

# Bank On It



FDIC



FDIC Financial Education Curriculum

# Welcome



1. Agenda
2. Ground Rules
3. Introductions



FDIC Financial Education Curriculum

# 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**



FDIC Financial Education Curriculum

# Objectives

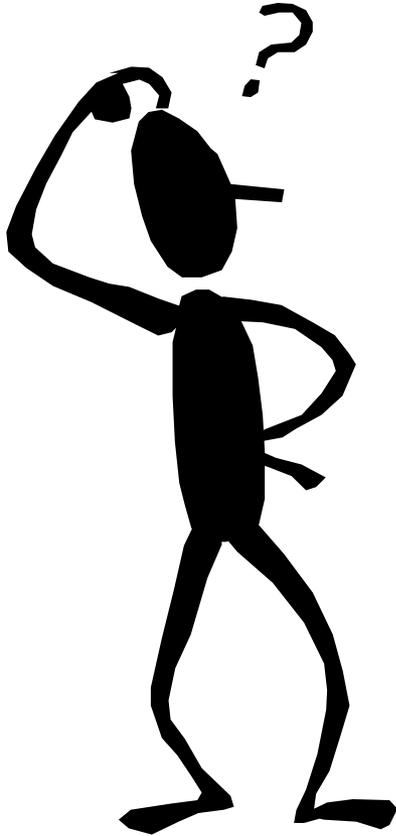


- **Describe two types of deposit accounts**
- **Identify additional bank services that come with deposit accounts**
- **Describe the main functions of the bank customer service representative, teller, loan officer, and branch manager**



FDIC Financial Education Curriculum

# What Do You Know?



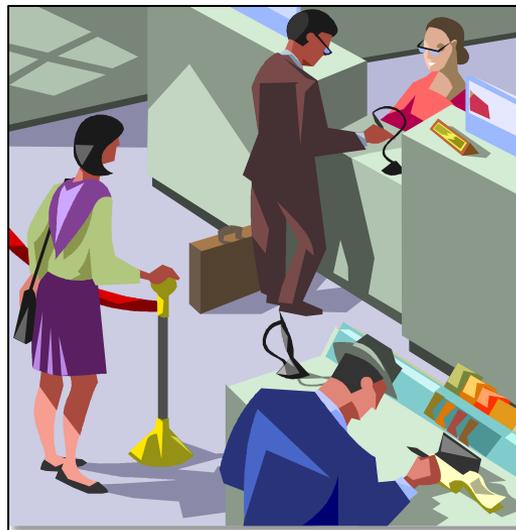
**What do you know or want to learn about banking services?**



FDIC Financial Education Curriculum

# Your View of Banks

- What comes to mind when you hear the word bank?
- What has been your experience with a bank?



FDIC Financial Education Curriculum

# Reasons to Keep Money in a Bank

- How many of you keep your money in a bank?
- Why keep your money in a bank?
  - Safety
  - Convenience
  - Cost
  - Security
  - Financial future



FDIC Financial Education Curriculum

# Insured Financial Institutions

- **Banks and Thrifts:**
  - Are subject to federal and state laws
  - Make loans, pay checks, accept deposits, and provide other financial services
- **Credit Unions:**
  - In addition to the above:
    - Are non-profit financial institutions
    - Require a membership to open an account



FDIC Financial Education Curriculum

# Open & Maintain a Bank Account

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



FDIC Financial Education Curriculum

# Open a Bank Account

- **Complete account verification process**
- **Ask about “second chance” checking programs if you are unable to open an account**
- **Use the “Choosing a Bank and a Bank Account Checklist” to select services that are right for you**



FDIC Financial Education Curriculum

# Deposit

- ***Deposit:*** money you add to your account
- ***Deposit slip:*** tells the bank how much money you are adding to your account

**Note:** You may not have immediate use of deposited funds until the bank ensures there are funds at the originating bank.



FDIC Financial Education Curriculum

# Balance

- The amount of money you have in your bank account

## What is your balance?

Description	+/-	Balance
Opening Balance	+\$100	\$100



# Withdrawal

- Taking money out of your account using checks, withdrawal slip, or ATM

**Always know how much is in your account!**

Description	+/-	Balance
Opening Balance	+\$100	\$100
Withdrawal	-\$20	\$80



FDIC Financial Education Curriculum

# Fees

- **Examples include:**
  - Monthly maintenance fees
  - Penalty fees
  - Overdraft fees



# Balance After Fees Charged

Description	+/-	Balance
Opening Balance	+\$100	\$100
Withdrawal	-\$20	\$80
Fees	-\$4	\$76



FDIC Financial Education Curriculum

# Activity 1: Making Deposits and Withdrawals

**Complete Activity 1 in the Participant Guide.**

- 
1. Read the scenario carefully.
  2. Complete the table.
  3. Determine the new balance.



FDIC Financial Education Curriculum

# Deposit Accounts

- **Examples include:**
  - Checking account—to pay bills and buy goods
  - Savings account—to save money and earn interest
- **You may have transaction and monthly fees.**
- **The bank will send you periodic statements.**



FDIC Financial Education Curriculum

# Bank vs. Check-Cashing Services

## Check-Cashing Services

### Check-cashing fees:

$4 \times \$5 = \$20$  a month

$\$20 \times 12 = \$240$  a year

### Money order fees:

$5 \times \$1 = \$5$  a month

$\$5 \times 12 = \$60$  a year

**Total: \$300**

## Bank

### Monthly fee:

\$5 a month

$\$5 \times 12 = \$60$

**Box of checks: \$18**

**Total: \$78**

**Savings: \$222**



FDIC Financial Education Curriculum

# Additional Benefits of a Bank

- **Internet banking access 24 hours, 7 days a week**
- **Good credentials for loan applications with responsible use**
- **No worries about cash being lost or stolen**



FDIC Financial Education Curriculum

# Interest

- A percentage of your balance that the bank pays you for keeping your money at that bank

Description	+/-	Balance
Opening Balance	+\$100	\$100
Withdrawal	-\$20	\$80
Fees	-\$4	\$76
Interest	+\$1	\$77



# Non-Deposit Accounts

- **Includes stocks, bonds, and mutual funds**
- **Not FDIC-insured; therefore, you may risk losing your investment.**



FDIC Financial Education Curriculum

# Common Banking Services

Direct deposit

Automated  
Teller Machine  
(ATM)

Debit card

Loan

Money order

Money  
transfer

Remittance

Stored value  
card

Telephone  
and online  
banking



FDIC Financial Education Curriculum

# Activity 2: Name That Service

**Complete Activity 2 in the Participant Guide.**

1. Read the description of each service.
2. Choose the banking service that matches it.
3. Fill in the blank with the name of the banking service.



FDIC Financial Education Curriculum

# Privacy Notices

- Explain how your personal financial information is:
  - Shared
  - Protected
- Under Federal law:
  - Financial institutions must keep personal financial information private.
  - You can stop or “opt out” of some information sharing.



FDIC Financial Education Curriculum

# Opting Out



- **Review privacy notices**
- **Limit information credit bureaus can share**
- **Opt out of receiving prescreened offers:**
  - Call 1-888-5-OPTOUT (567-8688)
  - Visit [www.optoutprescreen.com](http://www.optoutprescreen.com)



FDIC Financial Education Curriculum

# Opting Out

- You cannot opt out completely.
- Financial companies can provide:
  - Information to firms promoting the company's products or partner products
  - Transaction records to firms providing data processing/mailing services for the company
  - Information about you in response to court orders
  - Your payment history to credit bureaus



FDIC Financial Education Curriculum

# Bank Employees Include:

- **Customer Service Representative**
- **Teller**
- **Loan Officer**
- **Branch Manager**



FDIC Financial Education Curriculum

# Key Points to Remember



- **Ask for help if you do not know whom to talk to at a bank**
- **Ask questions until you are clear on all the information**
- **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” to help you choose a bank and the account that is right for you**



FDIC Financial Education Curriculum

# Summary

- **What final questions do you have?**
- **What have you learned?**
- **How would you evaluate the training?**



FDIC Financial Education Curriculum

# Conclusion

- **You learned about:**
  - Types of insured financial institutions
  - Basic banking terms
  - How to open and maintain a bank account
  - Differences between banks and check-cashing services
  - Types of accounts
  - Types of banking services
  - Bank employees and their jobs



FDIC Financial Education Curriculum