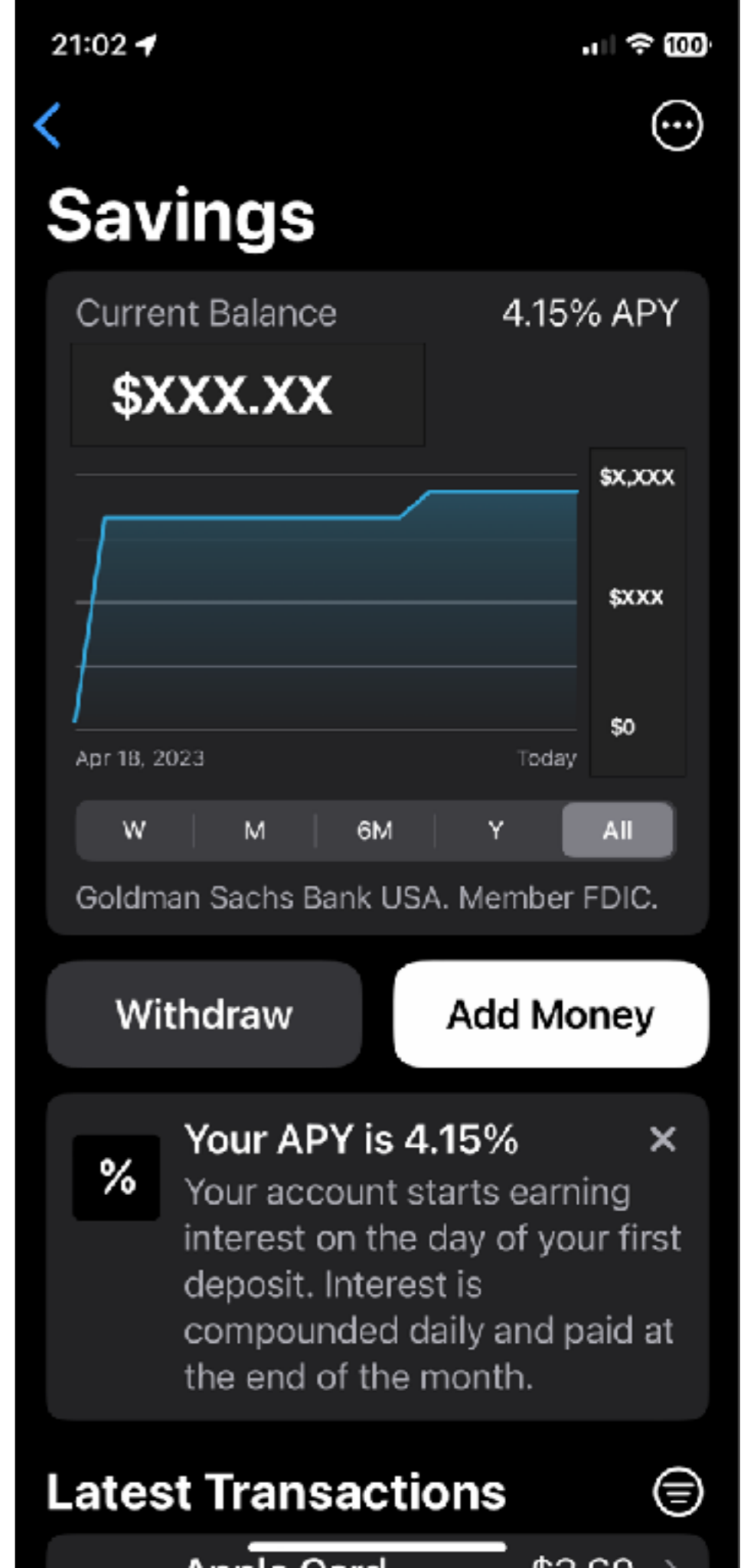
A review in Business Insider said, “While Apple's starting yield of 4.15% isn't the highest for a high-yield savings account, there is something Apple offers that few others do: convenience. At least, convenience for iPhone users who already have an Apple Card, as the savings account integrates into the iPhone's Wallet app.”

My experience:

- I created my account on April 18 by depositing \$4.69 I had in Apple Cash. Creating the account and transferring the money took less than a minute. I then transferred a larger amount from my checking account. That also took less than a minute.
- On Sunday 4/30, the last day of the month, a message popped up on my phone saying interest had been added to my Savings Account. That evening I made another transfer from my checking account.
- The next morning, 1 May, the deposit I made the evening before was in my balance.
- On Thursday morning the deposit I made on Sunday was available for withdrawal. Later that day I made a purchase using Apple Pay and my Apple Card.
- On Friday the 5th the cash back reward was added to my savings account. [Note: If I had left the amount I deposited in my checking account it would have earned 0.005%. The same amount in the Apple Card Savings Account earned more than 800 times that amount.]
- On Friday evening, as a test, I withdrew \$5 and transferred it to Apple Cash. The transfer was instant. I also could have transferred it to my checking account, and it would have take a day or two to post.

Screenshot of my iPhone

Here is a screenshot of my phone. The numbers are covered, but it shows the buttons for withdrawing or adding money to the account. Tap one of those options and it will then ask how much. If it's a withdrawal it will ask if you want to send it to Cash or your bank account. A deposit works in a similar way.



A few last comments:

- *Forbes* magazine: On April 17, the day Apple launched Apple Card Savings Account, deposits reached nearly \$400 million. By the fourth day deposits were nearly a billion dollars. By the end of the week about 240,000 accounts were opened.
- Some financial advisors warn what Apple is doing could be tempting to people who tend to overspend.
- Other commentators say Apple's savings account is probably more appealing to users who are accustomed to technology. But if you are a fan of Apple Products and are comfortable with how easy and secure their devices and services are, then this is a great way to save money to achieve goals.

Links:

Set up and use Savings in Apple Wallet:

<https://support.apple.com/en-us/HT213451>

William Lee video:

https://www.youtube.com/watch?v=PahIU_k1jDM

Goldman Sachs Agreement and Limits page:

<https://www.goldmansachs.com/terms-and-conditions/Deposits-Account-Agreement.pdf>

Business Insider:

<https://markets.businessinsider.com/news/stocks/apple-gained-1-billion-new-deposits-high-yield-savings-account-2023-5?op=1>