

## Warm-Up

## Banking: How to Manage Your Money

?

Lesson  
Question

## Lesson Goals

Learn about banking and money management.

Compare and contrast  
different kinds of banking

Understand the

of checking and savings  
accounts.

Apply strategies to

your  
money in a bank account.

W  
2K

## Words to Know

Fill in this table as you work through the lesson. You may also use the glossary to help you.

|                  |  |
|------------------|--|
| record           | to <input type="text"/> or track a change  |
| checking account | an account that enables its holder to easily transfer <input type="text"/> to others |
| credit union     | a business that performs <input type="text"/> services but is owned by its members   |
| retail bank      | a bank that provides services to individuals and <input type="text"/>                |
| savings account  | an <input type="text"/> account in which money is placed for extended periods        |

## Warm-Up

## Banking: How to Manage Your Money

**Keeping Your Money Safe**

Imagine this situation.

- You just started your first job.
- After a week of waiting, you just got paid.
- You now hold your first paycheck.

are you going to keep your money?

**How Banks Work**

Banks can help you manage your money in many ways.

- Keeping your money
- you money to buy a home or car
- Paying you  for the use of your money

## Instruction

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**Retail Banks**

A **retail bank** provides services to  and small .

- Nationwide banks have branches in various cities and towns.
- Community banks serve only customers in a  area.

**Credit Unions**

A **credit union** provides services similar to those of a retail bank.

- They are owned by their .
- They are .

**Other Types of Banks**

A  bank specializes in providing banking services to large businesses.

- Smaller commercial banks also engage in retail banking.
- Larger commercial banks sometimes specialize in investments.

A  association (S&L) specializes in helping homeowners.

- These banks provide loans for buying and building homes.

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**Checking Accounts**

**Checking accounts** allow an account holder to do three important things.

- money to others by the use of checks or electronic payments
- Access money directly by use of a
- Make  to and withdrawals from the account

**Savings Accounts**

**Savings accounts** have different features from checking accounts.

- Allow deposits and withdrawals within
- Limit access to funds by check
- Help users earn  on money kept in the account

|                      |        |
|----------------------|--------|
| Initial deposit      | \$1000 |
| Annual interest rate | 1%     |
| Year-end balance     | \$1010 |

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## Other Ways to Save Money

(CD)

- Holds money for a set amount of time
- Earns a higher rate of interest than savings accounts

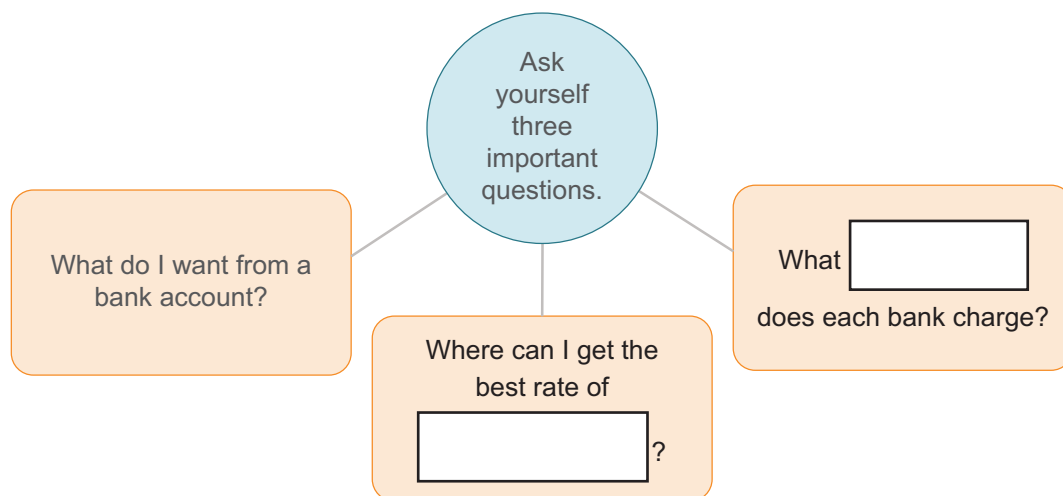
account

- Requires a high minimum balance
- Earns a higher rate of interest than savings accounts

- Is purchased from the government, then sold back later for a higher amount

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## Opening a Bank Account: What to Ask



## Instruction

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**Meeting Requirements to Open an Account**

To open an account, you must provide three things:

- 
- Proof of your address
- to start the account

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**How to Use a Bank Statement**

A bank statement contains the recent  of an account.

- Alerts account holders to problems
- Provides  through the mail or online
- Lists , withdrawals, deposits, and

**Overdrafts**

An overdraft occurs when  money is withdrawn from an account than that account .

After an overdraft:

- you must  overdrafted funds.
- you are responsible for bank .

## Instruction

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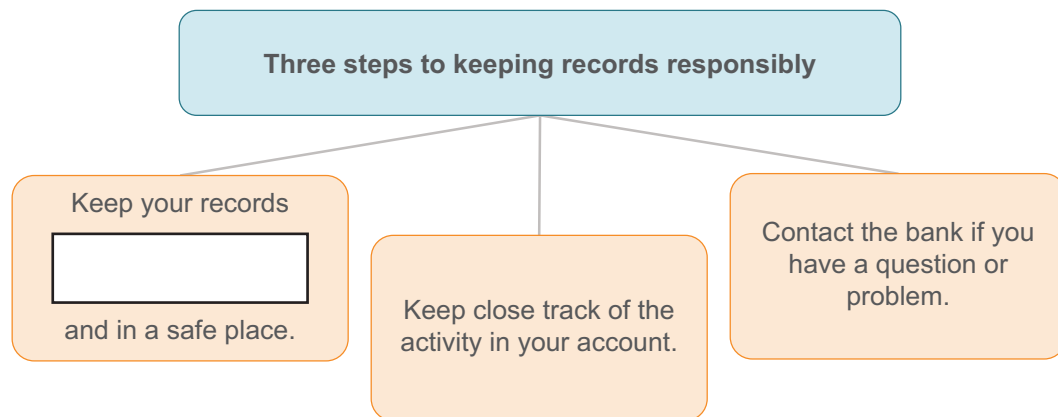
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**Maintaining Records**

Keeping your own documentation is important for three reasons:

- You can **record** the  you write and the  you make.
- You will know your account .
- You can compare your records with those of your bank.

**Keeping Records**

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**Solving Problems**

There may be times when your bank statement does not match your records.

This mismatch can happen because of:

- a bank error.
- your own .
- a merchant .
- account .
- checks.

**Fixing an Error**

If you find an error, check your .

Contact your  if the error is not your mistake.

- Calling
- Website
- Customer support
- In person



# Summary

## Banking: How to Manage Your Money



### Lesson Question

How can banks help you to manage your money?



### Answer

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### Review: Choosing a Bank and an Account

You have many options to store your money.

- and  can offer you accounts.
- accounts and  accounts can help you manage funds.

# Summary

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### Review: Opening and Managing an Account

To open an account, you need to:

- ask questions.
- choose the right type of account.
- provide basic
- fill out paperwork.

To manage an account, you need to:

- record your
- avoid overdrafts.
- carefully read your
- contact the bank with any concerns.

*Use this space to write any questions or thoughts about this lesson.*