

YOUR FINANCIAL ROAD MAP: WHERE DO YOU WANT TO GO?

DAY: 5

TITLE: YOUR MONEY – Keeping It Safe and Secure

TARGET COMPETENCY: Demonstrate how to use various financial services.

OBJECTIVES:

- Examine various types of financial services providers
- Explain how a savings and checking account works
- Practice using a checking account and debit card
- List products and services offered by banks or credit unions
- Compare the costs and benefits of using a particular financial institution

HANDOUTS/MATERIAL:

- NEFE Unit 5 — Your Money: Keeping It Safe and Secure
 - Student Guide
 - NEFE PPT – Unit 5
- Handout: Banking Opinions
- Handout: Banking Matrix

LESSON SUMMARY:

Financial services are the foundation of managing, saving, and spending money. In this unit, students will learn the ins and outs of basic financial services, including savings and checking accounts, debit and credit cards. They will be introduced to mainstream financial services (banks and credit unions), along with alternative service providers such as Payday Lenders, Check Cashers. Students will learn how to analyze products and make informed decisions about their banking provider. The use of credit cards and electronic banking services can leave us open to identify theft, which will be covered in greater detail in the Consumer Protection lesson.

LESSON OUTLINE:

MINUTES	CONTENT
	<p>Recommendation: Invite a guest speaker(s) from a local financial institution. Ideally, representatives from both a bank and a credit union could talk about their products and services.</p> <p>Recommendation: Skips Exercises 5A, 5B</p>
5	<p>Teens & Banks</p> <p>Start This Unit By Getting Your Student Moving And Thinking! Using The “What Do You Think?” Questions (Pg. 60 Of Student Guide), Post The</p>

	<p>Answers To Each Of The Questions Around The Room. Read The First Question And Ask Your Students To Move To That Sheet. Ask Follow-Up Questions: Why Did You Choose That Answer? Where You Surprised At The Answer.</p> <p>Take A Poll Of Your Class To See If It Compares To The National Statistics.</p> <p>Another Option: Do Banking Opinion Exercise (See Handout) To Determine Your Students’ Perceptions About Banks And Credit Unions.</p>
<p>10</p>	<p>Banks & Credit Unions</p> <p>Use the PPT to introduce the types of financial services provided by mainstream financial institutions (banks and credit unions).</p> <p>Banks make money by leveraging the pool of money they “hold onto” and by charging fees. Reference Figure 5-1 (pg. 67 of Student Guide) to explain banking fees. Banking and credit card fees have come under a lot of scrutiny in the last year due to the Dodd-Frank Wall Street Reform & Consumer Protection Act of 2010. The Dodd-Frank Act established the Consumer Financial Protection Bureau (CFPB), which we’ll discuss during our Consumer Awareness lesson. http://www.consumerfinance.gov/the-bureau/</p> <p>Homework: Using the Banking Matrix, contact at least three banks or credit unions and fill in the columns for each. You may obtain information online, in person, or over the phone.</p>
<p>15</p>	<p>Deposits & Checks</p> <p>Review pages 62-65 of the Student Guide, using PPT slides to provide overview of checking accounts. Exercise 5C: Make the Deposit</p> <p>Exercise 5D – Keeping Track (break into pairs and complete this task).</p> <ul style="list-style-type: none"> • Optional: Provide several blank checks to students and have them practice writing checks to their classmates. (For those wise-crackers in the class, you may want to underscore that check are a great way to track expenses – they shouldn’t write checks for things they don’t want to be tracked). Collect checks at the end to ensure that was the case

<p>25</p>	<p>Record Keeping</p> <p>Use the PPT to demonstrate how to use a checkbook register to record transaction. Complete Exercise 5D in class.</p> <p>Note: The advent of online banking is shifting consumers’ habits about maintaining check registers. However, just because your account has a positive balance, it may not contain any outstanding checks. People often hold onto checks long after you’ve written them. Keeping an up-to-date check register is the only way to be certain. Also, it should go without saying, but.....just because you have blank checks, it doesn’t mean you have the funds to cover those checks!</p> <p>Exercise 5E: Does It Balance (Distribute material available on pg. 146 of Instructor’s Manual). The exercise demonstrates how to reconcile a checking account.</p>
<p>5</p>	<p>Assessment</p> <p>Answer True or False</p> <ul style="list-style-type: none"> • Credit Unions are financial institutions owned by their customers. • All federally insured banks and credit unions offer insurance protection on your savings up to \$250,000. • Always write checks in pencil, in case you need to make a change. • All checks must be cashed within two weeks of when they were written. • My monthly bank statement tells me the exact amount of money I have in my checking account. •

HOMEWORK:

Complete Banking Matrix
 Assignment 5-2: Using a Checking Account

ONLINE RESOURCES:

Consumer Financial Protection Bureau
<http://www.consumerfinance.gov/the-bureau/>

Chaired by Elizabeth Warren, this newly created federal bureau was created to provide greater oversight for consumers in the wake of the Wall Street crisis.

Sample Checks

<http://www.moneyinstructor.com/checks.asp>

Federal Reserve Bank Resources:

- What You Should Know about Checks
http://www.federalreserve.gov/pubs/check21/shouldknow_flyer.pdf
- Five Tips for Protecting Your Checking Account
<http://www.federalreserve.gov/pubs/checkingaccount/checkacctips.pdf>
- New Overdraft Rules for ATM and Debit Cards (also in Spanish)
http://www.federalreserve.gov/consumerinfo/files/wyntk_overdraft.pdf

Basic Banking (Federal Reserve Bank of Boston)

<http://www.bos.frb.org/education/pubs/banking2.pdf>

A thorough overview of banking, which includes the basics along with the role for the Federal Reserve Bank, and simple answers to ‘why banks fail.’

Hands on Banking (Wells Fargo product)

<http://handsonbanking.org/htdocs/en/a>

See Topic 1: Lessons 4-6

Building Wealth: A Beginner’s Guide to Securing Your Financial Future

<http://www.dallasfed.org/ca/wealth/index.cfm>

The Federal Reserve Bank of Dallas created this well-designed workbook that briefly covers key topics in financial education (available in Spanish and English). An animated video can be viewed online.