

## LI People ON THE MOVE

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**Matthew Colson**, of St. James, has been hired as vice president for foundation and external affairs at **Matther Hospital** in Port Jefferson. Colson was vice president for development at Farmingdale State College in Farmingdale.



**Craig H. Handler**, of Dix Hills, has been hired as partner at **Ruskin Moscov Faltischek** in Uniondale. Handler was a partner at Twomey Latham in Riverhead.



**Christine Donnelly**, of Greenlawn, an art teacher at various schools in the Seaforth Union Free School District, has been appointed to the board of directors at the **Art League of Long Island** in Dix Hills.



**Maria Peckman**, of North Bellmore, has been hired as director of children's programming at **Sid Jacobson JCC** in East Hills. Peckman was director of URI Elmer Camp in Great Barrington, Massachusetts.



**Alan J. Schwartz**, of Dix Hills, principal and managing attorney of the Law Offices of Alan J. Schwartz in Garden City, has been appointed associate village justice of the **Incorporated Village of Huntington Bay**.



**Alexandra Cruz**, of East Norwich, has been hired as vice president of finance and administration at **Nassau Community College** in Garden City. Cruz was director of financial affairs for the Donald and Barbara Zucker School of Medicine at Hofstra/Northwell in Hempstead.

—DIANE DANIELS

## THE ISSUE: INTEREST RATES

# What savers can do after Fed's first rate cut of '25

## MONEYFIX

NerdWallet

**T**he Federal Reserve just delivered the rate cut that Wall Street predicted, trimming the federal funds rate by 0.25 percentage points. The new target range is now 4% to 4.25%. While the move is likely to make loans cheaper, it will affect more than just debt. People with money parked in high-yield savings accounts will probably see their rates fade as well.

When the Fed lowers rates, banks often follow by lowering savings yields. It may not be a huge drop right away, but annual percentage yields (APYs) for today's top savings accounts and certificates of deposit — which are north of 4% — will probably decline. If you're not already earning a high rate on your money, you may want to act soon.

### High rates to dip, not disappear

The economy has been showing signs of slowing productivity and rising unemployment, and the Fed typically responds to these conditions by easing its rate policy. Last month, Federal Reserve Chair Jerome Powell signaled rate cuts in a speech at the Fed's annual symposium in Jackson Hole, Wyoming. Powell noted that "the baseline outlook and the shifting balance of risks" could justify a change. Last week's announcement made the change a reality. Depending on market conditions, there could be even more cuts in the future.

The Fed's decision on Wednesday was notable in that it was the first rate cut in 2025. But it was a relatively small reduction. While banks will drop their deposit rates, that doesn't mean it's your last chance for worthwhile rates.

"We've spent so much of the last 17 years in a zero-rate environment that we tend to think when rates fall, they're going back to zero," says Adam Stockton, head of retail deposits and lending at the banking analytics firm Curinos. But that scenario is probably not where we're headed, Stockton says.

The Fed projected in June that its long-term target rate range is around 3% to 3.50%. If that holds, it



The Fed's interest rate cut will affect savings yields. Check your accounts' APYs and consider switching if your bank isn't offering competitive rates.

means a further drop of only one percentage point or less. Stockton noted that, apart from a catastrophic financial event, consumers don't need to worry about their deposit rates dropping to nothing. But finding the best rates for your money should continue to be a priority.

### Lower savings account rates

Today's best high-yield savings accounts earn around 4% APY, based on NerdWallet data. Those rates will likely dip, but since last week's cut is only 0.25 points, we're unlikely to see large rate swings. If you're looking for a place to park your cash and earn interest, a high-yield savings account is still your best bet.

Stockton suggests staying on top of your account's rate to watch out for drops. You don't have to check the APY daily, but looking it up every month or so to make sure it's competitive is a good idea, he says. If it isn't, consider switching accounts.

Keep in mind that interest compounds over time. So the sooner

you move your money into a high-yield account, the more it can grow.

### Don't wait to open a new CD

The best one-year CD rates are around 4.10%, while top five-year rates are closer to 3.80%, according to NerdWallet data. These are some of the highest rates of the past decade, and you'll need to act quickly if you want to secure them. As with savings accounts, these CD yields will likely dip.

CDs' fixed rates let you lock in today's yields for months or years of consistent returns. Ideally your rate surpasses inflation. Note that certificates of deposit are best for savings left untouched, since there are typically early withdrawal penalties that can erase some or all interest earned.

It's not too late to get a high-yield savings account or CD before rates slip. The Fed's next meeting is scheduled for late October, at which point it may cut rates again, so savers may want to act before then.

Send submissions and color headshots to [peopleonthemove@newsday.com](mailto:peopleonthemove@newsday.com)