

FDIC



## FDIC Financial Education Curriculum



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## Getting Started



Use this guide to help you teach this module in an informative, engaging, and effective manner.

You can customize the information in *Money Smart* to meet the needs of your audience. The layering table on page 4 can help you choose the most relevant module sections. However, it is usually a good idea to include:

- **Introductions.** Allows you to “break the ice,” create active instructor-participant dialogue, and set the tone for the session.
- **Agenda and Ground Rules.** Helps participants understand the subject matter and how the class will be conducted.
- **Expectations.** Gives participants the opportunity to tell you what they expect and want to learn from the module.
- **Objectives.** Helps participants place the information to be learned in the proper context and ensures that the content is consistent with their expectations.
- **Explanation of Participant’s Guide Format and Contents.** Serves to keep participants on track with the instructor.
- **What Do You Know? Form and/or Pre-Test.** Helps you and participants determine what they already know or do not know so you can customize the presentation accordingly.
- **Module Content and Activities.** Helps participants to reinforce learning.
- **What Do You Know? Form and/or Post-Test.** Helps you and participants gauge how well they learned the content, what content to review, if any, and what additional materials participants may want to review on their own.

## Module 1: Bank On It Layering Table

Please read the Layering Table Instructions in the [Guide to Presenting Money Smart for Adults](#).

Pages	Time (Min.)	Topic	Subtopic & Activities	Target Audiences
7-8	5	Checking In	<ul style="list-style-type: none"> <li>Introduction of instructor and the materials</li> </ul>	<ul style="list-style-type: none"> <li>Everyone</li> </ul>
9-10, 34	5	Pre-Test and/or What Do You Know?		<ul style="list-style-type: none"> <li>Everyone</li> </ul>
11-12	10	Introduction to Banks	<ul style="list-style-type: none"> <li>Banks defined, reasons to keep money in a bank</li> </ul>	<ul style="list-style-type: none"> <li>Anyone who has or is considering opening a deposit account at a financial institution</li> </ul>
13	5	Types of Financial Institutions	<ul style="list-style-type: none"> <li>Insured depository financial institutions</li> </ul>	<ul style="list-style-type: none"> <li>Anyone who has or is considering opening a deposit account at a financial institution</li> </ul>
14-20	30	Opening and Maintaining a Bank Account	<ul style="list-style-type: none"> <li>Four steps to opening and maintaining a bank account, choosing a bank, bank account checklist, deposits, balance, withdrawals, fees, bank versus check-cashing services, interest</li> <li>Activity 1: Making Deposits and Withdrawals</li> </ul>	<ul style="list-style-type: none"> <li>Anyone who has or is considering opening a deposit account at a financial institution</li> </ul>
21-23	10	Deposit and Non-Deposit Accounts	<ul style="list-style-type: none"> <li>Deposit and non-deposit accounts</li> </ul>	<ul style="list-style-type: none"> <li>Anyone who has or is considering opening a deposit or non-deposit account at a financial institution</li> </ul>
24-26	20	Additional Banking Services	<ul style="list-style-type: none"> <li>Common banking services</li> <li>Activity 2: Name That Service</li> </ul>	<ul style="list-style-type: none"> <li>Anyone who has or is considering opening an account at a financial institution</li> </ul>
27-28	5	Privacy Laws and Regulations	<ul style="list-style-type: none"> <li>Contents of privacy notices, opting out</li> </ul>	<ul style="list-style-type: none"> <li>Anyone who has or is considering opening an account at a financial institution</li> </ul>
29	10	Tour of a Bank	<ul style="list-style-type: none"> <li>Important bank employees</li> </ul>	<ul style="list-style-type: none"> <li>Everyone</li> </ul>
30	5	Wrap-Up		<ul style="list-style-type: none"> <li>Everyone</li> </ul>
33-34	5	Post-Test and/or What Do You Know?		<ul style="list-style-type: none"> <li>Everyone</li> </ul>
35-36	5	Evaluation Form		<ul style="list-style-type: none"> <li>Everyone</li> </ul>

## Icons Guide

The following icons may be used throughout the Instructor Guide to indicate activity type.



### Presentation

Present information or demonstrate an idea.



### Review

Refer participants to and summarize material provided in the Participant Guide.



### Activity

Guide participants through an activity to support their learning.



### Assessment

Direct participants to take a short test.



### Discussion

Facilitate a discussion about a topic as directed.



### Ask a Question

Present a problem or question for discussion.

# Module Overview

## Purpose

The *Bank On It* module provides an overview of banking services and is designed to help participants build a positive relationship with a financial institution.

## Objectives

After completing this module, the participants will be able to:

- 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

## Presentation Time

Each topic has an approximate completion time listed in the *Bank On It* Layering Table. Use the suggested times to personalize the module based on your participants' needs and the given time period. Allow extra time for activities and questions when teaching larger groups.

## Materials and Equipment

The materials and equipment needed to present all of the *FDIC Money Smart: A Financial Education Curriculum* modules are listed in the *Guide to Presenting the Money Smart Program*. Review the guide thoroughly before presenting this module. You will also need a container marked "Bank" (e.g., box, hat) and enough paper money copied, cut, and put into envelopes so that each participant has:

- Two \$20s = \$40
- Four \$10s = \$40
- Three \$5s = \$15
- Five \$1s = \$5
- Total = \$100

*Note:* the paper money can be found on page 31 of this Instructor's Guide.

## Module Activities

- Activity 1: Making Deposits and Withdrawals
- Activity 2: Name That Service
- Activity 3: Bank Employee Role Play

## Instructor Notes

## Presentation

5 minutes



Slide 2

*Record participants' expectations, questions, and concerns on chart paper. If there is anything you will not teach, tell participants where the information can be obtained (e.g., another module, a website). Check off their responses at the end of the training to show that the lesson content met their expectations.*



## Checking In

### Welcome

Welcome to *Bank On It!* By taking this training, you are taking an important first step to building a better financial future for you and your family. It all starts with understanding the basics of personal finances.

### Agenda and Ground Rules

We will discuss concepts, do group and individual activities, and have time for your questions. There will be at least one 10-minute break during the class.

If you have experience or knowledge in some aspect of the material, please share your ideas with the class. One of the best ways to learn is from each other. You might be aware of some method that has worked well for you or some pitfall to avoid. Your class contribution will enhance the learning experience. If something is not clear, please ask questions!

### Introductions

Before we get started, I will share a little about myself and I would like to know a little bit about you.

*[Introduce yourself and share a little of your background and experience.]*

As you introduce yourself, state:

- Your expectations
- Questions and/or concerns about the training content

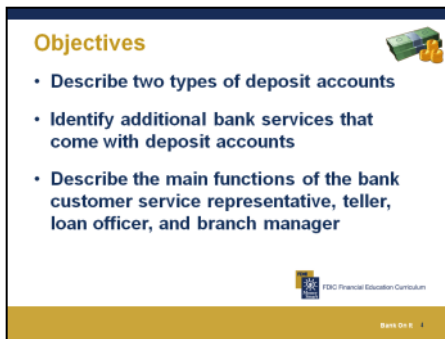
### Objectives

After completing this module, you will be able to:

- 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



## Instructor Notes



**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

Bank On It

Slides 3-4



Review Participant Guide contents and organization with participants.



**What Do You Know?**

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

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Bank On It

Slide 5

Use the *What Do You Know?* form and/or the *Pre-Test* to gauge participants' prior knowledge of the content and customize your presentation, focusing on content with which they are least familiar.

## Presentation

representative, teller, loan officer, and branch manager

### Participant Materials

Each of you has a copy of the *Bank On It* Participant Guide. It contains:

- Information and activities to help you learn the material
- Tools and instructions to complete the activities
- Checklists and tip sheets
- A glossary of the terms used in this module

What questions do you have about the module overview?

### What Do You Know?

Before we begin, we will see what you know about banking services.

#### *[If using the What Do You Know? form]*

The *What Do You Know?* form on page 19 of your Participant Guide lets you compare how much you know before the training and how much you learned after the training. Please take a few minutes now to complete the “Before the Training” column. Which statements did you answer with “disagree” or “strongly disagree”? *[Note: If time is limited, make sure you cover these content areas.]* We will complete the second column when we finish the training.

#### *[If using the Pre-Test]*

Take a few minutes to complete the *Pre-Test* beginning on page 4 of your Participant Guide. Which questions were you unsure of or unable to answer? *[Note: If time is limited, make sure you cover these content areas.]* As we progress through the module and cover the related material, you will be able to determine whether you answered each question correctly.



## Pre-Test

Test your knowledge about banking services before you go through the course.

- Which of the following are insured financial institutions? Select all that apply.
  - Check cashing service
  - Banks and thrifts**
  - Credit unions**
  - Pawn shop
- Which of the following is a good reason to use a bank?
  - Your money is insured up to the maximum amount allowed by law.
  - Your money is safe from theft, loss, and fire.
  - You can access your money quickly and easily.
  - All of the above**
- Which of the following steps are involved with maintaining a checking account? Select all that apply.
  - Open the account**
  - Make deposits and withdrawals**
  - Record interest and fees in your check register**
  - Keep track of your balance**
- Which of the following might the bank want to see and/or verify before you can open a checking account?
  - Photo identification
  - Credit history
  - History of using checking accounts
  - All of the above**
- What is the main difference between checking and savings accounts?
  - A checking account allows you to write checks to pay bills and buy goods. You generally cannot write checks on a savings account.**
  - You generally earn more interest on a checking account rather than a savings account.
  - Some banks may allow you to use your checking and/or savings account to pay bills online or use your debit card.
  - Both types of accounts may have transaction fees for completing more than a certain number of transactions each month.
- What banking services may be offered with some deposit accounts? Select all that apply.
  - Money orders**
  - Free telephone and online banking**
  - Discount on loans**
  - Free checking**

7. With online banking, you can access your accounts at any time to:
  - a. View your account balance(s)
  - b. Conduct transactions, such as transferring money between accounts, paying bills, or ordering checks
  - c. Download information, such as your monthly statement
  - d. Change account information, like your address and phone number
  - e. All of the above**
  
8. In which two of the situations below would you need to see the customer service representative at a bank?
  - a. Refer you to a person who can help you**
  - b. Deposit your money for you
  - c. Take applications for loans offered at the bank
  - d. Answer general questions**

## Instructor Notes

## Presentation

## 10 minutes

Slide 6

Facilitate a brief group discussion to help you understand participants' banking experiences.

Slide 7

Ask for a show of hands to the first question. Write participants' responses to the second question on chart paper. Then, click the space bar, right arrow, or mouse to display the reasons on the slide. Participants may follow along on page 6 of their Participant Guide.

## Introduction to Banks

## Your View of Banks

What comes to mind when you hear the word *bank*? When I say bank, this also includes credit unions and thrifts.

*[Write participants' responses on chart paper.]* These words reflect how you view banks.

*Banks, credit unions, and thrifts* are businesses that offer you a safe place to keep your money and use your deposits to make loans. Banks, credit unions, and thrifts are also called *financial institutions*, since they offer many financial services.

What has been your experience with a bank?

## Reasons to Keep Money in a Bank

How many of you keep your money in a bank? What are some reasons to keep your money in a bank?

Answers:

- **Safety.** Your money is safe from theft, loss, and fire.
- **Convenience.** You can get money quickly and easily. Using direct deposit, for example, allows you quicker access to your money because funds that are electronically deposited are available sooner than if you deposited a check. We will talk more about direct deposit later.  
You can also use Automated Teller Machines (ATMs) to get fast access to your money. Most ATMs are available 24 hours a day, 7 days a week. Additionally, you can use your bank's ATM or debit card to make purchases instead of cash.
- **Cost.** Using a bank is almost always cheaper than using other businesses to cash your check.
- **Security.** The Federal Deposit Insurance Corporation (FDIC) insures deposits up to the maximum amount allowed by law. This means that the FDIC will return the money to the customers if a bank closes and cannot give its customers their money.
- **Financial future.** Building a relationship with a bank establishes a record of paying bills, can help you save money, and can help with getting a loan.

## Instructor Notes

## Presentation



*Accept several responses. Then share any answers not stated. Answer any questions before introducing the next topic.*

What must you do to maintain a beneficial banking relationship?

**Answers:**

- **Manage your accounts properly and avoid overdrawing your account--that is, trying to spend more money than you have in your checking account**
- **Make loan payments on time**
- **Use credit responsibly**

What questions do you have?

During this discussion, we talked about why you should keep your money in a financial institution. Now we will talk about the different types of financial institutions.

## Instructor Notes

## Presentation

## 5 minutes



Slide 8

Remind participants that the terms bank and financial institution are used interchangeably in this module.



Answer any questions. Then introduce the next topic.

## Types of Financial Institutions

## Insured Depository Financial Institutions

There are two major types of insured depository financial institutions:

- **Banks and thrifts.** Banks and thrifts make loans, pay checks, accept deposits, and provide other financial services.
- **Credit unions.** A non-profit financial institution owned by people who have something in common. You have to become a member of the credit union to keep your money there. Credit unions accept deposits, make loans, and provide other financial services.

Both types of financial institutions operate under federal and state laws and regulations.

Deposits in insured banks and thrifts are insured by the FDIC up to at least \$250,000. This means that if the bank were to fail, FDIC would return your money, up to the insured amount.

- You can tell if the FDIC insures a bank by the displayed FDIC logo.
- Most credit unions are insured by the National Credit Union Administration (NCUA). The deposit insurance rules are the same at NCUA-insured credit unions as they are at FDIC-insured banks.

The FDIC has an online tool called the Electronic Deposit Insurance Estimator (EDIE). It lets you calculate the insurance coverage of your accounts at each FDIC-insured institution. You can find EDIE online at [www.myfdicinsurance.gov/](http://www.myfdicinsurance.gov/).

What questions do you have about insured depository financial institutions?

No matter which type of financial institution you use, all of them use some basic banking terms that you will have to know in order to open an account.

## Instructor Notes

## Presentation

30 minutes

**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

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Slide 9

**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

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Slide 10

*Describe the account verification process. Click the space bar, right arrow, or mouse to display the last two bullets as discussing them.*

## Opening and Maintaining a Bank Account

### Steps to Opening and Maintaining a Bank Account

Opening and maintaining a bank account is not as difficult as you might think. There are four basic things you have to do:

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

You will be learning new banking words as we talk about each of these steps.

### Opening a Bank Account

The first thing you need to do to open a bank account is to go through a process called *account verification*. The bank wants to make sure that you:

- Will be a responsible bank account customer
  - If you have not been a good banking customer in the past, they may not want to risk having you as a customer now.
- Are who you say you are, by verifying your identity
- Are able under the law to open a bank account

Ask the bank what type of identification you need to open an account. You will need:

- To prove your identity (e.g., show a state-issued driver's license or ID card)
  - If you are not a citizen of the United States (U.S.), some banks may accept other forms of photo identification including the Matricula Consular card, resident alien card (Green Card), or passport.
  - Typically, any government-issued ID displaying an ID number and the country of issuance is accepted.
- To provide your Social Security number (SSN) or Individual Taxpayer Identification Number (ITIN)

If the bank determines that you are eligible to open an account, you can deposit money into your new account. If you are not eligible, ask about "second chance" checking programs.

- These programs may require you to meet certain requirements (e.g., completing a check-writing workshop).

**Instructor Notes**

**Presentation**

- Ask your local financial institution and/or any reputable credit counseling agency if there are programs in your area.
- Consider opening a savings account if you have had trouble managing a checking account in the past.

**Choosing a Bank and a Bank Account Checklist**



Refer participants to page 8 of the Participant Guide.

When looking for a bank and a bank account, take the **Choosing a Bank and a Bank Account Checklist** with you. The questions can help you choose the bank and accounts that are right for you.

You can find a copy of this checklist beginning on page 8 of your Participant Guide.

*If the financial institution is a credit union, be sure you are eligible to join.	Bank Name/ Account Type _____	Bank Name/ Account Type _____	Bank Name/ Account Type _____
<b>Bank Information</b>			
<b>Does the bank offer the services I need?</b>			
<b>Convenient branches and ATMs?</b>			
<b>Bank hours?</b>			
<b>Do employees speak my language?</b>			
<b>Is it insured by FDIC/NCUA?</b>			
<b>Accounts</b>			
• Requirements for opening account?			
<b>Checking Accounts</b>			
• Minimum opening balance?			
• Minimum monthly balance?			
• Fees?			
• Fee waivers available?			
• Number of withdrawals per month without a fee?			
• Earns interest?			
• Deposit hold times?			
<b>Overdraft Programs</b>			
• Low balance alerts offered?			
• Overdraft fees?			
• Link to a savings account to cover overdrafts?			
• Opt-out options?			



<b>Instructor Notes</b>	<b>Presentation</b>
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<b>Savings accounts</b>			
• Minimum opening balance?			
• Minimum monthly balance?			
• Annual percentage yield (APY)?			
• Fees?			
• Fee waivers available?			
• Withdrawal limits per month?			
• Services available?			
<b>ATM Cards</b>			
• Fees?			
• Fee waivers available?			
• Location/number of ATMs?			
<b>Debit Cards</b>			
• Fees?			
• Fee waivers available?			
• Rebates or bonuses for use?			
• Location/number of ATMs?			
• Debit card transactions requirements or limits?			
<b>Mobile/online banking</b>			
• Is it available?			
• Transaction types and limits?			
• Fees?			
• Fee waivers available?			
• Online bill pay?			
<b>Other Information?</b>			
<b>Total Monthly Costs</b>			
<b>Total Annual Costs</b>			



*Answer any questions. Introduce the next topic. Distribute envelopes with money to each participant.*

What questions do you have about opening a banking account?

Now we will look at some of those banking terms associated with opening and maintaining an account. As we do this, you will be opening and maintaining your own account.

I am going to give you this envelope with money. The envelope represents your bank account, and the money is your *balance*, or the amount you have in your account.

## Instructor Notes

## Presentation



If you plan to teach the *Check It Out* module, you can omit this exercise. Otherwise, have participants count their money.

**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.

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BANK ON IT 11

Slide 11

Explain what a deposit is and how to make one.

## Paper Money Exercise (Optional)

Take the paper money out of the envelope and count it. You should have \$100:

- Two \$20s = \$40
- Four \$10s = \$40
- Three \$5s = \$15
- Five \$1s = \$5

We will be using this money as I walk you through the steps involved in opening and maintaining a bank account.

## Deposit

A *deposit* is money you add to your account. When you add money to your account, you must fill out a deposit slip.

A *deposit slip* tells the bank how much money you are adding to your account.

If you deposit a check, you may not have immediate use of all of the funds.

- The bank must make sure there are funds at the originating bank (the bank of the person who wrote the check) to cover your check.

You should ask the bank when you can use the money you deposited.

- If you deposit cash, it is usually available immediately.
- Deposited checks may be partially available—the bank may allow up to a certain amount of the deposited check to be withdrawn immediately and hold the rest until the check *clears*, meaning the funds are all available for withdrawal.

Now “deposit” the \$100 into the envelope, which is your bank account.

## Instructor Notes

## Presentation

**Balance**

- The amount of money you have in your bank account

What is your balance?

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

 Bank On It

Slide 12


Click the space bar, right arrow, or mouse to display the opening balance.

**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

 Bank On It

Slide 13

Explain the purpose of tracking your transactions and balancing your accounts. Click the space bar, right arrow, or mouse once to display the table. Have participants respond to the question. Click again to display the new balance calculation.



Answer any questions.

## Balance

The *balance* is the amount of money you have in your bank account.

We are going to use this table to keep track of the money we add to and take out of our accounts. What is your balance?

Description	+/-	Balance
Opening Balance	+\$100	<b>\$100</b>

## Withdrawal

When you make a *withdrawal*, you take money out of your bank account.

- You do this when you write a check, give a teller a withdrawal slip, or use an ATM.
- A *withdrawal slip* looks similar to a deposit slip except you use it to take money out of, rather than add money to, your account.

You always need to know how much is in your account so you will not try to withdraw more money than you have.

- If you overdraw your checking account, you will be charged a fee. We will talk about these fees later.

If you take \$20 out of the envelope, which represents your account, you just made a withdrawal. What is your balance now?

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

What questions do you have about how we got this balance?

**Instructor Notes**

**Presentation**



Slide 14



Describe overdraft programs



Collect \$4 from each participant and put it in the container labeled “bank.”

**Balance After Fees Charged**

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

Slide 15

Click the space bar, right arrow, or mouse to display the new balance calculation. Answer any questions.

**Fees**

Financial institutions may charge you *fees*, such as:

- A monthly maintenance fee to keep your account open
  - The fee may be \$0 under certain circumstances (e.g., you have regular direct deposits made to your account or you maintain your minimum account balance)
- A penalty fee if you misuse your account (e.g., when you *overdraw* your account by withdrawing or spending more money than the amount in your account).

Many financial institutions offer options in the event you overdraw your account.

- Be sure to look carefully at the fees associated with fee-based overdraft programs, as the fees can be very costly.
  - Your bank may offer lower cost options to cover overdrafts, such as linking your savings account to your checking account to cover overdrafts.
  - Remember that with most fee-based overdraft programs, unlike an overdraft line of credit, there is no guarantee that your bank will cover your checks, ATM withdrawals, and debit card or other electronic transactions that overdraw your account.

We spend more time talking about how to avoid overdrawing your account in the *Check it Out* module.

Now take \$4 out of your envelope and give the money to the banker. This represents a monthly maintenance fee being charged to your account. What is your balance now?

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

What questions do you have about how we got the answer?

## Instructor Notes

## Presentation

**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.



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Slide 16

Refer participants to Activity 1: Making Deposits and Withdrawals on page 11 of their Participant Guide. Options: Complete the activity as a class or have participants work in small groups or individually. Review and clarify the answers as needed.



Answer any questions. Then introduce the next topic. Note: Now may be a good time to take a short break if you have not done so already.

## Activity 1: Making Deposits and Withdrawals

The purpose of this exercise is to practice making deposits to and withdrawals from a bank account and keeping track of the balance. Read the scenario carefully. Complete the table and determine the new balance. Be prepared to explain your answers.

### Scenario

Carl opened a bank account and deposited \$500 in cash. The next day, he wrote a check for \$70 to pay his electric bill. At the end of the week, he received a paycheck for \$870 and deposited it into his account.

What is the balance in Carl's account after he made the payment (or withdrawal) and deposit?

### Answer:

Description	+/-	Balance
Opening Balance	+\$500	\$500
Payment/Withdrawal	-\$70	\$430
Deposit	+\$870	\$1,300

What questions do you have about making deposits and withdrawals?

Now we will talk about the type of accounts that are available.

## Instructor Notes

## Presentation

10 minutes

**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.**

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Slide 17

## Deposit and Non-Deposit Accounts

## Deposit Accounts

*Deposit accounts* are accounts in which you can add or deposit money. Checking and savings accounts are two examples of deposit products.

A *checking account* allows you to pay bills and buy goods with the money you have deposited.

- Therefore, when you write a check, use an ATM or debit card, or bank online, the financial institution takes the money from your account and pays it to the designated person or business.
- Online banking, including paying bills online, is addressed in greater detail in the *Check It Out* module.
- Some checking accounts may pay interest.

A *savings account*:

- Often earns interest
- Generally cannot be used like a checking account
- May allow you to use an ATM or debit card

When selecting or opening a deposit account, be sure to understand the fees, such as the monthly transaction fees.

- For example, you can often open a savings account with a few dollars, but you might pay a monthly fee if the balance is below a certain amount.
- A bank is required to provide a disclosure of all fees prior to opening an account. You can use this disclosure to comparison-shop between banks.

The bank will help you monitor your account by sending you a statement.

- The *bank statement* lists all of your deposits, withdrawals, fees charged to your account, ATM and debit transactions, checks written, and other messages to you.
- Bank statements are addressed in greater detail in the *Check It Out* module.

It is a good idea to compare the rules of the different accounts.

- Banks might require you to have a certain balance to open an account, earn interest, or avoid fees. This is usually called a *minimum balance*.

## Instructor Notes

## Presentation

Remember, when looking for an account, take the **Choosing a Bank and a Bank Account Checklist** with you. The questions can help you choose an account that is right for you.

## Bank versus Check-Cashing Services

Even though banks may charge monthly fees, it is much cheaper to use a deposit account at a bank than a check-cashing service.

- Do any of you use a check-cashing service?
- How many checks do you cash per month?
- How much are you charged per check?

[Calculate the monthly charge for this service (# of checks x charge per check).]



Select a volunteer to respond to the last two questions. Write the person's responses on chart paper and calculate the total monthly charges.

Check-Cashing Services	Bank
<b>Check-cashing fees:</b> $4 \times \$5 = \$20$ a month $\$20 \times 12 = \$240$ a year	<b>Monthly fee:</b> $\$5$ a month $\$5 \times 12 = \$60$
<b>Money order fees:</b> $5 \times \$1 = \$5$ a month $\$5 \times 12 = \$60$ a year	Box of checks: \$18 <b>Total: \$78</b>
<b>Total: \$300</b>	<b>Savings: \$222</b>

TDC Financial Education Curriculum

Slide 18

Click the space bar, right arrow, or mouse to display the bank fees and savings.

Additional Benefits of a Bank
<ul style="list-style-type: none"> <li>• Internet banking access 24 hours, 7 days a week</li> <li>• Good credentials for loan applications with responsible use</li> <li>• No worries about cash being lost or stolen</li> </ul>

TDC Financial Education Curriculum

Slide 19

One of the participants in an earlier class used a check-cashing store to cash her checks. She cashed four checks a month and was charged \$5 each time.

- That means she paid \$20 a month ( $4 \times \$5$ ) or \$240 a year ( $\$20 \times 12$  months) just to cash her checks.
- If she buys *money orders* (financial notes that allow the individual named to receive the sum of money on the note) that cost her \$1 each to pay five monthly bills ( $5 \times \$1$ ), she will pay \$60 per year.
- The yearly cost is now \$300 ( $\$240 + \$60$ ).

Another participant had an account at a bank that charged a monthly fee of \$5, which included 8 free checks per month and free use of the ATM.

- Ordering a box of 100 checks through the bank cost her about \$18.
- In this case, using a checking account for one year cost her \$78 ( $\$5 \times 12$  months =  $\$60 + \$18 = \$78$ ).
- Using a bank in this situation saves \$222 ( $\$300 - \$78$ ) a year!

Additional benefits worth mentioning when comparing banks to check-cashing services are:

- Financial institutions provide the convenience of Internet banking with access to your accounts and information 24 hours, 7 days a week.
- Using a bank account responsibly can help you establish a positive banking relationship, which may be helpful if you apply for a loan.
- You do not have to worry about cash being lost or stolen.
- You can easily save money for the future.

These are benefits you would not gain from a check-cashing service.



## Instructor Notes

## Presentation

Answer any questions.

**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

FDIC Financial Education Curriculum

Slide 20

Give each participant \$1. Click the space bar, right arrow, or mouse to display the new balance calculation



Answer any questions.

**Non-Deposit Accounts**

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

FDIC Financial Education Curriculum

Slide 21

Define non-deposit accounts.

What questions do you have about the difference between the costs of using a bank versus a check-cashing service?

### Interest

One of the advantages of having a deposit account is the interest you earn.

- Interest is a percentage of your balance that the bank pays you for keeping your money at that bank; that is, if the account pays interest.
- Most checking accounts do not pay interest.

I am going to give you \$1 to put in your account, or your envelope, which represents your account earning interest.

What is your new balance?

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

What questions do you have about how we got the answer? What questions do you have about deposit accounts? Now we will look at non-deposit accounts.

### Non-Deposit Accounts

Many banks also offer *non-deposit accounts* or products that are not insured by the FDIC.

- Stocks, bonds, and mutual funds are examples of non-deposit investment products.
- These carry some level of risk, meaning that you could lose some or all of the money that you invest in these products.

Bank personnel should provide a written explanation that these products are not insured by the FDIC and may lose value. It is important to understand these products and services before you buy them. You can find out more about non-deposit products through your bank.

## Instructor Notes

## Presentation

20 minutes



Slide 22

List common bank services.

## Additional Banking Services

## Common Banking Services

Banks provide additional services with some deposit accounts, and may charge a fee for these services. It is important to keep track of the fees charged, if any.

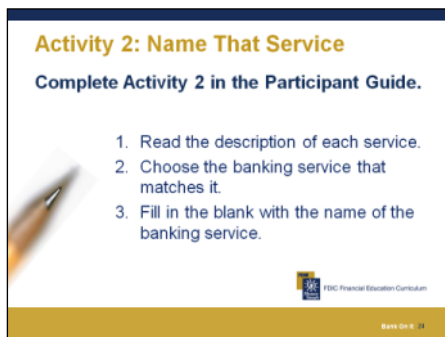
The following are common services that banks offer:

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

See if you can match the name of the service with the correct description.

## Activity 2: Name That Service

Read the description of each service. Choose the banking service that matches it, and fill in the blank with the name of the banking service. We will review the answers when you have finished.



Slide 23

Refer participants to Activity 2: Name That Service on page 13 of their Participant Guide. Options: Have participants work individually, in a group, or as a class. Review the answers.

1. A method of electronically transferring money from one bank to another.  
**Answer: Money transfer. A wire transfer is a form of money transfer from one bank to another. Most U.S. banks can send money to international banks.**
2. A specific type of money transfer that goes to a bank or a person in another country.  
**Answer: Remittance. Ask about the currency exchange rate and fees charged by the banks sending or receiving the remittance.**
3. A kiosk or terminal where you can deposit, withdraw, or transfer money from one account to another 24 hours a day.  
**Answer: ATM. A fee may be involved for some ATM services.**
4. You place a call to check your account balance.  
**Answer: Telephone banking. Telephone banking allows you to:**
  - Check account balances
  - Transfer money between accounts
  - Obtain account history, such as most recent deposits or

## Instructor Notes

## Presentation

**withdrawals**

- **Stop payment on a check**
- **Obtain information on branch hours or other information**
- **Report a lost, stolen, or damaged card**

5. This allows you to check your account balance on the computer. It may also include the ability to pay bills and transfer funds between accounts.  
**Answer: Online banking. You may be able to access your checking account from a computer. Most banks provide this service for free, while others charge a fee. When you open your checking account, ask your bank what online services it provides.**
6. This is used like a check to pay a bill.  
**Answer: Money order. A money order is similar to a check. It is used to pay bills or make purchases when cash is not accepted. Many businesses sell money orders for a fee. Shop around for the best price.**
7. One method your employer or a government agency might choose to issue your paycheck or benefits check.  
**Answer: Direct deposit. With direct deposit, your paycheck or benefit check is electronically transferred and directly deposited into your account. The amount of money is immediately available. Some banks will waive monthly fees if direct deposit is used.**
8. Money you borrow from a bank with a written promise to pay it back later.  
**Answer: Loan. Banks charge you fees and interest on loans. *Interest* is the money you pay to borrow money, and it is added to the total amount you must pay back. You can talk to the customer service representative for more information about loans offered at a bank.**
9. When you use this card to buy something from a store or another business, the money comes out of your bank account immediately.  
**Answer: Debit card. A debit card is a plastic card sometimes called a *check card*. The debit card usually has a MasterCard or Visa logo and a magnetic strip on the back. It is tied to your checking account and allows you to pay for goods and services at stores and other businesses that accept MasterCard or Visa credit cards, as well as other credit cards.**

## Instructor Notes

## Presentation

10. A card onto which you can load money to be used for future purchases.

**Answer: Stored value card. Stored value, or pre-paid, cards come in several varieties that enable you to pay for goods or services. Some cards may be purchased with a value of \$0 and you can add a desired amount. Others may be purchased with a set value (e.g., \$25 or \$50). Generally, you can reload money to, and increase the value of, the card so you can continue to make purchases.**



*Answer any questions. Then introduce the next topic.*

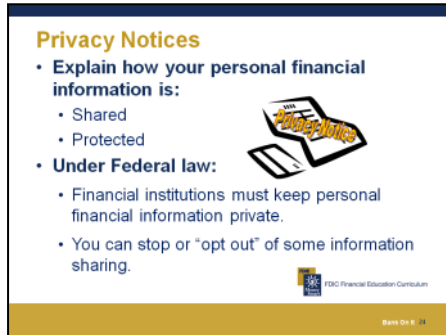
What questions do you have about additional banking services?

Now we will talk about how banks make sure your personal information is kept private.

## Instructor Notes

## Presentation

## 5 minutes



**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  
Bank On It 24

Slide 24



Refer participant to *Privacy Laws and Regulations* on page 14 of their *Participant Guide*.



**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  
Bank On It 25

Slide 25

Explain how to opt out of personal information sharing and receiving unsolicited promotions.

## Privacy Laws and Regulations

## Contents of Privacy Notices

You have probably received privacy notices in the mail from banks and other financial companies. *Privacy notices* explain how:

- The company collects, handles, and shares your personal financial information
- Your personal financial information is protected
- You might limit the company from sharing your information with others

You will receive an initial privacy notice when you open your account and every year thereafter.

- Federal law requires financial institutions to keep your personal financial information private.
- The general public does not have access to your personal financial information. However, financial institutions may share your information with other companies to offer you other products and services.
- Federal privacy laws give you the right to stop or opt out of some sharing of your personal financial information.

## Opting Out

If you prefer to limit the promotions you receive, or if you do not want marketers and others to have your personal financial information, you should:

1. Review the privacy notice from each financial company you do business with to determine whether the company shares information with others.
2. Tell the credit bureaus not to share your information with lenders and insurers who use the information to decide whether to send you unsolicited offers of credit or insurance.

Not all companies will share information. If your company shares information:

- Your privacy notice will contain instructions how to opt out.
- You have the right to stop or opt out of some sharing of your personal financial information with companies that are:
  - Part of the same corporate group as your financial company (or affiliates)
  - Not part of the same corporate group as your financial

## Instructor Notes

## Presentation

company (or non-affiliates)

If you opt out, you limit the extent to which the company can provide your personal financial information to non-affiliates.

If you do not opt out within a reasonable time period (e.g., 30 days after the company mails the notice), then the company can share certain personal financial information.

- If you did not opt out the first time you received a privacy notice from a financial company, contact your financial company and ask for instructions on how to opt out.
- Remember, however, that any personal financial information that was shared before you opted out cannot be retrieved.

In addition, you can opt out of receiving certain offers of credit or insurance by:

- Calling **1-888-5-OPTOUT (567-8688)**
- Visiting [www.optoutprescreen.com](http://www.optoutprescreen.com)



**Opting Out**

- You can't 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/mailling services for the company
  - Information about you in response to court orders
  - Your payment history to credit bureaus

FDIC Financial Education Curriculum

Slide 26

*Explain when companies can share your personal financial information.*



*Answer any questions. Then introduce the next topic.*

You cannot opt out and completely stop the flow of all your personal financial information. The law permits your financial companies to share certain information about you without giving you the right to opt out. Among other things, your financial company can provide to non-affiliates:

- Information about you to firms that help promote and market the company's own products or products offered under a joint agreement between two financial companies
- Records of your transactions—such as your loan payments and credit card or debit card purchases—to firms that provide data processing and mailing services for your company
- Information about you in response to a court order
- Your payment history on loans and credit cards to credit reporting agencies

What questions do you have about privacy laws and regulations before we move on to the next topic?

Now that you have learned about some of the additional services banks offer, we will talk about the people you will meet in a bank.

## Instructor Notes

## Presentation

## 10 minutes



Slide 27

Describe important bank employees.

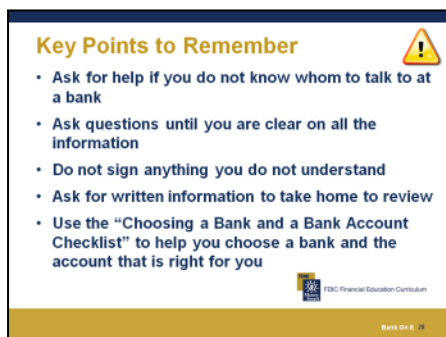
## Tour of a Bank

## Important Bank Employees

Financial institutions have various employees who can help you with different banking services. Understanding their roles helps you know who you should talk to when you go to the bank. The primary bank employees to be familiar with are:

- The customer service representative
  - Helps you open your account
  - Explains services
  - Answers general questions
  - Refers you to other employees who can help you
  - Provides written information explaining the bank products
- The teller
  - Deposits your money for you
  - Cashes your checks
  - Answers questions
  - Refers you to other employees who can help you
- The loan officer
  - Takes applications for loans offered at the bank
  - Answers questions
  - Provides written information explaining loan products
  - Helps you fill out a loan application
- The branch manager
  - Supervises all the branch operations
  - Helps fix problems that the other employees cannot solve

## Key Points to Remember



Slide 28

Answer any questions.

- 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.

What questions do you have about important bank employees?

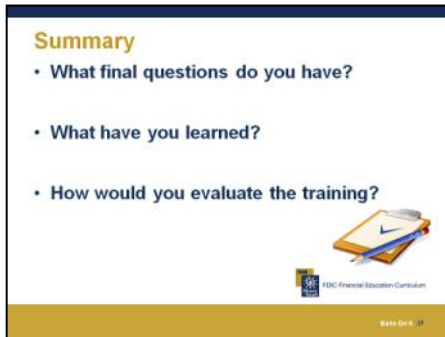
Let us review what we have learned today.



## Instructor Notes

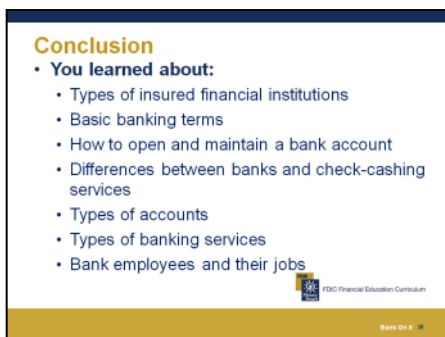
## Presentation

## 15 minutes



Slide 29

Answer any final questions. Have participants complete the *Post-Test* and/or *What Do You Know?* form along with the evaluation form.



Slide 30

Review what was covered in the module and ensure participants' expectations, questions, and concerns have all been covered.

## Wrap-Up

## Summary and Post-Test

We have covered a lot of information today about basic banking. What final questions do you have?

Now we will see what you have learned by completing [a short *Post-Test* on page 16 of your *Participant Guide* and/or the “*After the Training*” column of the *What Do You Know?* form that you completed earlier].

Who would like to share one thing they learned from this training?

To improve the training, we need your feedback. Please complete the evaluation form beginning on page 20 of your *Participant Guide*.

## Conclusion

Congratulations! You have completed the *Bank On It* module. You 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

You should now be familiar with banking services and able to begin building a positive relationship with a bank. This will help you establish a record of paying bills, save money, and obtain credit.

Great job on completing the *Bank On It* module! Thank you for participating.

# Paper Money

Copy, cut, and put the following into envelopes so that each participant has a total of \$100:

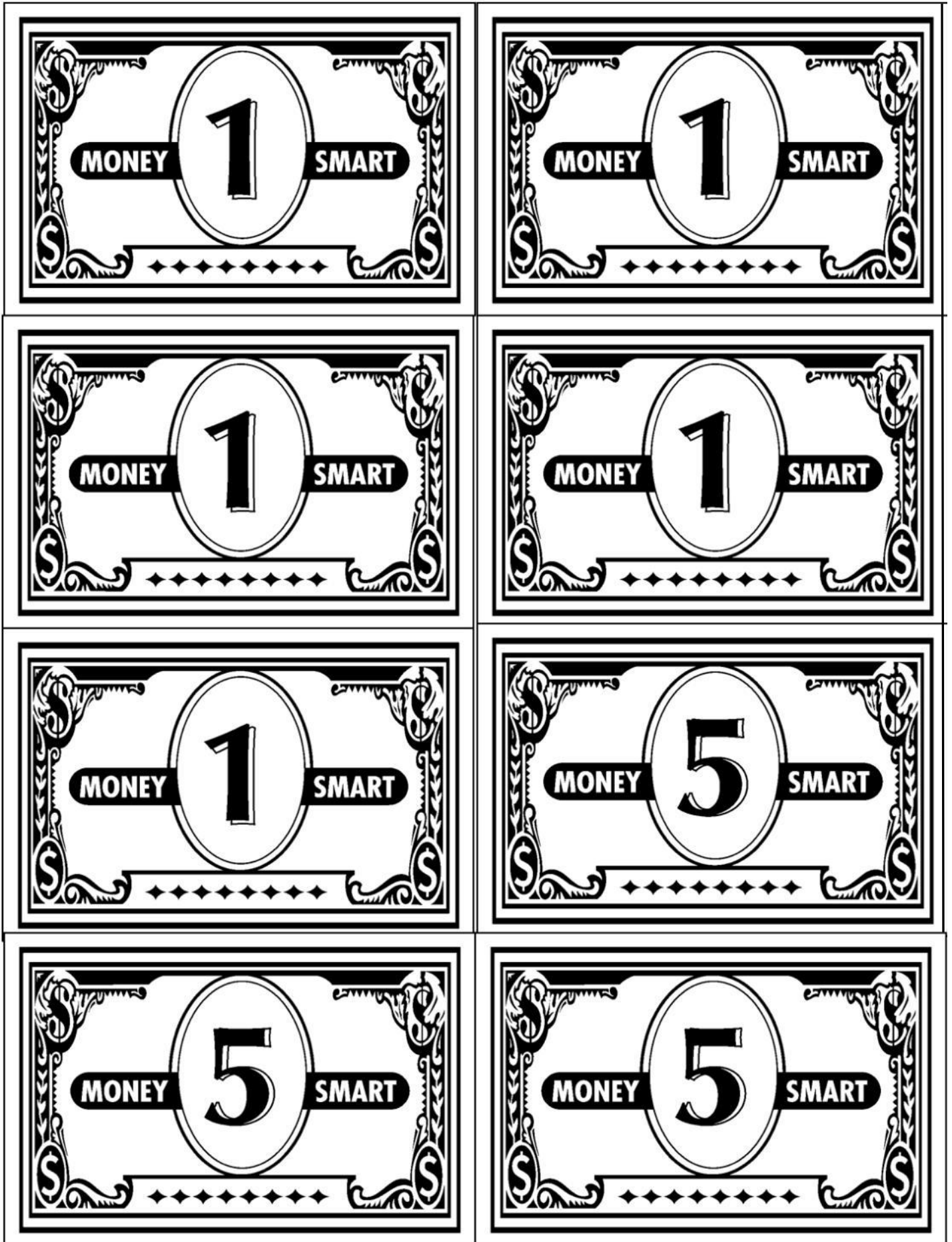
Two \$20s = \$40

Four \$10s = \$40

Three \$5s = \$15

Five \$1s = \$5





## Post-Test

Now that you have gone through the course, see what you have learned.

- The five advantages of using a financial institution are safety, convenience, cost, security, and financial future.
  - True**
  - False
- What type of account is typically insured by the FDIC?
  - Deposit**
  - Non-deposit
- Deposit accounts generally offer which of the following banking services?
  - Direct deposit
  - Telephone and online banking
  - ATM and debit cards
  - All of the above**
- Which type of financial institution requires you to be a member in order to keep your money there?
  - Banks and thrifts
  - Credit unions**
  - Money markets
  - Individual Retirement Accounts (IRAs)
- Which two of the following are deposit accounts?
  - Stocks
  - Checking**
  - Savings**
  - Mutual funds
- A *remittance* is a:
  - Card onto which you can load money to be used for future purchases
  - Money transfer that goes to a bank or a person in another country**
  - Document that is used like a check to pay a bill
  - Method of electronically transferring money from one bank to another
- A debit card:
  - Is used to make purchases at retail locations and ATM cash withdrawals.**
  - Has a “buy now, pay later” feature, like credit cards.
  - Is similar to a gift card from a retail store.
- A \_\_\_\_\_ is the best person to help you fill out a mortgage application.
  - Customer service representative
  - Teller
  - Loan officer**
  - Branch manager

# What Do You Know? – Bank On It

Instructor: \_\_\_\_\_ Date: \_\_\_\_\_

This form will allow you and the instructors to see what you know about banking services both before and after the training. Read each statement below. Please circle the number that shows how much you agree with each statement.

	Before the Training				After the Training			
	Strongly Disagree	Disagree	Agree	Strongly Agree	Strongly Disagree	Disagree	Agree	Strongly Agree
I can:								
1. Identify the major types of insured financial institutions	1	2	3	4	1	2	3	4
2. Identify five reasons to use a bank	1	2	3	4	1	2	3	4
3. Describe the steps involved in opening and maintaining a bank account	1	2	3	4	1	2	3	4
4. Describe two types of deposit accounts	1	2	3	4	1	2	3	4
5. Identify additional bank services that come with deposit accounts	1	2	3	4	1	2	3	4
6. Describe the main functions of the bank customer service representative, teller, loan officer, and branch manager	1	2	3	4	1	2	3	4



# Evaluation Form

This evaluation will enable you to assess your observations of the *Bank On It* module. Please indicate the degree to which you agree with each statement by circling the appropriate number.

<p>1. Overall, I felt the module was:</p> <p><input type="checkbox"/> Excellent</p> <p><input type="checkbox"/> Very Good</p> <p><input type="checkbox"/> Good</p> <p><input type="checkbox"/> Fair</p> <p><input type="checkbox"/> Poor</p>	<p style="text-align: center;"><b>Strongly Disagree</b></p> <p style="text-align: center;"><b>Disagree</b></p> <p style="text-align: center;"><b>Neutral</b></p> <p style="text-align: center;"><b>Agree</b></p> <p style="text-align: center;"><b>Strongly Agree</b></p>				
<p>2. I achieved the training objectives.</p> <p>3. The instructions were clear and easy to follow.</p> <p>4. The overheads were clear.</p> <p>5. The overheads enhanced my learning.</p> <p>6. The time allocation was correct for this module.</p> <p>7. The module included sufficient examples and exercises so that I will be able to apply these new skills.</p> <p>8. The instructor was knowledgeable and well-prepared.</p> <p>9. The worksheets are valuable.</p> <p>10. I will use the worksheets again.</p> <p>11. The participants had ample opportunity to exchange experiences and ideas.</p>	1	2	3	4	5
<p>12. My knowledge/skill level of the subject matter before taking the module.</p> <p>13. My knowledge/skill level of the subject matter upon completion of the module.</p>	<b>None</b>		<b>Advanced</b>		
<p>14. Name of Instructor:</p> <p>Instructor Rating:</p> <p>Please use the response scale and circle the appropriate number.</p>	<p><b>Response Scale:</b></p> <p><b>5 Excellent</b></p> <p><b>4 Very Good</b></p> <p><b>3 Good</b></p> <p><b>2 Fair</b></p> <p><b>1 Poor</b></p>				
<p>Objectives were clear &amp; attainable</p>	1	2	3	4	5
<p>Made the subject understandable</p>	1	2	3	4	5
<p>Encouraged questions</p>	1	2	3	4	5
<p>Had technical knowledge</p>	1	2	3	4	5

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What was the most useful part of the training?

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What was the least useful part of the training and how could it be improved?

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## Glossary

**Automated Teller Machine (ATM):** A kiosk or terminal where you can deposit, withdraw, or transfer money from one account to another 24 hours a day.

**Balance:** The amount of money you have in your bank account.

**Bank:** A business that offers you a safe place to keep your money and uses your deposits to make loans. This business is also called a financial institution.

**Bank Statement:** A monthly record of the deposits and withdrawals made.

**Checking Account:** An account that lets you write checks to pay bills or to buy goods.

**Credit Union:** A non-profit financial institution owned by people who have something in common. You have to become a member of the credit union to keep your money there.

**Deposit:** Money you add to your account.

**Deposit Account:** A bank account that allows you to add money to the account.

**Deposit Slip:** A piece of paper that tells the bank how much money you are adding to your account.

**Direct Deposit:** One method your employer or a government agency might choose to give you your paycheck or benefits check.

**Interest:** A percentage of your balance that the bank pays you for keeping your money at that bank. Not all accounts pay interest.

**Loan:** Money you borrow from a bank with a written promise to pay it back later.

**Minimum Balance:** A certain balance that banks might require you to have to open an account, earn interest, or avoid fees.

**Money Order:** It is similar to a check. It is used to pay bills or make purchases when cash is not accepted.

**Privacy Notice:** A written explanation of how the company handles and shares your personal financial information.

**Remittance:** A money transfer that goes to a bank or a person in another country.

**Savings Account:** An account that earns interest.

**Thrift:** A financial institution that operates under federal and state laws and regulations. Thrifts make loans, pay checks, accept deposits, and provide other financial services.

**Withdrawal:** Taking money out of your bank account.

**Wire Transfer:** A form of money transfer from one bank to another.

## For Further Information

### Federal Deposit Insurance Corporation (FDIC)

[www.fdic.gov/consumer](http://www.fdic.gov/consumer)

Division of Supervision & Consumer Protection

2345 Grand Boulevard, Suite 1200

Kansas City, Missouri 64108

1-877-ASK-FDIC (275-3342)

Email: [consumeralerts@fdic.gov](mailto:consumeralerts@fdic.gov)

Visit the FDIC's website for additional information and resources on consumer issues. For example, every issue of the quarterly *FDIC Consumer News* provides practical hints and guidance on how to become a smarter, safer user of financial services. Also, the FDIC's Consumer Response Center is responsible for:

- Investigating all types of consumer complaints about FDIC-supervised institutions
- Responding to consumer inquiries about consumer laws and regulations and banking practices

### U.S. Financial Literacy and Education Commission

[www.mymoney.gov](http://www.mymoney.gov)

1-888-My-Money (696-6639)

MyMoney.gov is the U.S. Government's website dedicated to teaching all Americans about financial education.

Whether you are planning to buy a home, balance your checkbook, or invest in your 401k, the resources on MyMoney.gov can help you. Throughout the site, you will find important information from federal agencies.

### Federal Trade Commission

[www.ftc.gov/privacy](http://www.ftc.gov/privacy)

1-877-FTC-HELP (382-4357)

The Federal Trade Commission (FTC) website offers practical information on a variety of consumer topics, including privacy, credit, and identity theft. The FTC also provides guidance and information on how to select a credit counselor.