

3 ways to maximize your savings returns in 2025

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There are multiple ways in which savers can grow their money in 2025, even with interest rates declining.
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While higher interest rates weren't great for homebuyers or borrowers over the last two years, they've been a boon to savers — allowing consumers to earn significantly more on savings accounts, certificates of deposit (CDs) and other savings products than they could have in years past.

But the market is shifting. Savings rates have started to fall in recent months as the Federal Reserve has adjusted its policies.

While it's likely rates will dip even further in 2025, that doesn't mean stowing away cash is a bad idea. In fact, with the right strategy, you can still generate solid interest from your savings in the new year. Below, we'll explain how experts say to do it now.

Start by seeing how much more you could be earning with a top CD here.

3 ways to maximize your savings returns in 2025

Ready to earn even more on your money? Here are three effective ways to boost your returns this year:

Choose the right products

The first thing to do is to make sure you're choosing the right savings products, as not all are created equal. First, if you're looking at savings accounts, go for a high-yield one rather than a traditional savings account.

According to the [Federal Deposit Insurance Corporation \(FDIC\)](#), the average interest rate on a traditional savings account is just 0.42% right now. On some high-yield accounts? You can get up to 5%.

"Focus on high-yield savings accounts or promotional offers, which often provide above-average APYs," says Stephan Shipe, a certified financial planner and owner of Scholar Financial Advising.

If you don't need constant access to [your money](#) and can afford to let it sit for a period of time, you might get even [better rates with a certificate of deposit account](#). With these, [your CD rate](#) is also [fixed](#) for the entire time you have the account (savings accounts have rates that fluctuate).

"A certificate of deposit would be better for potentially maximizing interest because you can actually lock in an interest rate," says Christopher Mediate, president of Mediate Financial. "This would be for someone that has the ability to lock their money in without touching it for a period of time and likes the certainty of knowing what interest they will earn for a period of time."

Finally, you can also explore [money market accounts](#), a type of savings account that allows for a certain number of check-writing and debit-card privileges per month. These also have variable rates, like high-yield savings accounts, so their rate will fall if market rates continue declining. "Money market accounts, in a lot of cases, are paying better yields if you are willing to look for them," Mediate says.

[Explore your current CD account options online now.](#)

Choose the right terms

In addition to choosing the right products for your savings, choosing the right terms is key, too — especially if you're using a certificate of deposit.

That's because [CD interest rates](#) vary widely by [term length](#). A three-year CD, for example, can come with a 3.65% APY. If you opt for a 12-month term, though, you can get a 4.25% APY — potentially earning you much more in interest (at least for that one year).

Here's the catch, though: Once that CD term is over, you'll need to find a new savings vehicle. And if rates have dropped since opening the account, you'll likely get a much lower rate. For this reason, it's usually best to choose a long-term CD if you expect that lower interest rates are on the horizon.

"Since rates more than likely will start declining in the future it may be best to opt for a longer-term certificate of deposit," Mediate says. "The longer the term and the better the rate, the more guarantee you have on your interest rate."

Always shop around

Last but not least, experts say, to make sure you shop around and compare banks when choosing a savings product.

"Rates can differ significantly based on each institution's appetite for deposits and marketing strategies," Shipe says.

When comparing your options, make sure to look at a variety of institutions: Big-name banks, credit unions, [online-only banks](#), and more. Consider both APYs and the terms/fees of the accounts you're looking at, and if you're a new client, you can also ask about "teaser rates or specials," Mediate says. "Banks will want to offer you better rates to open accounts with them so the teaser rates may be better than where you are currently."

Whatever you do, shop around before opening your account, says Mike Chadwick, founder of Fiscal Wisdom Wealth Management, and don't just go with your main bank or the first savings account you find.

"Smaller banks and credit unions often offer the best rates," Chadwick says.

[Start shopping for CDs and savings accounts here.](#)

Rates will still be good

Overall, interest rates are expected to decline in 2025 as the Federal Reserve cuts interest rates, but that doesn't mean they'll bottom out. As Mediate explains, "I believe that interest rates on savings accounts will still be lower than they were in 2023 and 2024 but better than we have had in the last decade."

Just be sure to shop around to ensure you're getting the best possible terms and rates for your needs, and if you're not sure what savings product fits your goals, talk to a financial advisor. They can help you determine the best path

forward.

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