

FDIC

Money
Smart



Bank On It

FDIC Money Smart for Young Adults



Building: Knowledge, Security, Confidence

Objectives

- **Identify the major types of insured financial institutions**
- **Identify five reasons to use a bank**
- **Describe the steps involved in opening and maintaining a bank account**
- **Describe two types of deposit accounts**
- **Identify additional bank services that come with deposit accounts**
- **Describe the main functions of the bank customer service representative, teller, loan officer, and branch manager**



Do You Have a Bank Account?



What Do Banks Do?

- **Banks:**
 - Are businesses that offer a safe place to keep money
 - Are also called *financial institutions*
 - Offer many financial services



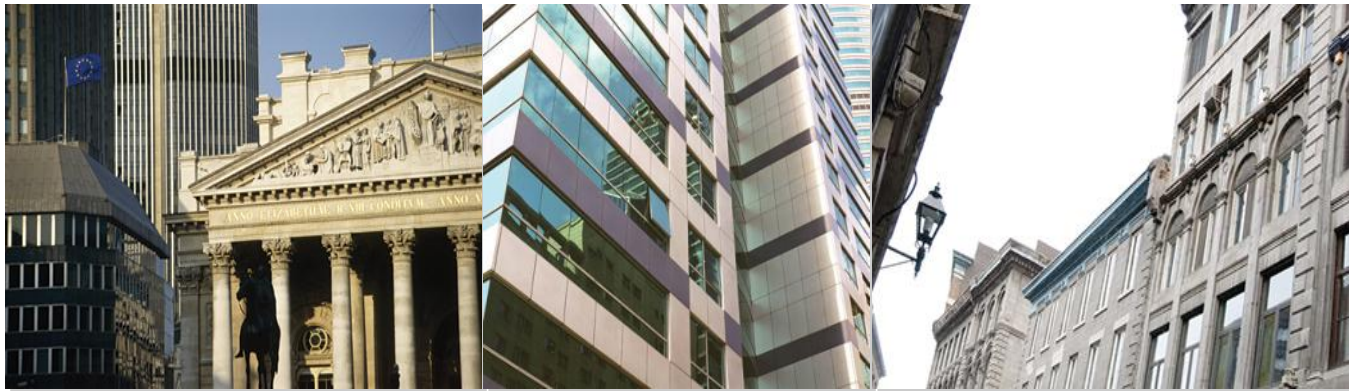
Why Keep Your Money in a Bank?

- **Safety**
- **Convenience**
- **Cost**
- **Security**
- **Financial Future**



Types of Financial Institutions

- **Banks and Thrifts**
- **Credit Unions**



Activity 1: Which is Which?

Complete Activity 1 in your Participant Guide

- Read each description
- Place a ✓ by the correct financial institution for each description



Opening and Maintaining a Bank Account

1. Open the account
2. Make deposits and withdrawals
3. Record interest and fees
4. Keep track of your balance



What Is Account Verification?

Proving your identity by providing the bank with your:

- **Name**
- **Address**
- **Date of birth**
- **SSN or ITIN**
- **State- or government-issued ID**



Banking Terms

Deposit	Put money into your account
Withdrawal	Take money out of your account
Balance	The amount of money you have in your account
Fees	Money charged by the bank for different services
Overdraft Programs	Options in the event you overdraw your account (spend more money than you have in your account)

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Activity 2: Making Deposits and Withdrawals

Complete Activity 2 in your Participant Guide

- Read the scenario
- Complete the table and determine the new balance



Checking Accounts

- Allow you to pay bills and buy goods by using checks or an ATM or debit card
- You will receive a monthly bank statement
- Compare the rules of the different checking accounts



Bank Versus Check-Cashing Services

Check-Cashing Services

- 1 month: $4 \times \$5.00 = \20.00
- 1 year: $\$20.00 \times 12 = \240.00

Bank

- 1 month: $\$5.00$
- 1 year: $\$5.00 \times 12 = \60.00
 $\$60.00 + \18.00 (checks) $= \$78.00$

Savings

- $\$240.00 - \$78.00 = \$162.00$



Savings Accounts

- **You generally:**
 - Are paid interest
 - Cannot write checks
 - Can open an account with a few dollars
- **Review your account statement**



Non-Deposit Accounts

- **Examples: stocks, bonds, and mutual funds**
- **These products are not insured by the FDIC and you could lose some or all of the money that you invest in these products.**



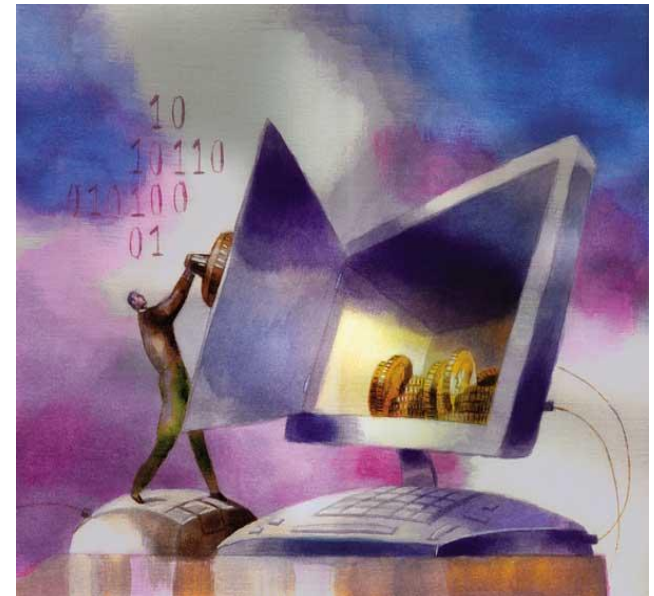
ATM and Debit Cards

- **ATM cards:** can be used at ATMs and some stores
- **Debit cards:** can be used anywhere major payments systems (e.g., VISA and MasterCard) are accepted
- **Stored value cards:** are not linked to your bank account



Additional Banking Services

- **Direct deposit**
- **Money orders**
- **Telephone and online banking**
- **ATMs**
- **Money transfers**
- **Debit cards**
- **Stored value cards**
- **Loans**
- **Remittances**



Activity 3: Additional Banking Services

Complete Activity 3 in your Participant Guide

- Read each description
- Choose the banking service that matches it
- Fill in the blank with the name of the banking service



Privacy Notices and Opting Out

- **Privacy notices explain how your information is handled and shared.**
- **Opt out options:**
 - Review privacy notices and opt out options
 - Tell the credit reporting agencies not to share your information
 - Call 1-888-5-OPTOUT (567-8688)
 - Visit www.optoutprescreen.com



Identity Theft: Protect Yourself

- **Phishing**
- **Pharming**
- **Skimming**



**Protect yourself when shopping
or banking online!**



Activity 4: Bank Employee Role Play

Complete Activity 4 in your Participant Guide

- Read each scenario
- Answer the questions
- Check the box of the correct answer



Did Someone Steal Your Information?

- **File a report with the police as soon as possible**
- **Contact your bank as soon as possible**
- **Place a fraud alert on your credit report**
- **Contact the major check verification companies**



Important Bank Employees



Branch Manager



Loan Officer



Bank Teller



Customer Service Representative



Activity 5: Bank Employee Role Play

Complete Activity 5 in your Participant Guide

- Your instructor will ask for volunteers to act as different bank employees
- Follow your instructor's directions



Key Things to Remember

- **Ask for help; ask questions**
- **Do not sign anything you do not understand**
- **Ask for written information to take home to review**
- **Use the “Choosing a Bank and a Bank Account Checklist”**



Module Summary



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Congratulations! You have learned about:

- **Types of insured financial institutions**
- **Basic banking terms**
- **Opening and maintaining a bank account**
- **Differences between banks and check-cashing services**
- **Types of accounts**
- **Types of banking services**
- **Bank employees and their jobs**

